

PLACE: Dobbs Building, Raleigh, North Carolina

DATE: Wednesday, September 19, 2018

TIME: 1:35 p.m. - 3:25 p.m.

DOCKET NO.: W-218, Sub 497

ORIGINAL

BEFORE: Commissioner ToNola D. Brown-Bland, Presiding

Chairman Edward S. Finley, Jr.

Commissioner Jerry C. Dockham

Commissioner James G. Patterson

Commissioner Lyons Gray

Commissioner Daniel G. Clodfelter

Commissioner Charlotte A. Mitchell

IN THE MATTER OF:

Application by Aqua North Carolina, Inc.,
202 MacKenan Court, Cary, North Carolina 27511,
for Authority to Adjust and Increase Rates
for Water and Sewer Utility Service in
All Service Areas in North Carolina.

VOLUME: 11



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

COMMISSIONER BROWN-BLAND: Let's come back on the record. So, Mr. Grantmyre, I think we are starting with your redirect.

MR. GRANTMYRE: Yes, redirect.

CHARLES JUNIS,
having been previously duly sworn, was examined and testified as follows:

REDIRECT EXAMINATION BY MR. GRANTMYRE:

Q. Mr. Junis, you were cross examined a number of times, or some, on your analysis that it only takes 15 minutes to take out a meter and replace it, and also that, in your calculations --

CHAIRMAN FINLEY: You need a mic, Mr. Grantmyre.

MR. GRANTMYRE: You got that right. I'm sorry.

COMMISSIONER BROWN-BLAND: I was getting ready to tell you.

BY MR. GRANTMYRE:

Q. Now, when they filed their motion to suppress the evidence or strike the testimony, did we go out and get an alternative method that we could demonstrate the time it would take in how a meter is replaced?

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1 A. Yes, sir.

2 Q. And is that the model that has been
3 constructed?

4 A. Yes, sir.

5 Q. And would you explain to the Commission what
6 the model is, exactly?

7 MR. ALLEN: Madam Chair, may I object at this
8 time? We don't believe that this is really redirect
9 examination. Secondly, the law is quite clear, in
10 North Carolina, under State v. Witherspoon, which was a
11 2009 case, regarding experiments. And it says, "An
12 experiment is a test made to test a known truth to
13 examine the validity of the hypothesis to determine if
14 the efficacy of something is true that was previously
15 untried."

16 Now, what they are trying to do now is to
17 conduct an experiment to show the hypothesis that they
18 have previously made is true. But in order to do that,
19 you have to show that the experiment is competent and
20 admissible, and it is only admissible if it is carried
21 out under substantially similar circumstances to those
22 which surround its original occurrence. This is not
23 even close to that.

24 So we would object to this kind of charade,

1 and it's -- you know, the Commission has a lot of
2 discretion as to evidence, but the courts say you can't
3 go roaming into unfenced fields, and we think that's
4 probably where we are at this point.

5 COMMISSIONER BROWN-BLAND: Is the time
6 that it takes to change out this meter at issue, or
7 is it something you will stipulate to?

8 MR. ALLEN: We are not gonna stipulate
9 that it's five minutes, no.

10 COMMISSIONER BROWN-BLAND: All right.

11 MR. GRANTMYRE: First of all, they
12 opened this door on cross, and we were getting a
13 pre-offer of proof based on their motion to strike,
14 and it will take him less time to change out the
15 meter than we have been discussing it now. And I'm
16 sorry the Company doesn't want the Commission to
17 see what it really takes to change out a meter, but
18 we are here, we have prepared this, and this is a
19 good demonstration of what it takes.

20 COMMISSIONER BROWN-BLAND: And it was
21 actually part of his response on cross, and that
22 was --

23 MR. ALLEN: But you still have to follow
24 the rules in North Carolina and what the law is.

1 COMMISSIONER BROWN-BLAND: That's fine.
2 I will let your objection stand for the record. To
3 the extent that it supports his testimony, I will
4 allow it.

5 MR. ALLEN: We would like to request
6 that we are going to have another experiment. We
7 have another meter here, and we would like for
8 Mr. Junis to swap out both of these meters. This
9 is one that came out of our facilities, and see how
10 long it takes him to swap out that meter, since we
11 are going to have demonstrations to add to the
12 Commission's education.

13 COMMISSIONER BROWN-BLAND: You could put
14 up a witness to switch out the meter as well. So I
15 don't know what -- let's hear what Public Staff has
16 to say.

17 MR. GRANTMYRE: First of all, this is
18 the meter we had constructed. And again, we are
19 spending more time talking about it than it's going
20 to take him to change it out.

21 COMMISSIONER BROWN-BLAND: Commission is
22 capable -- we are not before a jury, and the
23 Commission is capable of looking at this, and
24 taking it, and giving it the weight that it's due.

1 That includes no weight if it's due -- if that's
2 what's due. So rather than to continue to argue
3 about it, the objection will stand on the record.
4 If it needs to be ruled on at a later time, I will,
5 but for now, I am going to allow it so we could
6 capture it and complete the record.

7 MR. GRANTMYRE: I will also point out
8 that's a Ford meter box, and Aqua has very few of
9 those. It has a much smaller opening than a
10 regular meter box giving you less room to work.

11 MR. ALLEN: Well, the truth is, we do
12 have a lot of Ford meters, and you have to change
13 out whatever is out there, Mr. Grantmyre.

14 COMMISSIONER BROWN-BLAND: As is being
15 pointed out in my ear, both of you are testifying
16 right now. Neither of you are under oath. We'd
17 appreciate it if we would just move ahead.

18 MR. ALLEN: It's probably better off
19 that we're not, Madam Chair.

20 MR. GRANTMYRE:

21 Q. Mr. Junis, would you please proceed with
22 explaining what you have in front of you?

23 THE WITNESS: So, Madam Chair, I would
24 only point out, the only reason they knew to bring

1 that is because we were split up into multiple days
2 due to scheduling conflicts. So that's really not
3 fair to even bring that forward. But what we have
4 here --

5 MR. ALLEN: What's fair about us not
6 bringing a meter and them bringing a meter?

7 COMMISSIONER BROWN-BLAND: That's
8 enough. That's enough. No. No. The bad blood is
9 going out of this hearing room right now. And we
10 are keeping the record clean, and we are moving on
11 to save time. Go ahead.

12 THE WITNESS: Thank you, ma'am. So
13 meter box, and then we have a Neptune meter with a
14 resetter -- copper resetter. The reason we have
15 the other box is --

16 COMMISSIONER BROWN-BLAND: Keep the mic
17 up.

18 THE WITNESS: The reason I have the
19 other box underneath is to get it at the right
20 height representative of -- I would have to reach
21 into this box to change it out. This is a York
22 yoke. So modern yoke here. And what you would
23 have is a handwheel expansion connection. So you
24 would have it on one side of the meter. And so,

1 simply, you set this in, tighten this handwheel,
2 and then you are done with the installation of that
3 meter. I'm not using that.

4 For representative of this
5 demonstration, I am going to use the copper
6 resetter with two swivel nuts, so an extra step,
7 and so -- and I'm welcome to the validity of
8 this --

9 COMMISSIONER BROWN-BLAND: For the
10 record, are you saying you are adding an extra
11 step, or you are taking a step away?

12 THE WITNESS: I am saying, in
13 consideration, there is an extra step with this set
14 up versus this set up.

15 COMMISSIONER BROWN-BLAND: The record
16 can't tell what you are pointing to.

17 THE WITNESS: I'm sorry. The yoke is
18 one less step than the copper resetter that I'm
19 going to do. So I would put in the record that I
20 am going to begin this meter change out at 1:44.

21 So I do some of the laundry at home, so
22 I don't want to get dirty. So I'm rolling up my
23 sleeves, putting on a pair of gloves, and now I
24 have walked up to the residential meter. I would

1 verify that the meter is not spinning. I would
2 also knock on the door to make sure that they are
3 aware. This meter is not spinning, so I'm not
4 gonna interrupt somebody's shower, their load of
5 laundry. The meter number is 3 -- 37371583. The
6 meter reading is 0000010. Typically, you would
7 have a special tool to shut this off. I'm just
8 gonna muscle it up here, because I don't have that
9 tool, and I would be cheating if I used a wrench
10 that does not fit into this meter box.

11 So I have shut off service. I'm now
12 loosening the swivel nuts. You would have two new
13 gaskets that you would install. I'm limited in how
14 many I have, so I'm going to reuse these, but you
15 would want to replace these. So I am now placing
16 the meter with the gaskets and beginning to
17 hand-tighten the swivel nuts. After you
18 hand-tighten the swivel nuts, you want to give
19 about a quarter- to half-turn with the wrench to
20 really tighten that down, but you don't want to go
21 too far. Too loose, you could have a leak; too
22 tight, you could have a leak.

23 My new meter number is 45486501. My new
24 meter reading is 9999990. Confirm the meter's in.

1 Now turning service back on. Confirm that it at
2 least spun a little bit to represent that you are
3 filling that pipe again and that meter. And then
4 you would go and flush that person's line. So you
5 would go either to an outdoor spigot and run that
6 water, but I would submit that, materially switched
7 out the meter, and the time is 1:48:18. So by my
8 account, that was 4 minutes and 20 seconds.

9 And, as an added bonus, this is a cord
10 for an AMR or AMI meter. You can see this clip on
11 the side of this meter. That is where the antennae
12 for an ERT or E-R-T, electro -- electronic radio
13 transmitter, would clip on, and you would plug this
14 in, and then you have installed an ERT out of --
15 QA/QC, you would want to have your receiver
16 availability to confirm that that's communicating
17 with that device, and then you've installed an ERT.

18 COMMISSIONER BROWN-BLAND: QA/QC?

19 THE WITNESS: Quality assurance, quality
20 control.

21 COMMISSIONER BROWN-BLAND: Now you are
22 done?

23 THE WITNESS: I am done. I also, if the
24 Commission would allow, have a 2-minute-50-second

1 video from the City of Riverside showing a
2 professional doing a similar meter change out, and
3 I have the transcript.

