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PLACE: Via Videoconference  
DATE: Thursday, October 7, 2021  
DOCKET NO.: W-1300, Sub 60  
TIME: 6:30 p.m. to 8:52 p.m.  
BEFORE: Commissioner ToNola D. Brown-Bland, Presiding  
Commissioner Daniel G. Clodfelter  
Commissioner Jeffrey A. Hughes

IN THE MATTER OF:  
Application by  
Old North State Water Company, LLC,  
3212 6th Avenue South, Suite 200,  
Birmingham, Alabama 35222, for Authority to  
Adjust and Increase Rates for Water Utility Service  
in All Its Service Areas in North Carolina

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A P P E A R A N C E S:  
FOR OLD NORTH STATE WATER COMPANY, LLC:  
Karen Kemerait, Esq.  
David Drooz, Esq.  
Fox Rothschild LLP  
434 Fayetteville Street, Suite 2800  
Raleigh, North Carolina 27601

FOR THE USING AND CONSUMING PUBLIC:  
Munashe Magarira, Esq.  
Public Staff - North Carolina Utilities Commission  
4326 Mail Service Center  
Raleigh, North Carolina 27699-4300

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E X H I B I T S

IDENTIFIED/ADMITTED

No Exhibits of Record

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

COMMISSIONER BROWN-BLAND: Good evening.

Let us come to order and go on the record. I am Commissioner ToNola D. Brown-Bland with the North Carolina Utilities Commission, the Presiding Commissioner for this hearing. With me by remote means are Commissioners Daniel G. Clodfelter and Jeffrey A. Hughes.

I now call for hearing Docket Number W-1300, Sub 60, In The Matter of Application of Old North State Water Company, LLC, for Authority to Adjust and Increase Its Rates for Providing Water Utility Service in All Its Service Areas in North Carolina filed pursuant to North Carolina General Statute § 62-134 and Commission Rules R1-15 and R1-17(a).

On June 29th, 2021, Old North State Water Company, LLC, hereafter ONSWC, Applicant or Company, filed an Application requesting approval to adjust and increase rates for all its water utility systems.

On July 12th, 2021, the Public Staff, whose intervention and participation on behalf of the Using and Consuming Public is recognized pursuant to North Carolina General Statute § 62-15(d) and Commission Rule R1-19(e), filed a letter to ONSWC requesting

NORTH CAROLINA UTILITIES COMMISSION

1 additional information.

2 And on July 19th, 2021, ONSWC filed its  
3 response to Public Staff answering the letter and  
4 providing additional required information.

5 On July 26, 2021, the Commission issued an  
6 Order Establishing General Rate Case and Suspending  
7 Rates.

8 On September 21, 2021, the Commission issued  
9 an Order Establishing Discovery Guidelines, Scheduling  
10 Hearings and Requiring Customer Notice. The Order  
11 scheduled a public hearing to be held remotely in two  
12 sessions starting respectively at 1:30 p.m. and  
13 6:30 p.m., on Thursday, October 7th, 2021, using the  
14 Webex platform. The Order also required that those  
15 wishing to provide public testimony register with the  
16 Public Staff by October 1st, 2021.

17 The Order further set the hearing to receive  
18 testimony from expert witnesses to begin Thursday,  
19 December 2nd, 2021, at 10:00 a.m., in the Commission  
20 hearing room in the Dobbs Building at 430 North  
21 Salisbury Street, Raleigh, North Carolina.

22 On September 22nd, 2021, the Applicant filed  
23 a signed and notarized Certificate of Service of  
24 notice to customers verifying that all affected

1 customers had been served with the required notice as  
2 ordered by the Commission.

3 On October 5th, 2021, the Applicant and the  
4 Public Staff filed a joint motion to cancel the first  
5 session public hearing because the witnesses who  
6 registered to testify at the public hearing all  
7 indicated that they would testify at the 6:30 p.m.  
8 session.

9 On October 6th, 2021, the Commission issued  
10 an Order Granting the Motion and canceling the 1:30  
11 p.m., first session of the public hearing.