4 COMMISSIONER BROWN-BLAND: Now, one
5 question is -- so you changed from a standard to an
6 automated?

7 THE WITNESS: Initially I did a
8 representation of a standard to a standard, and
9 then I called time, and then I showed what it would
10 take to clip on that ERT.

11 COMMISSIONER BROWN-BLAND: All right.
12 Standard to standard, and then the ERT. That's
13 what makes it automatic?

14 THE WITNESS: You are adding that piece,
15 and then on the Company end, you would have the
16 receiver necessary for that, but at the household,
17 that would be representative.

18 COMMISSIONER BROWN-BLAND: All right. I
19 want you to show the video now, and when the video
20 is complete, we are going to stop. I'm gonna stop
21 the redirect portion and let you ask him questions
22 about this -- what he's done here and demonstrated
23 to us.

24 THE WITNESS: Thank you, Madam Chair.

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COMMISSIONER BROWN-BLAND: For

illustrative purposes.

THE WITNESS: Is it okay if I leave the bench and help set up that video? Thank you.

COMMISSIONER BROWN-BLAND: Don't take four minutes to do it.

MR. GRANTMYRE: We would request that this be marked as Public Staff Junis Direct Exhibit 1, and we would represent to you, it's a transcript of what the person says on the video.

THE WITNESS: We are having technical difficulties with the one TV. That's not how it went in practice. We are ready to start that video.

BY MR. GRANTMYRE:

Q. Now, you have gotten permission from the town to use this video, correct?

A. Yes, that's correct. Their actual communications person is a graduate of NC State, and he was polite enough to supply this video with his permission.

(Video plays from 1:52 p.m. to 1:55 p.m.)

THE WITNESS: So I will submit that that

1 video was 2 minutes and 50 seconds.

2 COMMISSIONER BROWN-BLAND: And the
3 transcript that was passed out will be identified
4 as Public Staff Junis Redirect Exhibit 1.

5 (Public Staff Junis Redirect Exhibit 1
6 was marked for identification.)

7 COMMISSIONER BROWN-BLAND: Mr. Allen,
8 you could ask questions now.

9 MR. ALLEN: Thank you.

10 CONTINUED CROSS EXAMINATION BY MR. ALLEN:

11 Q. Mr. Junis, had you practiced switching out
12 that meter prior to doing it in the hearing room today?

13 A. I have done it less than how many fingers I
14 have on my hand.

15 Q. So you have done it maybe nine times?

16 A. No more than 10.

17 Q. No more than 10 times.

18 Did you see the movie Sully?

19 A. Are you talking about the pilot?

20 Q. Yes.

21 A. I did not see that movie.

22 COMMISSIONER BROWN-BLAND: Mr. Junis,
23 could you maybe sit this down on this table?

24 THE WITNESS: I'm sorry. I thought he

1 was going to have questions about it, so I was
2 leaving it up there.

3 COMMISSIONER BROWN-BLAND: He might, but
4 if you leave it on the table, you can --

5 BY MR. ALLEN:

6 Q. Did you see that movie?

7 A. I did not. I'm aware of the premise, though.

8 Q. You're aware of the premise that a plane was
9 going to crash into the East River, and the pilot had
10 to make a decision of whether he was going to go to
11 Newark Airport, an airport in New Jersey, LaGuardia, or
12 land in the river?

13 A. Yes, sir.

14 Q. And his decision that he made was to land in
15 the river?

16 A. Yes.

17 Q. And are you aware that the Federal Aeronautic
18 Administration did an experiment in a simulator with
19 pilots who practiced several times, and lo and behold,
20 they decided that he made a mistake, and that he
21 probably could have landed that plane in any of those
22 three airports?

23 A. Okay.

24 Q. Do you accept that?

1 A. I'll accept that. I don't remember those
2 details.

3 Q. And when they went back and looked at it,
4 they said, well, this pilot had a couple hundred
5 passengers on the plane, the jet engines were out
6 because of birds, he had no thrust. He had to take
7 care of his crew, he had to take care of himself, and
8 he had to take care of his passengers. And the result
9 was, the people who -- the regulators that were looking
10 at it said, trying to simulate something under real
11 circumstances and in a test tube environment where you
12 have practiced those simulated landings several times
13 is not a very good analysis.

14 Do you agree with that?

15 A. I would submit that the professionals that
16 would do this, and perhaps thousands of these, would
17 have more experience than I would, and also I don't
18 think they are gonna have the scrutinizing eyes of 20
19 people and 7 Commissioners when they do it either.

20 Q. Well, now, the professionals that are going
21 to be doing this, we are going to hire people at \$15.23
22 an hour?

23 A. Right. And that would be representative of
24 the professional with the level of skill and competency

1 to do this change out.

2 Q. And you think those people, at \$15.23 an
3 hour, are going to be well qualified and well trained
4 people to make these change outs?

5 A. To do what I just did, yes.

6 Q. Every meter that is changed is not the same,
7 is it?

8 A. That is correct, and part of my analysis.

9 Q. And sometimes the developer actually installs
10 the meter box --

11 A. Correct.

12 Q. -- doesn't it?

13 And some developers put meter boxes one
14 place, some developers put meter boxes in other places?

15 A. Yes. But, typically, they are near the
16 property line.

17 Q. But they are not necessarily in the same
18 place; sometimes you have to look for them?

19 A. If they are being read every month, the meter
20 reader should have a pretty good idea where those
21 meters are.

22 Q. Well, we are talking about people who are
23 installing, these people that we just hired at \$15.23
24 an hour, they might not have been by to see that meter,

1 have they; isn't that possible?

2 A. It's possible, but if you look at my
3 testimony, in the category of employees that were
4 identified, I believe a meter reader was in that group.

5 Q. But we are hiring new people to do this, I
6 thought.

7 A. That is certainly one way that could be done.

8 Q. And that's what -- when you and I talked
9 about this earlier, that's the way we kind of played
10 doing it, and you said maybe we could hire four new
11 people and do it all?

12 A. I said, one way to look at it is, assume five
13 years, very systematic approach of replacing those
14 60-plus-thousand meters, and over five years, it would
15 only take, you know, less than four people, but I was
16 willing to round up to a whole person.

17 Q. And we are going to have the turnover issue
18 that we talked about earlier?

19 A. Potentially.

20 Q. Potentially. Well, we certainly know that
21 Aqua always has some job vacancies, according to
22 Mr. Grantmyre; isn't that right?

23 A. Yes. With -- every organization, I think,
24 has some vacancies.

1 Q. Now, do you know if Aqua has any meters that
2 are located on the top of desks?

3 A. On the top -- no, I would assume they do not.

4 Q. And they can be located in pits? You call
5 them pits?

6 A. A pit meter is usually characteristic of a
7 larger meter, like a commercial customer. So those are
8 going to be few and far between. The meters that were
9 changed out as part of that Aqua North Carolina water
10 project, 99.99 of those meters were residential
11 3-quarter-5-eighths meters.

12 Q. And had a meter box with it?

13 A. I'm saying that they were residential size,
14 and would probably, typically, be in a meter box.

15 Q. But they're still in a hole?

16 A. Yeah. So I would have been bending down
17 instead of standing over the top of it.

18 Q. Do you know if any meter boxes are ever found
19 to be full of water?

20 A. That has happened on occasion.

21 Q. You didn't find any water in your meter box
22 today, did you?

23 A. No, sir.

24 Q. Sometimes they are overgrown with weeds?

1 Gosh. I hope that's not the meter.

2 A. Is it me or -- sorry. I guess I'm -- all
3 right. Can you repeat the question?

4 Q. Sometimes they could be overgrown with weeds,
5 or you have to move some weeds away from the meter box?

6 A. If you are reading it every month, you would
7 be opening that lid every month, but sometimes that
8 could happen.

9 Q. And some meters are filled with clay, are
10 they?

11 A. What do you mean by "filled with clay"?

12 Q. If a water meter is sitting on an uneven
13 piece of ground, and you're in a clay area, doesn't
14 water wash the clay down into the meter so that you
15 would have to clean clay out before you have to change
16 the meter out?

17 A. Certainly could happen on occasion.

18 Q. It could happen frequently. We have a lot of
19 clay out in Johnston County, don't we?

20 A. I have no reason to believe that it's
21 frequent.

22 Q. You have no reason to believe it's not
23 frequent either, do you? Have you done -- you haven't
24 done a sampling to see whether --

1 A. There was no representation in the invoices
2 or data request that would suggest that there was a lot
3 of clay in the meter boxes.

4 Q. Now, I notice, when you did your change out,
5 your resetter was lined up perfectly with both sides of
6 the meter, wasn't it?

7 A. Close, but it was very tight, so that --

8 Q. It was very tight, and very close, and easy
9 to put back together, right?

10 A. No. It would actually be easier if there was
11 a little more space, like in the video. That guy had
12 more room to get the gasket in. My gasket was nearly
13 pinched.

14 Q. But they went in alignment of each other?

15 A. Which would be representative of a resetter.

16 Q. But you're -- sometimes when you go in to
17 change a meter, the meter has shifted, and you find
18 that both sides of the meter are out of alignment and
19 the resetter will not work, don't you?

20 A. Well, in that case -- you are talking about
21 basically a straight pipe situation --

22 Q. Yeah.

23 A. -- and it's shifted kind of cockeyed or
24 crooked?

1 Q. That's right?

2 A. The meter is still gonna -- the existing
3 meter is connected. So if the existing meter is
4 connected, you would expect that you could then put a
5 meter in the same place.

6 Q. But when you put the meter in, you reset it
7 down so it's level?

8 A. Ideally you would do that, yes.

9 Q. Ideally you would do that, because that makes
10 it work better, doesn't it?

11 A. A level meter would be better.

12 Q. So when you get this meter, there was not any
13 angles involved with your resetter?

14 A. There was not. This is for illustrative
15 purposes.

16 Q. And when you are changing out a meter,
17 generally, was the meter you were changing out an old
18 meter or was it a new meter?

19 A. It was a Neptune meter. Based on its
20 condition, it appeared to be new, but typically --

21 Q. Has it ever been in service, to your
22 knowledge?

23 A. Not to my knowledge.

24 Q. Does the meter over here look more like one

1 that might have been in service at some point?

2 A. So, from my point of view, I can only see the
3 meter box.

4 Q. Can you walk over and look into it and see?

5 A. (Witness complies.)

6 It appears it's been in service, based on the
7 meter reading on it.

8 Q. Based on the meter reading.

9 Now, you said you would go up and knock on
10 the door and explain things to the customer and tell
11 them that they were cutting off the water, didn't you?

12 A. Yeah. You would want to do that, probably
13 have a handout to help them better understand and let
14 them know service would be interrupted for a period of
15 time.

16 Q. Where did you knock on the door to advise
17 your customer that you were changing their meter?

18 A. I did not, and I would expect that would take
19 a minimal amount of time.

20 Q. It depends on where the house is, and whether
21 the people in the house are in the back, hear the
22 doorbell; it could be affected by a whole lot of
23 factors?

24 A. And again, my estimation is 75 percent 15 --

1 or 15 minutes, and then -- or 25 percent 15 minutes and
2 75 -- gosh, sorry. 75 percent 15 minutes and
3 25 percent an hour. I'm just showing that it can be as
4 quick as five minutes, and I am not a professional or
5 done this repeatedly.

6 Q. As you said, it is an estimate?

7 A. It's illustrative.

8 Q. And it could take maybe five minutes, it
9 could take a whole lot longer, depending on the
10 circumstances?

11 A. Certainly. That's why I was using averages.

12 Q. When you got through doing your meter, did
13 you close out a work order and send it back to your
14 continuing property records people?

15 A. So I wrote down the meter number and reading
16 for both the old meter and the new meter, and then, in
17 my estimate, I assume that only six and a half of the
18 eight-hour workday is changing out meters. The other
19 hour and a half is drive time and administrative tasks,
20 like submitting paperwork.

21 Q. And that's time that these people are going
22 to have to spend to get that work done, aren't they?

23 A. Right. That's why I put it into my estimate.

24 Q. Did you take a picture of the serial number

1 on --

2 A. That actually would have been a quicker way
3 than me writing it down.

4 Q. Well, you actually do both, don't you, when
5 you change out a meter?

6 A. You very well could. You don't have to.

7 Q. Well, for audit and continuing property
8 record purposes, isn't that a good practice?

9 A. It could certainly be a good practice. It
10 would not have taken a significant amount of time.

11 Q. But you didn't do that practice today,
12 because it was just illustrative?

13 A. Correct. And I believe my display was 4
14 minutes and 20 seconds. I still had another
15 40 seconds.

16 Q. And I noticed, when you did your meter change
17 out today, you didn't call in sick this morning, did
18 you?

19 A. Clearly not. I'm here and have been here all
20 morning.

21 Q. And if you had been sick and not called in,
22 the meter might not have gotten changed out?

23 A. So in my calculation of four workers, I
24 actually give 10 days of vacation, 5 days of sick time,

1 and 5 days of personal days.

2 Q. Is that part of your allocations?

3 A. No. That's not part of the allocations.

4 That's where I came up with four employees on a
5 separate late-filed exhibit.

6 Q. Now, on the video, that video was just an
7 explanation of what the process was. It didn't show
8 every function that the gentleman doing the change out
9 was doing, did it?

10 A. It showed him walking up to the house, it
11 showed him changing out the meter, taking the readings,
12 closing it all up. So I would say that's pretty
13 representative of the change out.

14 Q. Now, they said they cut the water off for 20
15 to 30 minutes?

16 A. I think that's a safe thing to say to
17 customers. This is a video that was put on YouTube.
18 They expected their customers to potentially see this.

19 Q. They weren't lying when they said that, were
20 they? They said 20 to 30 minutes.

21 A. You want to give a safe assumption. It's
22 called under promise, over deliver.

23 Q. But could it take 30 minutes for the water to
24 be out?

1 A. As I have said in my estimate, I actually
2 assumed that 25 percent of these would take, on
3 average, an hour.

4 Q. Now, I notice, when you installed the little
5 ERT to the meter -- first, this is a standard meter,
6 isn't it?

7 A. Which meter?

8 Q. The meter you installed.

9 A. No. The meter --

10 Q. The first one.

11 A. The meter I took out was a standard meter.
12 The one I installed is an AMR- or AMI-capable meter.

13 Q. Right. But when you installed that meter,
14 you said, to show what a smart meter is, this is what
15 we have to do to put the --

16 A. Right. And I didn't have a physical ERT, but
17 for illustrative purposes, I explained the steps.

18 Q. And that takes, what, 10 second?

19 A. Does not take long, but the Company is
20 invoiced a separate line item for that in the Brookwood
21 project.

22 Q. If they were trying to decide if it was much
23 more time-consuming to install a standard meter or
24 install a smart meter, it wouldn't be a whole lot of

1 di fference?

2 A. There are other pieces to that puzzle besides
3 the residential meter. You have to make sure that the
4 network is functioning, that your receivers are
5 functional. So there is some additional aspects
6 besides the --

7 Q. Would the \$15.23-per-hour guy be doing that?

8 A. No. My assumption is a standard for a
9 standard, not a standard for an AMR or AMI.

10 Q. Right. But you showed it would take just a
11 few seconds to turn it into an AMR?

12 A. For those steps that I described, that's what
13 I showed.

14 MR. ALLEN: That's all. Thank you.

15 COMMISSIONER BROWN-BLAND: All right.

16 Mr. Grantmyre, if you have redirect regarding this
17 illustration that your witness did, would you lead
18 with that before moving on?

19 MR. GRANTMYRE: Okay. And then we could
20 take the meter down?

21 COMMISSIONER BROWN-BLAND: Yes, please.

22 MR. GRANTMYRE: Okay.

23 COMMISSIONER GRAY: If you put the
24 microphone next to your mouth, then we could do

1 that.

2 MR. GRANTMYRE: Is this okay? Can you
3 hear me?

4 COMMISSIONER GRAY: Better.

5 MR. GRANTMYRE: Good.

6 CONTINUED REDIRECT EXAMINATION BY MR. GRANTMYRE:

7 Q. The \$15.23 per hour, isn't -- is that the
8 weighted cost of four Aqua group employees, existing
9 employees, that's in your testimony?

10 A. So it's an average of the employees that we
11 identified in their description either change or
12 replace meters.

13 Q. And those would be the utility technician,
14 the utility technician laborer, the utility technician
15 1, and meter reader; and what the Public Staff did to
16 come up with the \$15.23 was the weighted average of
17 those four existing positions?

18 A. It's actually five positions: meter reader,
19 senior meter reader, utility technician laborer,
20 utility technician, and utility technician 1.

21 Q. Okay. But for senior meter reader, that was
22 just one purpose, correct?

23 A. That's correct. But they are paid more than
24 \$15.23, so it pushed the average up.

1 Q. That is the meter reader and the senior meter
2 reader?

3 A. The senior meter reader, yeah.

4 MR. GRANTMYRE: We ask that this be
5 identified as Public Staff Junis Redirect
6 Exhibit 2.

7 COMMISSIONER BROWN-BLAND: All right.
8 This document is captioned "Aqua Internal Labor
9 Meter Replacement Program" will be identified as
10 Public Staff Junis Redirect Exhibit 2.

11 (Public Staff Junis Redirect Exhibit 2
12 was marked for identification.)

13 BY MR. GRANTMYRE:

14 Q. Did you prepare this document?

15 A. Yes, I did.

16 Q. Would you please explain it to the
17 Commission, or explain and go through it?

18 A. Yes. So the idea was to, simple approach,
19 try to quantify how many employees it would take to do
20 an organized and efficient meter change out project or
21 program, and I believe that quoted terminology is from
22 Mr. Thompson's rebuttal.

23 So all of the Aqua NC water customers -- so
24 that also includes some commercial -- is 735,000 bills.

1 So divided by 12 months, that's 61,000 meters. If you
2 then decided to replace those 61,000 meters over five
3 years, you would have to replace just over
4 12,000 meters a year. And using my assumption that you
5 could -- one of these technicians could replace
6 14.89 meters per day -- that's taking into
7 consideration they are only working on meter change out
8 for six and a half hours of the eight-hour
9 workday -- it would take 824 working days. I then
10 said, okay, you have 260 weekdays, they are not gonna
11 work on 13 holidays, they are not gonna work on 10
12 vacation days, or 5 sick days, or 5 --

13 Q. These are Aqua's vacation, holidays, sick,
14 and personal?

15 A. It's my best understanding for their, kind
16 of, entry-level expectations for time off. So 227
17 workdays per person. So if you take the 824 working
18 days, divided by the 227, you would get to 3.6
19 employees, which I'm willing to round up to four full
20 employees.

21 Q. Thank you. We'll come back to meters, but
22 not this presentation. Starting with the end --

23 MR. GRANTMYRE: Can I move the meter
24 thing down?

1 BY MR. GRANTMYRE:

2 Q. You were questioned -- I'm gonna start at the
3 end of the cross.

4 MR. ALLEN: If I could just clarify,
5 this is redirect on what we did this morning,
6 right?

7 MR. GRANTMYRE: Yes.

8 MR. ALLEN: That's good. Thank you.

9 BY MR. GRANTMYRE:

10 Q. Towards the end, we were talking about, or
11 maybe at the very end, this meeting with Aqua I believe
12 on August 29th, and you were discussing Pittsboro and
13 the TTHM issues out there; is that correct?

14 A. Yes, sir.

15 Q. Isn't it true that that was at the end of the
16 meeting that that issue came up?

17 A. That's correct.

18 Q. And would you say it's fair to say that it
19 was discussed 20 or 30 minutes?

20 A. Ballpark. I wouldn't expect any longer than
21 that.

22 Q. Now, the issue of a GAC, granulated activated
23 carbon filter, that was just brought up and discussed
24 for a minute or so, wasn't it?

1 A. Yes. A GAC, granular activated carbon
2 filter, with the ballpark price of \$1 million.

3 Q. But it was just discussed a minute or so,
4 correct?

5 A. Yeah. That wasn't discussed very long.

6 Q. Now, the discussion really centered around
7 how they could get in compliance, and that it may be or
8 probably was that the water being delivered by
9 Pittsboro to them exceeded the TTHM limit; is that
10 correct?

11 A. I believe it was Aqua's own conclusion that
12 it was caused by Pittsboro, and actually, it stems
13 further back than that, to their intake from the river
14 that might be impacted by wastewater treatment plant --

15 Q. Upstream?

16 A. -- upstream.

17 Q. Now, the issue that was discussed at length
18 was that the Town of Pittsboro is supposed to be
19 testing for TTHMs at the furthest points away from
20 their water treatment plant; isn't that correct?

21 A. Basically, you want the oldest water to make
22 that test, because the older it is, the longer that
23 chlorine has time, and then you have the disinfection
24 byproduct.

1 Q. And the conversation was that their water
2 plant is on the Haw River; do you remember that?

3 A. Yes, sir.

4 Q. And Pittsboro is a distance from the Haw
5 River?

6 A. A little bit.

7 Q. Okay. And the question that was discussed,
8 and DENR was in the room, public water supply, were
9 they testing the appropriate places for TTHMs, and
10 should they instead be testing at the delivery point to
11 Aqua at Chapel Ridge; is that correct?

12 A. That's correct.

13 Q. And to summarize the discussion was that if,
14 in fact, they should be testing at that point, the
15 delivery point to Chapel Ridge, that may alleviate
16 Aqua's issues with TTHM?

17 A. It would certainly put the responsibility on
18 Pittsboro, and then Pittsboro would be required to
19 address that primary standard.

20 Q. Now, you agree then that it would not -- if
21 Aqua was able to get that done, the testing at the
22 entry point to their Chapel Ridge, that it would be not
23 necessary for them to spend a lot of money on treatment
24 such as a GAC filter?

1 A. That's correct.

2 Q. So that would be a huge savings?

3 A. Yes.

4 Q. And your statement that a GAC filter is too
5 expensive, in comparison to that solution of moving
6 Pittsboro's testing point, is really cost-saving to the
7 customers; isn't that correct?

8 A. Right. You are shifting the cost burden from
9 Aqua customers to Pittsboro customers, really.

10 Q. Now, with respect to the system on account
11 for water -- I will only discuss this a minute or ask
12 you questions -- a lost water analysis is fairly
13 simple, isn't it?

14 A. Yes.

15 Q. Basically, it's the water either pumped or
16 delivered to you through the meter, correct?

17 A. Yes. And then it's basically supplied water
18 versus what you then sell.

19 Q. So they have -- you have your meter readers
20 to tell -- meter readings to tell you what you're
21 selling, so you know that?

22 A. Yes, sir.

23 Q. And other factors could be, if you do some
24 flushing, that would go into the unaccounted or

1 non-revenue water, correct?

2 A. Or water losses, yes.

3 Q. And if you had leaks in your system, that
4 would also add to your non-revenue water?

5 A. Yes, sir.

6 Q. And if someone were to be stealing water, you
7 know, through the mains or however, that would affect
8 it too?

9 A. Yes, sir.

10 Q. Now, all of those factors are factored into
11 your 10 percent water loss; isn't that correct?

12 A. My 15 percent.

13 Q. I'm sorry, 15 percent.

14 A. Those would all potentially be covered by the
15 15 percent.

16 Q. Now, Aqua never did provide you the amount of
17 water they used in flushing on any of these systems,
18 did they?

19 A. No. We asked for what they had flushed the
20 last three years, and we asked for a reasonable
21 estimate of what they would flush ongoing or going
22 forward, and we got neither number.

23 Q. So without that flushing number, you could
24 not plug in how much was due to flushing?

1 A. Right. So I couldn't consider if my
2 15 percent covered enough to cover that and those other
3 factors, or would it be appropriate to include a little
4 bit more.

5 Q. Now, moving on to Johnston County capacity
6 fee, you were asked this morning about page 19 of a
7 Johnston County document, and I believe it said that,
8 for wholesale or wastewater, it would be based on the
9 infrastructure improvements that are negotiated, and
10 what is your definition of infrastructure improvements;
11 is that just wastewater treatment plant or all
12 infrastructure?

13 A. I think that would apply to the collection
14 system. That could be pump stations, force main
15 repairs, gravity main repairs, it could be upgrades at
16 the plant, it could be repair and replacements at the
17 plant.

18 Q. Now, the contract that you were given today,
19 it is Junis Cross Exam Exhibit 3, and do you have that
20 in front of you?

21 A. Yes, sir.

22 Q. Now, in paragraph 11, which is on page 10,
23 would you read that last sentence?

24 A. "The current Johnston County capacity fee is

1 \$5.50 per gallon per day, and the capacity fee paid by
2 the developer to Heater shall be adjusted in the future
3 based upon the County's changes in its capacity fee."

4 Q. Now, is there anything in that sentence or
5 anywhere in this contract that states capacity fees are
6 limited only to wastewater treatment plant or anywhere
7 that it says it does not include other infrastructures
8 such as transmission or pump stations?

9 A. Not to my knowledge.

10 Q. Now, you were also asked about Aqua Junis
11 Cross Examination Exhibit 5?

12 A. Yes, sir.

13 Q. And that is the letter dated July 11, 2018,
14 from Chandra Farmer, the director of utilities,
15 Johnston County, to Shannon Becker?

16 A. Yes, sir.

17 Q. And in that, the summary is total capacity
18 fee \$8.48 per gallon per day?

19 A. Yes, sir.

20 Q. And it includes the transmission costs
21 capacity, and the wastewater treatment plant capacity?

22 A. Yes, sir.

23 Q. Now, your testimony -- and you were asked
24 questions about this -- going back to Aqua Junis Cross

1 Exam Exhibit Number 4 -- do you have that in front of
2 you? That's the letter from Johnston County dated
3 August 17, 2009, from Timothy Broome.

4 A. Yes, sir.

5 Q. Now, you, in fact, have gone to Johnston
6 County, along with Lindsey Darton, to discuss this with
7 Johnston County, correct?

8 A. Yes. Tim Broome and Chandra Farmer were in
9 attendance at that meeting.

10 Q. And that was, give or take, somewhere around
11 June 30th, or do you remember the date?

12 A. That sounds about right. I don't recall the
13 exact date.

14 Q. Anyway, it was after you had met with Aqua at
15 least twice on this Johnston County issue?

16 A. Yes, sir.

17 Q. And in this letter, doesn't it say that the
18 price for capacity is really \$6.29 a gallon per day?

19 A. Assuming that Aqua would handle the flow
20 equalization, yes.

21 Q. So do you think it was reasonable, in your
22 opinion, that Aqua just ignored this and did not try to
23 get clarification from the County?

24 A. I do not believe it was reasonable for Aqua

1 to do that.

2 Q. And August of 2009, that would be nine years
3 ago?

4 A. Yes, sir.

5 Q. Now, you were asked a question, and you are
6 not a lawyer, although you and some of the other
7 engineers act like one, that the question of who owns
8 the capacity is really a Commission question.

9 But would you agree that that would really
10 possibly be a question for a superior court for
11 litigation under contract interpretation?

12 MR. ALLEN: Objection. That does call
13 for a legal conclusion.

14 MR. GRANTMYRE: I will withdraw it.
15 It's no big deal.

16 COMMISSIONER BROWN-BLAND: Thank you.

17 MR. ALLEN: Objection. That calls for a
18 legal conclusion.

19 COMMISSIONER BROWN-BLAND: And he's
20 withdrawn it.

21 Q. Now, you were asked about the current flows
22 for the plant; is that correct?

23 A. Yes, sir.

24 Q. Now, isn't it true that the flows into a

1 plant could change over time?

2 A. Most definitely.

3 Q. And as the system ages, is it more likely
4 that there be inflow and infiltration?

5 A. Yes.

6 Q. Could you please explain to the Commission
7 what inflow and infiltration is?

8 A. Yes, sir. And I believe probably many if not
9 all of the Commissioners already understand this
10 premise, but it's basically when it could be rainwater
11 that enters into either the collection mains or the
12 manholes. You will sometimes, during a big storm,
13 actually have manholes under water. So then all that
14 water potentially could go into the wastewater system,
15 and that's how you end up sometimes with these storm
16 events where the wastewater treatment plant all of a
17 sudden gets a big flow, and I believe Mr. Pierce refers
18 to some burping of the clarifiers. So -- and it can
19 work in the opposite direction, and wastewater can
20 escape the system also on some occasions, but typically
21 you are going to see, on storm events, a big inflow of
22 flow.

23 Q. And one reason, as the system ages, you are
24 more likely to have inflows around manholes and

1 customer services, particularly those that are not
2 being utilized?

3 A. Correct. So those customer services, the
4 joints can deteriorate; those lines can shift, and you
5 will get deflection, which then creates an opening; the
6 manholes can deteriorate, and so then you basically
7 have holes in your system.

8 Q. And you were asked about, you know, what Aqua
9 collected, and basically, it's your testimony that Aqua
10 collected from the developers based upon the design
11 flow not what the actual flows are into the plant?

12 A. That's correct. The appropriate design flow
13 at that time.

14 Q. And the design flow is higher than the actual
15 flow?

16 A. Yes, sir.

17 Q. Now, with regard to a flow reconciliation,
18 you were asked about that, but it was never pursued.

19 Has Aqua applied for a flow reconciliation?

20 A. So I kind of got into this. The flow
21 reconciliation isn't a formalized process, except for
22 that the engineering certifications, that's the
23 professional engineer that is in charge of that
24 project, is certifying that it was installed as it was

1 permitted, or plans and specs were approved by DEQ.

2 And so, at that time, construction is complete, and you
3 would expect that those connections would now shift
4 from a paper design flow to then you may have tributary
5 flow from those connections.

6 Q. But DENR has not yet acted on their flow
7 reconciliation; is that correct?

8 A. Their most recent submittal of engineering
9 certs are still being considered by DEQ.

10 Q. And you said they submitted 11 recently at
11 one time?

12 A. Ballpark. It was numerous, I think in the
13 neighborhood of 10 or 11. Some date back multiple
14 years, which is actually inappropriate. They are
15 supposed to be submitted upon completion.

16 COMMISSIONER BROWN-BLAND:

17 Mr. Grantmyre, I think everyone in this room does
18 know it, but occasionally you go back and forth
19 between DEQ and DENR, and DENR is the prior name or
20 acronym for DEQ, same department.

21 MR. GRANTMYRE: Used to be DENR and
22 DEQ -- let me say this. DEQ I use for wastewater.
23 Public water supply would be the drinking water.
24 And actually DENR -- DEQ really goes by DWR now,

1 whi ch is --

2 THE WITNESS: We would j ust submit that
3 he confuses these issues, and Department of
4 Environmental and Natural Resources formerly is now
5 DEQ, Department of Environmental Quality.

6 COMMI SSIONER BROWN-BLAND: That's right.
7 And I guess we won't get into DWQ.

8 THE WITNESS: Best that way.

9 MR. GRANTMYRE: DWR. It's DWR. Okay.

10 BY MR. GRANTMYRE:

11 Q. Now, you were asked about that the Public
12 Staff refused to meet with Aqua for the third time on
13 the Johnston County capacity purchase; is that correct?

14 A. That is correct.

15 Q. Now, you were at the April -- and, of course,
16 seems to be our fault, at least according to the
17 Company?

18 A. I was at the April and the May meeting.

19 Q. At the April meeting, didn't they present --
20 before they came in April, didn't we ask them to
21 present all the scenarios and the inputs?

22 A. Yes. I asked for a detailed alternatives
23 analysis via e-mail well before that meeting.

24 Q. And at the April meeting, they only brought

1 two; is that correct?

2 A. It's my understanding there was two
3 alternatives or two options.

4 Q. And one was to purchase capacity from
5 Johnston County at \$8.48 per gallon per day?

6 A. Not only just to buy capacity but to buy
7 500,000 gallons of capacity.

8 Q. And the other alternative was -- and
9 because -- and we were told at that that imminently,
10 without giving us a date, that Johnston County was
11 gonna increase the rate to something around \$18 a
12 gallon; is that correct?

13 A. That's correct. That the -- it was their
14 interpretation that Johnston County was going to
15 increase their capacity fee to the neighborhood of \$18
16 in July -- July 1st.

17 Q. Now, part of the analysis also showed, if
18 they build an extension onto the existing Neuse Colony
19 wastewater treatment plant, that would be also
20 somewhere in the range of \$18 a gallon; is that
21 correct?

22 A. I believe they assume \$20 a gallon for their
23 design.

24 Q. So the intent of the meeting, on behalf of

1 Aqua, was to have the Public Staff recommend one of the
2 alternatives -- one of the two alternatives they gave
3 us?

4 A. It's my understanding the Company kind of
5 wanted a preapproval or a signal from the Public Staff
6 that they buy 500,000 gallons of capacity at \$8.48
7 because, obviously, it would be better for customers to
8 buy all of that at this lower price than to buy
9 incrementally and potentially pay \$18 or to build a
10 plan at \$20 a gallon.

11 Q. Now, is that when you and the Public Staff,
12 or particularly you, began researching the contracts on
13 Johnston County capacity fee purchases?

14 A. So, in that April meeting, I raised a
15 question of how much CIAC they had collected, because
16 they were talking about sending over \$4 million to buy
17 that 500,000 of capacity. And that's when they said,
18 well, I think we have, you know, let's say ballpark
19 \$1 million. And I said, well, I thought this was a
20 system where the plant was contributed or offset by
21 CIAC. And so that was the first signal from the Public
22 Staff that we had concerns about what was going on
23 here. And so -- I might have lost track of what your
24 question is.

1 CHAIRMAN FINLEY: What is that date,
2 Mr. Junis? What is the date you got the signal?

3 THE WITNESS: That was the April
4 meeting.

5 MR. GRANTMYRE: April 2018.

6 THE WITNESS: So that was the first
7 meeting that Aqua had presented this situation.

8 BY MR. GRANTMYRE:

9 Q. And it was after that meeting that you went
10 back and read the contracts, all of them?

11 A. Yes. So I took the lead for the Public Staff
12 in investigating this issue. I took it, kind of, in my
13 personal workload to investigate this in more detail,
14 because I was the one that raised the question. And so
15 I reviewed all of those contracts, and then started
16 asking questions through ADR6, I believe it was ADR28
17 and ADR57 with accounting to get information about
18 this.

19 Q. And then there was a second meeting where you
20 did a PowerPoint presentation, correct?

21 A. That's correct. And that meeting, I believe,
22 was in May.

23 Q. And in that meeting you presented that they
24 were correcting -- collecting too little, as far as

1 CIAC, compared to the \$8.48; is that correct?

2 A. Right. There was a disparity between what
3 was being collected and what was being paid.

4 Q. What was projected to be paid, since they
5 hadn't purchased anything at that time?

6 A. Correct. I'm sorry. What was collected from
7 developers as CIAC and what the Company was proposing
8 to buy that capacity from the County from.

9 Q. And when you were examining the contracts,
10 you also read the section of the contract about the
11 Buffalo Creek pump station?

12 A. Yes, sir. So the contract language for that
13 piece of this puzzle was that Heater would invest
14 \$75,000 for this pump station and force main, and then
15 the rest would be split 50/50 between Heater and the
16 developer River Dell at this time, but Heater could
17 recover their 50 percent from the first 2,000
18 connections onto that system. So functionally, a
19 majority, besides \$75,000, would be recovered in CIAC
20 and would not be an investment by the utility.

21 Q. And the contract that is Aqua Junis Cross
22 Exam Exhibit Number 3 for bulk wastewater service
23 agreement dated May 14, 2002, that would be paragraph
24 number 2 on page 8; is that correct?

1 A. (Witness peruses document.)

2 Yes, sir. And I think I have accurately
3 portrayed that situation.

4 Q. And what was Aqua's response about not
5 collecting any of that money?

6 A. The Company sent a letter to Ms. Flowers, who
7 is the primary developer of the Flowers Plantation
8 development, and said that they would begin charging
9 that fee, which was approximately \$220, but they had
10 missed out on that opportunity for a number of
11 connections in the past, approximately, I think in my
12 testimony I say nearly 1,400 REUs.

13 Q. And it's your position and Public Staff's
14 position that, in that Aqua did not properly administer
15 their contract, that the customers should not bear the
16 loss of that CIAC --

17 MR. ALLEN: Objection to this question.

18 That point was not taken up on cross examination at
19 all, and this is not redirect. We intentionally
20 did not get into that.

21 MR. GRANTMYRE: Okay. I will withdraw
22 that. I will withdraw that.

23 BY MR. GRANTMYRE:

24 Q. Now, in the last -- you were in the last rate

1 case, the 363 case; were you not?

2 A. One of my primary responsibilities was water
3 quality in that case.

4 Q. And was the issue of CIAC or capacity fees at
5 Flowers Plantation or Neuse Colony ever raised as an
6 issue in that case?

7 A. It's my understanding that that was not a
8 contentious issue or an issue that got a lot of
9 attention. I don't recall it ever being mentioned.

10 Q. Now, with regard to the 319 case, which was
11 approximately 2012, I think, you were not involved in
12 that case; is that correct?

13 A. Correct. I had not joined the Public Staff
14 at that time.

15 Q. Now, you mentioned in your -- when you were
16 crossed that you had asked for the comparison of the
17 complaints they had on water quality during a
18 four-month period, or approximately four-month period,
19 in this case versus their prior case; is that correct?

20 A. That's correct.

21 Q. And you were attempting to see really had the
22 complaints decreased or not?

23 A. I was trying to evaluate Mr. Becker's
24 conclusions on number of written statements. And so to

1 look at, well, how many complaints was the Company
2 actually receiving, not necessarily how many people
3 were actually willing to write into the Public Staff.

4 Q. And was what their response?

5 A. They said they could not do that, and that
6 they had already provided part of that. And I will
7 admit, we had the data for 2016 through 2018, but we
8 did not have the data for the previous rate case.

9 Q. So therefore, you could not make a
10 comparison?

11 A. That's correct.

12 Q. Now, going back to these -- when you were
13 meeting in May with Aqua discussing Johnston County and
14 capacity fees, did they change their statement that it
15 was still \$8.48 per gallon to purchase the capacity?

16 A. In those two meetings, no. They had said
17 that the rate was \$8.48 in the April meeting, and that
18 that was their determination, not ours. They presented
19 that information.

20 Q. And actually, it was one of their PowerPoint
21 slides that had that number, and they used it a number
22 of times?

23 A. That's correct.

24 Q. And then when did you finally find out that

1 that was -- the information they were giving you was
2 incorrect, as far as the rate increasing?

3 A. So we not only met with Johnston County, we
4 then confirmed -- after that second meeting, we called
5 Johnston County to confirm our understanding, and so
6 that's when we had confirmation that the information,
7 or assumption, or interpretation that Aqua was making
8 was incorrect.

9 Q. And you actually went to Johnston County and
10 met with Tim Broome who used to be the utility director
11 there and who is the person who negotiated this
12 contract --

13 A. Yes.

14 Q. -- on behalf of the County?

15 A. Yes, sir.

16 Q. And that was at the end of June?

17 A. I believe so.

18 Q. And that's when you learned that the Johnston
19 County rate would not go up until some time in 2019; is
20 that correct?

21 A. Correct. The Johnston County staff had
22 indicated that the wastewater capacity fee would not
23 increase until they completed their next wastewater
24 treatment plant project. And so they anticipated that

1 would go out to bid in the next year and construction
2 might not be completed for a year plus. So that's when
3 we had confirmation. The urgency was not July 1, 2018,
4 but now that window is pushed back a year plus.

5 Q. Now, if you could remember, didn't we have a
6 third meeting with Aqua in early June before you went
7 to Johnston County, and still they were saying they had
8 to have purchased the capacity by June 1st?

9 A. That's correct. So they referenced a
10 development fee study done by the Wilden -- I think
11 it's Wilden Group. However, like I said, we did
12 confirm with the County after that that our
13 understanding was correct, that that rate was not going
14 to increase immediately.

15 Q. So at this time, the Public Staff has met
16 with Aqua three times and essentially been given
17 incorrect information by Aqua each time?

18 A. At that point, we had had three meetings, and
19 if I recall, up to this date, we have had numerous
20 meetings with them and communications through
21 discovery.

22 Q. And you sat in a number of lengthy Public
23 Staff meetings on this; isn't that correct?

24 A. Right. This ate up a lot of man hours during

1 the rate case, and this is only one issue, obviously,
2 of their full rate case.

3 Q. And in those internal staff meetings,
4 sometimes there were seven and eight people in the
5 room, and lasted several hours; isn't that correct?

6 A. That's correct.

7 Q. And when the Public Staff told Aqua they were
8 not gonna meet with them the fourth time, wasn't one of
9 the reasons the Public Staff said that, we had to get
10 working on the rate case? We have been delayed long
11 enough?

12 A. Correct. It had eaten up a lot of our time,
13 which was taking away from our rate case analysis.

14 Q. Now, moving on to AMR meters, your
15 testimony -- and you were questioned on the benefits to
16 customers, and in your analysis that you used for your
17 cost-benefit, you did not change any of their
18 operational costs, such as the cost to meet reading
19 meters, or the time they saved in money by driving
20 rather than walking, and the number of work orders, you
21 used their numbers exactly, correct?

22 A. That's correct. I did not change their
23 estimated meter reading and field operations/service
24 order savings of \$0.86.

1 Q. And what you did change was the labor cost
2 for installation and the cost of the actual meters
3 doing a comparison as if they put in standard meters
4 rather than putting in the AMR meters?

5 A. That's correct. So in supplemental
6 Exhibit 1 -- or Junis Supplemental Exhibit 1, I changed
7 only the installation price to the Company's estimate.
8 And then in Junis Supplemental Exhibit Number 3, I
9 changed both the meter cost and the installation cost
10 to the Public Staff's estimate.

11 Q. Now, you and I, and I believe another Public
12 Staff person, I'm not sure, did go to Brookwood in
13 Fayetteville to observe the AMR meters; is that
14 correct?

15 A. That's correct.

16 Q. And in that, we met with the people there,
17 and we also rode around in the truck observing the AMR
18 machine; is that correct?

19 A. That's correct. We participated in a meter
20 reading route.

21 Q. Could you describe to the Commission --
22 that's the first time I had ever seen it, and could you
23 describe what it -- what happens on the screen that the
24 meter reader has?

1 A. So it's kind of like Google Maps or Pac-Man.
2 You have a bunch of dots that are the meters that you
3 need to read. So you're gonna go through the
4 neighborhood and try to pick those up, and some you
5 might pick up that are a block over. So you may not
6 have to go down every street, but that dot stays there
7 if you don't get a reading. And so, on numerous
8 occasions, we stopped to try to, kind of, diagnose,
9 well, why are we not getting a reading on this.

10 Q. And you say diagnose, what did we do?

11 A. So the technician -- we all got out of the
12 vehicle. The technician would typically open the meter
13 box, make sure that it was connected. He may take down
14 a reading. So, functionally, he's performing a service
15 order or work order in that moment. So that's taking
16 away from this "time savings" of just cruising through
17 the neighborhood and picking up the readings.

18 Q. And do you remember how many meters that did
19 not -- and when a meter is read, it kind of disappears
20 like the Pac-Man, it disappears, correct?

21 A. Right. There is different settings. You
22 could have the color change on the dot, or you could be
23 like they are being gobbled up. And so if it's not
24 read, it would stay there. And there were -- I don't

1 remember an exact quantity, but I was surprised at how
2 many didn't get read.

3 Q. You mean how high the amount that were not
4 read was; is that what you're saying?

5 A. Yes. How many dots that remained.

6 Q. And these were installed somewhere around
7 2012, plus or minus?

8 A. Yes, sir.

9 Q. And we did this several years ago, wasn't it?

10 A. Yeah. It's been a couple of years,
11 definitely.

12 Q. And afterwards, we went back and chatted with
13 them at their office; is that correct?

14 A. Yes, sir.

15 Q. And when we asked them what did they do with
16 the information, isn't it true what they said was it
17 can't --

18 MR. ALLEN: Objection to what they said.

19 MR. GRANTMYRE: It's your people.

20 MR. ALLEN: I thought you were talking
21 about Johnston County.

22 MR. GRANTMYRE: No. We're talking about
23 Aqua Fayetteville.

24 MR. ALLEN: I'm sorry. My apologies.

1 BY MR. GRANTMYRE:

2 Q. Isn't it true what they said, it can do this,
3 it can do that, but they never said what they were
4 doing to follow up with it?

5 A. Right. There were a lot of potential
6 functionalities, but it didn't seem like a lot of those
7 had been realized, and that's what I am portraying in
8 my testimony in this case.

9 Q. And have you done any independent
10 investigation on AMR meters, other than Aqua, say with
11 Envirolink, as to what the billing errors are with AMR
12 meters versus standard meters?

13 A. Correct. As I mentioned before, we met with
14 Envirolink and Debra Massey.

15 Q. That was two years ago, two or three?

16 A. Give or take.

17 Q. It was before we met with Aqua, correct?

18 A. Yes. Well before.

19 Q. And they do AMR billing and reading, and they
20 also do standard meter reading and billing?

21 A. That's correct. They have a diversified
22 portfolio of meter reading.

23 Q. And what was their comments about the
24 efficiency and billing errors versus standard meters

1 and AMR meters?

2 MR. ALLEN: Objection to what Envirolink
3 said. That's clearly hearsay.

4 MR. GRANTMYRE: I still think the
5 Commission could weigh how valuable the hearsay is
6 or not.

7 MR. ALLEN: It's offered to prove the
8 truth of the matter, so it's a --

9 COMMISSIONER BROWN-BLAND: To the extent
10 it's offered to prove the truth, the objection is
11 sustained, but if Mr. Junis has personal knowledge
12 and it's just offered for what he knows, that's a
13 different matter.

14 BY MR. GRANTMYRE:

15 Q. Okay. You have not done any utility billing,
16 have you?

17 A. No, sir.

18 Q. So you don't have personal knowledge?

19 A. No, sir.

20 Q. Okay. We will move on then.

21 But we did -- when you and I were meeting
22 with Aqua, didn't we relate to them Aqua people what we
23 were -- without telling us what Envirolink said, what
24 Envirolink told us about the number of misreadings?

1 A. I believe that Aqua had concerns about, you
2 know, were they 60 watt, 100 watt. And they also
3 relayed, I believe, concerns about -- it's not a
4 perfect system, that there will be misreads -- or not
5 misreads, no-reads, because you either get it or you
6 don't with AMR or AMI. And so there were concerns
7 about how many no-reads that they would get.

8 Q. Now, you also raised a concern that customers
9 are not told they are getting an estimated bill; is
10 that correct, by Aqua?

11 A. So it should be designated that it's an
12 estimated bill, but my concern is, they don't indicate
13 the -- the indicator or flag information that the
14 Company gets. And so it may be a high consumption or a
15 leak indicator, and they are not sharing that
16 information. They are just saying, we estimated your
17 bill. Well, that is going to be based on, kind of,
18 average usage. It's systematic in their billing
19 system. So that customer is going to get, let's say, a
20 4,000-gallon bill. In the following month, they are
21 going to get a true-up bill. So if that last month was
22 due to high consumption, let's say their bill shot up
23 to 100,000 gallons, they are not gonna get that until
24 the following month when the Company says, "Look at

1 this information we have. We have 40 days of reads,
2 and do you remember maybe a toilet running or a leak on
3 this specific date?" Because they have the power, they
4 have the information.

5 Q. Now, also, going back to riding in the truck
6 with Pac-Man, and looking at the screen, and seeing
7 everything disappear. If he's looking at that screen
8 watching it disappear, who is looking at the road while
9 he's driving? He's moving at this time, isn't he?

10 A. He's doing both, or attempting to do both.

11 Q. Now, did that appear to be safe to you?

12 A. I believe I raised these concerns that there
13 are trade-offs, and we asked for the number of
14 accidents that occur with normal meter reading, and
15 that should also quantify the systems where they do
16 have AMRs, but like I said, they said they do not have
17 that information on the meter-reader level.

18 Q. Now, you were also asked about the meter
19 reader that's out there on foot, and he goes up to the
20 meter and opens the box, and you're aware that Aqua and
21 almost all companies that still read manually have
22 computerized systems that they enter the information,
23 correct?

24 A. Right. They are typically going to have a

1 handheld computer that they are going to key in that
2 reading.

3 Q. And based on your investigations, you know
4 there is codes available for these meter readers to
5 enter designating something unusual?

6 A. Correct. So those are those observations
7 that I talk about. Is the premises vacant? Is there
8 heavy irrigation? Or some of those other notes.

9 Q. It also, if the house is for sale, they could
10 push that button?

11 A. Right. And you could also identify the meter
12 spinning, but it appears to be for sale, why is there
13 water use right now, or if it's vacant.

14 Q. And it could also be that there is a leak?

15 A. So they could potentially shut the water off
16 at that very moment.

17 Q. Or talk to the homeowner if he's home; the
18 meter reader could walk up to the house and talk to him
19 or put a door hanger on the door immediately advising
20 him of a leak?

21 A. That's correct.

22 Q. Now, how long would this take for him to push
23 the button that says, you know, house for sale?

24 A. So seconds to key that in.

1 Q. And it would be based on his observations
2 standing there in the front of the house in the street,
3 or near the street at the water meter, and would not
4 take much time?

5 A. That's correct.

6 Q. Now, you are also aware that these
7 computerized meter reading entry devices will also kick
8 out a high read or a very low read and require the
9 operator to reenter it and confirm that it is correct?

10 A. That's correct. So it will kind of pop up
11 and want you to confirm that reading, because it is
12 unusual.

13 Q. So, in essence, rather than waiting for the
14 truck to get back to the office and then someone the
15 next day -- and these handheld computer devices, they
16 could be downloaded as soon as the person gets back to
17 the office, just as the AMR meters can?

18 A. Correct. So, functionally, both, basically a
19 docking station or through an Internet connection,
20 would download all that information onto their billing
21 system.

22 Q. Now, you were asked have you done a survey of
23 municipalities, what kind of meter reading devices; is
24 it normal for the Public Staff to be surveying all the

1 municipalities in Wake County or any other county as to
2 their meter reading?

3 A. No, but we did utilize the environmental
4 finances studies in their report to ask some valuable
5 questions from their interactions with the League of
6 municipalities and municipalities in general,
7 individually.

8 Q. Now, you were here -- you were asked about
9 technology; is the Public Staff against improved
10 technology; were you not?

11 A. I believe there was a question of that type.

12 Q. And did you attend, with attorney
13 Jo Anne Sanford, and a number of people from Carolina
14 Water, a meeting with Sensus Meter about two years ago?

15 A. That is correct.

16 Q. And that was at their headquarters at
17 Research Triangle Park?

18 A. Yes, sir.

19 Q. And at that meeting, were you told that AMR
20 meters were basically a flip phone?

21 MR. ALLEN: Objection to what he was
22 told in that meeting. You said Carolina Water not
23 Aqua.

24 COMMISSIONER BROWN-BLAND: Rephrase the

1 question.

2 BY MR. GRANTMYRE:

3 Q. Have you -- do you have any knowledge that
4 AMI is the latest technology and that AMRs have a very
5 restricted technology?

6 MR. ALLEN: We will stipulate that the
7 AMI is the more sophisticated technology.

8 MR. GRANTMYRE: We would like him to
9 answer the question.

10 MR. ALLEN: If you want to waste time,
11 that's all right.

12 THE WITNESS: So the AMR has less
13 functionalities. It's typically a one-way
14 communication. So that meter is sending its
15 readings to the receiver, and it's only going to do
16 that when you go by driving, while an AMI system,
17 you could communicate both ways. So you can ping
18 it and say, tell me your reading right now, or give
19 me the history for 40 days, or whatever the
20 capability of that specific meter is. So there is
21 a lot of more functionality with an AMI, and you
22 could put that power in the customer's hand, that
23 they could actually ping that meter and get a
24 current reading.

1 BY MR. GRANTMYRE:

2 Q. Now, have they demonstrated -- has Aqua
3 demonstrated to you that any of these functionalities
4 that they say they use with the AMR meter are actually
5 in place going to the customers?

6 A. As I laid out in my testimony, very few, if
7 any, of the functionalities are utilized in a fashion
8 that is beneficial to the customers.

9 Q. So -- and you were asked questions about
10 whether they would have to write this off if the
11 Commission ruled against Aqua on AMR meters, correct?

12 A. Yes, sir.

13 Q. And, you know, the Commission has the other
14 option, that they could remove it from this case and
15 defer the entire balance, the \$4 million or whatever it
16 is, without a return on rate base, and let Aqua bring
17 it up in a later case or such time that they prove that
18 the customers are actually going to benefit from this;
19 isn't that another option?

20 A. It's my understanding that that would be an
21 option. And obviously, from a Public Staff
22 perspective, we would want to see that there is an
23 appropriate cost-benefit analysis, and we are not
24 against this technology, and I'm not even against

1 necessarily an incremental cost, but there has to be
2 considerable nonquantifiable benefits to offset that
3 cost. And I think, as Mr. Allen alluded to, the
4 customers need that power and that information
5 available to them.

6 Q. Now, with regard to Aqua's statements that
7 they would have to hire four people, according to your
8 recommendation, isn't it true the Public Staff asked
9 Aqua to provide the number of newly approved positions
10 for the last two years at Aqua?

11 A. That's correct.

12 Q. And what was Aqua's response?

13 A. For the last two years?

14 Q. In response to our data request?

15 A. I don't recall.

16 Q. Okay. Now, the people that you use to -- the
17 five groups, the utility technician, the utility
18 technician laborer, the utility technician 1, the meter
19 reader, and the senior meter reader, those are somewhat
20 entry positions, aren't they?

21 A. They are lower-level positions; that's right.

22 Q. Now, if, in fact, they did hire four people
23 to do this meter replacement program, and at the end of
24 five years these persons were performing satisfactory,

1 do you know any reason why they couldn't be retained at
2 Aqua and moved up into the Aqua system as employees in
3 some role?

4 A. They potentially could be reutilized or
5 offset additional planned hirings if they are used in a
6 different role.

7 Q. And you would accept that, as Aqua grows and
8 acquires more systems, they would need more employees?

9 A. Correct. With growth or additional
10 complexities with the operations, they may need more
11 workforce.

12 Q. So when Aqua says that they would have to get
13 rid of these people and pay them severance, first of
14 all, do you know that Aqua has a severance program for
15 lower-paid employees?

16 A. I'm unaware of that.

17 Q. Now, you were asked at about \$0.06 per month
18 per -- but that is for all 60,000 employees, correct?

19 A. 60,000 customers. So that is one --

20 Q. Customers?

21 A. -- one filter at approximately 300 to
22 \$350,000 spread over all of Aqua's customers.

23 Q. And if Aqua does the 80 filters, which they
24 could do very well in time, that would be a lot more

1 than -- it would be \$0.60, times 80, times all the
2 customers?

3 A. I believe it would be 480.

4 Q. Now, you were asked a lot about Upchurch and
5 about why the Public Staff did not present this in
6 August 2015 to the Commission, correct?

7 A. Yes, sir.

8 Q. Could you please give the Commission a brief
9 description of what we found at Upchurch in 2015?

10 A. So in 2015, both of those wells, and
11 potentially the dirty well was actually operating more
12 than the better-quality well. And also through that
13 due diligence process, I attended and observed the
14 hydro tank cleaning, and I also observed at least one,
15 if not two, system flushings. Now, through this due
16 diligence process of going through lesser-cost options,
17 we -- the Company considered can they run a lead well
18 and a kind of a back-up well situation as described, I
19 believe, yesterday, and there were other operational
20 issues. So at one point, they actually
21 over-pressurized the hydro tank. And one customer
22 described it as, when he turned on the water in either
23 basement or lower level, the water shot across the room
24 past his head. And people were hearing noises in their

1 plumbing. So the system was over-pressurized and it
2 created aerations, so you get that milky water. So you
3 could actually have personal property damage due to
4 Aqua's operation of that system. So that's why -- or
5 part of the reason that process took so long to get to
6 the point where we would be willing to approve a
7 greensand filter.

8 Q. Now, you say there are two wells in that
9 system, correct?

10 A. That is correct.

11 Q. And there are approximately 65 houses?

12 A. Ballpark, yes.

13 Q. And it's all residential, correct?

14 A. Yes, sir.

15 Q. And the good well that -- the good well had
16 either at or below the secondary limits for both iron
17 and manganese; is that correct?

18 A. I believe that to be accurate.

19 Q. And the bad well, which was a much smaller
20 well, was much higher than that?

21 A. By smaller well, it was lower producing.

22 Q. And the Public Staff said, "Why are you
23 running both wells when the good well only runs -- can
24 serve the whole subdivision based on no more than three

1 hours a day, even in the summer?"

2 A. That's correct. So we did an in-depth
3 analysis of their pump status reports to see when wells
4 were operating and looked at capacity of the better
5 well, and could it feed that system with a low number
6 of hours, and three is really low. They will have
7 sometimes, in peak summer on the Bayleaf system, where
8 wells would operate 24/7. And typically the design
9 standard is you use 12 hours -- or assume 12 hours of
10 operation in a day. So three hours is very little to
11 supply all the water to a system.

12 Q. So using the good well which had at or below
13 the secondary limit, wasn't the Public Staff confused
14 about why they were having water quality issues with
15 such a good quality well after they turned off the bad
16 well?

17 A. Correct. And so the Public Staff was also
18 reviewing the available water quality data. And so, as
19 time progressed and there was more available
20 information, it was realized that the better quality
21 well, that water either deteriorated or past sampling
22 was not representative of the water quality, and that's
23 only been a recent development. And if -- I believe it
24 was the AG who had presented their NOD responses. That

1 NOD response for Upchurch, actually the Company
2 identifies that they shifted the operations to that
3 better well as part of their action plan to that NOD.

4 Q. But recently, the analyses show that the good
5 well, the water quality, the iron and manganese was
6 getting higher; is that correct?

7 A. That's correct.

8 Q. And I believe you said, in June or early July
9 of this year, the Public Staff advised Aqua that we
10 would recommend to the Commission approval of a
11 manganese greensand filter for both wells 1 and 4?

12 A. Yeah. I believe it was July 10th.

13 Q. Okay.

14 A. Yeah, July 10th.

15 Q. Now, up until this meeting on April 29th
16 between Aqua, Public Water Supply, and the Public
17 Staff, we had not gotten a clear answer from DENR or
18 Public Water Supply as to what is required when you
19 have two wells with a common entry point, whether or
20 not both wells had to run all the time, or just when
21 they were getting ready to collect a required sample?

22 A. Correct. So with the combined entry, it was
23 only recently definitively stated by DEQ that their
24 expectation for those systems is you sample when both

1 those wells are operating. So you have them both on at
2 the same time. So you have a mixing of that water, and
3 then that should be representative of your day-to-day
4 operations of that system. So if you have one bad well
5 and one not so good or kind of good, when they mix, you
6 may still have inadequate water quality. And so that
7 was only recently clarified by them. And so if you
8 were going to operate the Upchurch system with a lead
9 well and a back-up well, you would actually have to
10 separate those entry points into two separate entry
11 points. You would have to have two sets of treatment
12 and also double your testing requirement. And so that
13 played into a decision by the Public Staff to then move
14 forward with recommending approval of a greensand, as
15 opposed to the additional cost, both capital and
16 operational, to separate those two wells with the
17 question of the deteriorating quality of the better
18 well.

19 Q. Now, you were asked a question about Bayleaf,
20 whether or not it is in the Triassic Basin; is that
21 correct?

22 A. That's correct.

23 Q. And you said subject to check .

24 Now, are you -- do you know if it is in the

1 Triassic Basin?

2 A. I do not know that for a fact.

3 MR. GRANTMYRE: We would ask that this
4 be identified as Public Staff Junis Redirect
5 Exhibit Number whatever the next number is. I have
6 lost count.

7 COMMISSIONER BROWN-BLAND: I think we
8 are up to 3.

9 MR. GRANTMYRE: Okay.

10 COMMISSIONER BROWN-BLAND: All right.
11 Mr. Grantmyre passed out a several -page exhibit.
12 The front page has an e-mail from Mr. Junis to
13 Becky Daniel and several other people copied on it
14 dated June 15th on the front page. That's going to
15 be identified as Public Staff Junis Redirect
16 Exhibit 3.

17 (Public Staff Junis Redirect Exhibit 3
18 was marked for identification.)

19 BY MR. GRANTMYRE:

20 Q. Now, could you please read the first -- what
21 you say after it says Becky on -- this is an e-mail you
22 sent, correct?

23 A. That is correct.

24 Q. And could you please read what you wrote her?

1 A. Yes. "Thank you for your time and effort you
2 have put into these documents. Please find the
3 attached clean copies and tracked changes copies with
4 the Public Staff's suggested modifications. I
5 apologize for the delay."

6 Q. Now, the next several pages, would you
7 identify what those are?

8 A. So the next front and back is identified as
9 her oral testimony. So this is what she was planning
10 on saying at the Raleigh hearing. And then the next
11 document is the written testimony prepared by
12 Ms. Daniel. And what these documents are, they are the
13 track changes versions that I sent. And so you can
14 see, on the second page of the first document, the red
15 lines are my suggested changes. So I bolded a
16 sentence, I formatted an indent, and then I added two
17 lines, one that says "require Aqua to file bi monthly
18 water quality reports on the Bayleaf system," and
19 further down, "provide billing credits to customers
20 that must flush their customer's lines to eliminate
21 brown or black water." And I would submit that, on the
22 written testimony, which also has my track changes, but
23 on page -- I'm sorry the -- let's go through the
24 comments first. So the first comment, which is marked

1 CMJ-1, on biennial. Is everybody there? So I state
2 "or you can just substitute 'every other year'" in
3 quotes, "for biennial." Just a clarification, because
4 it can be confusing between biennial and biannual,
5 especially just in pronunciation of the words. And
6 then on the very next page I have a comment, "I assume
7 everyone was gone during the day and then returned home
8 at 6:30 to find discolored water, or was that when the
9 water turned brown," question mark. And so this was in
10 direct relation to what she was describing for clarity.

11 My intent here was not to change the content
12 of her testimony. It was for clarification and for
13 effective communication to the Commission. And further
14 down on that page it says summary of issues, and she
15 identifies concerns about the last two bullets,
16 "Approximately 15,800 gallons of water were wasted
17 while we waited for Aqua to repair a leak." On the
18 next line it says, "We had to flush from outdoor
19 spigots for approximately 200 minutes during the same
20 time period with no bill credits, also wasting water."
21 So that would be directly why I would say in her -- as
22 a suggested change to her oral testimony that she
23 request that the Company provide billing credits to
24 customers that must flush the customer's lines to

1 eliminate brown or black water.

2 And then on the very last page of the written
3 testimony she states, on the first bullet -- first
4 unfilled bullet, "Require Aqua to investigate and
5 report back to the Commission on the true root cause of
6 the issues on the Bayleaf system and receive Commission
7 approval on the steps that would be taken to preclude
8 these repeated issues again in the future. I believe
9 both the investigation and system remediation should be
10 executed within our current rate schedule" -- or
11 structure, I'm sorry.

12 And so that would directly tie to why I would
13 suggest, as a modification to her oral testimony, the
14 first bullet, "Require Aqua to file bimonthly water
15 quality reports on the Bayleaf system." That bimonthly
16 reporting was already required through the rate case
17 order in Sub 363. So that was making her aware that
18 this is already a requirement that the Commission has
19 utilized, and it would be appropriate to request that
20 in her testimony. And that is all of the track changes
21 addressed in her testimony that the Company brought
22 attention to.

23 Q. Now, sometime in June, early June, didn't the
24 Public Staff attend a meeting at the Coachman's Trail

1 property owner's association building?

2 A. That is correct.

3 Q. And we were invited by the group Becky Daniel
4 and Jack Robinson, and I believe representative
5 Joe John. I know his assistant attended, but they
6 invited us, we didn't invite ourselves, correct?

7 A. That is the second meeting we had attended at
8 the Coachman's Trail HOA clubhouse, and representative
9 Joe John, one of his sons was in attendance, and they
10 had requested our attendance, and that meeting was
11 attended by not only customers in the Coachman's Trail
12 subdivision, but other subdivisions nearby that were
13 also serviced water by the Bayleaf Master System.

14 Q. And you said it was the second meeting. This
15 same group or a similar group at Coachman's Trail with
16 Ms. Daniel and actually representative Joe John,
17 himself, attended, and Jack Robinson, they had also
18 asked us out there approximately September of 2017 or
19 October, and we had a previous meeting with them?

20 A. That's correct.

21 Q. And in that meeting they were interested in
22 possibly either filing a complaint, a formal complaint
23 against Aqua, or dealing with it in a future rate case;
24 isn't that correct?

1 A. That's correct. So they had requested the
2 information of what is the process and how did they
3 make their concerns heard. And so we laid out, "You
4 can -- definitely need to call the Company first. If
5 you haven't called the Company, you need to call the
6 Company, because that's how complaints are tracked."
7 And then we said, "If that's not productive, you could
8 call consumer services, and then it could be initiated
9 through that process."

10 Q. Consumer services at the Public Staff?

11 A. At the Public Staff, yes. So that would be
12 the next step of escalation. If that is not
13 satisfactory, you could file a formal complaint. So we
14 gave them the rules and regulations tied to that. And
15 we said also, if they file a rate case, that would be
16 an opportunity to voice your concerns.

17 Q. Now, with respect to -- Aqua requested in a
18 data request that we provide them all correspondence
19 with customers, correct?

20 A. That is correct.

21 Q. And this document that you -- we just
22 introduced as Junis -- Public Staff Junis Redirect
23 Exhibit Number 3, we provided that to Aqua, correct?

24 A. That is correct.

1 Q. And the changes you made are designated,
2 either those that you put in red, and we also told her
3 she might bold certain statements, correct?

4 A. That's correct. So that is also tracked in
5 the changes.

6 Q. But other than the words that you changed,
7 you know the ones you have added, like two sentences
8 which summarize what she was already asking for, this
9 is verbatim, other than bolding what she had written
10 before we had any input whatsoever?

11 MR. ALLEN: This has been asked and
12 answered. I think he actually read through and
13 told him what the changes were.

14 MR. GRANTMYRE: I'm summarizing.

15 MR. ALLEN: Well, I'm sorry, we --

16 COMMISSIONER BROWN-BLAND: Answer the
17 standing question, and then you could move on.

18 THE WITNESS: Yes. So it would be my
19 interpretation that I did not materially change the
20 content of this.

21 BY MR. GRANTMYRE:

22 Q. Now, you were asked this morning about the
23 Carolina Meadows contract; is that correct?

24 A. Yes, sir.

1 Q. And in that contract, it was represented that
2 it was executed in 2005 by Heater, and Bill Grantmyre
3 signed -- William Grantmyre signed the contract; is
4 that correct?

5 A. Yes, sir.

6 Q. Now, did you have an opportunity to review
7 that contract during lunch?

8 A. Yes, sir.

9 MR. ALLEN: Objection to that. I don't
10 think anything was said about Mr. Grantmyre signing
11 the Carolina Meadows contract.

12 MR. GRANTMYRE: Yes, it was.

13 MR. ALLEN: He signed the other
14 contract.

15 MR. GRANTMYRE: The Carolina Meadows
16 purchase contract.

17 MR. ALLEN: The record will say whether
18 or not you signed it or not.

19 MR. GRANTMYRE: Okay. We --

20 COMMISSIONER BROWN-BLAND: There were
21 lots of questions about what he signed and didn't
22 sign, so I will allow it. But before I do that, I
23 am dying for a break. I hope we are too. We are
24 going to take a break. We should be back -- try to

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be back at 3:40. It all depends on switching out
of our court reporter.

(The hearing was adjourned at 3:25 p.m.
and set to reconvene at 3:40 p.m. on
Wednesday, September 19, 2018.)

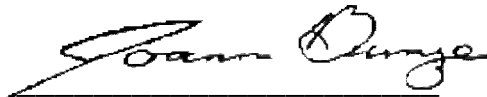
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CERTIFICATE OF REPORTER

STATE OF NORTH CAROLINA)
COUNTY OF WAKE)

I, Joann Bunze, RPR, the officer before whom the foregoing hearing was taken, do hereby certify that the witnesses whose testimony appears in the foregoing hearing were duly sworn; that the testimony of said witnesses was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to this; and further, that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

This the 23rd day of September, 2018.



JOANN BUNZE, RPR
Notary Public #200707300112