12 To briefly summarize the Company's  
13 Application for customers and members of the public in  
14 attendance, ONSWC requests approval of an increase to  
15 collect an additional \$512,619 in gross revenues, an  
16 overall revenue increase of approximately 68 percent.  
17 ONSWC states in its Application that the requested  
18 increase is necessary because ONSWC has been operating  
19 at a substantial loss and its current allowed rates do  
20 not support its current operations. The Applicant has  
21 also requested uniform rates for all of its water  
22 service areas or systems in North Carolina.

23 Pursuant to the State Government Ethics Act,  
24 General Statute 163A-159(e), I remind members of the

1 Commission of our duty to avoid conflicts of interest,  
2 and inquire at this time whether any Commissioner has  
3 any known conflict of interest with respect to this  
4 docket now before us?

5 (No response)

6 The record will reflect that no conflicts  
7 have been identified.

8 And I now call for appearances of counsel,  
9 beginning with the Applicant.

10 MS. KEMERAIT: Good evening. My name is  
11 Karen Kemerait. I'm an attorney with Fox Rothschild  
12 in Raleigh and I'm here on behalf of Old North State  
13 Water Company.

14 COMMISSIONER BROWN-BLAND: Good evening.

15 MR. DROOZ: Madam Chair and Commissioners,  
16 my name is David Drooz with the -- also with the Law  
17 Firm of Fox Rothschild, appearing in addition to  
18 Ms. Kemerait on behalf of the Applicant, Old North  
19 State Water Company.

20 COMMISSIONER BROWN-BLAND: Good evening,  
21 Mr. Drooz. Good to see you again.

22 MR. DROOZ: Thank you.

23 COMMISSIONER BROWN-BLAND: And now the  
24 Public Staff.

1 MR. MAGARIRA: Good evening, everyone.

2 Munashe Magarira appearing on behalf of the Public  
3 Staff.

4 COMMISSIONER BROWN-BLAND: Thank you. And  
5 are there any preliminary matters that need to be  
6 addressed before we begin the hearing?

7 MS. KEMERAIT: Not from Old North State  
8 Water Company.

9 COMMISSIONER BROWN-BLAND: Hearing none,  
10 before we hear from the witnesses, a little about the  
11 procedure for the hearing this evening. The witnesses  
12 wanting to testify tonight are waiting on the phone  
13 line and each witness will be unmuted by our Webex  
14 host in the order the witnesses called in this  
15 evening.

16 To those witnesses, please listen for two  
17 beeps which means you have been unmuted and then state  
18 your name. Let me repeat, listen for the two beeps  
19 and then state your name. I will then administer the  
20 oath of affirmation to the witnesses who -- or to the  
21 witness who is announced and unmuted. Then, the  
22 Public Staff counsel, Mr. Magarira will go over  
23 preliminary questions to get the witness identified  
24 for the record and when that is done he will indicate

1 that the witness is free to start providing testimony  
2 or stating what it is that the witness wants to say to  
3 the Commission. At that point, the witness will begin  
4 and will have three minutes to testify or make a  
5 statement about the Company's Application for a change  
6 and increase in rates. Around two minutes into the  
7 testimony, the witness will be given an indication, it  
8 will likely be a sound like a ring tone or an alarm or  
9 an alert, and that will indicate that one minute  
10 remains and the witness should start to wrap up.

11           When the witness has come to the end of the  
12 time allotted or the witnesses' testimony is complete,  
13 each of the parties, and for this case that means the  
14 Public Staff and ONSWC, the Company, will be able to  
15 ask the witness any questions they might have  
16 pertaining to the testimony given by the witness, and  
17 then the Commissioners will have a similar opportunity  
18 to ask questions of the witness. Any such questions  
19 are not to embarrass or challenge the witness but are  
20 primarily to clarify testimony for the record to be  
21 sure that we, the Commissioners, understand what it is  
22 that the witness wants us to know. And after the  
23 questions are answered, the witness will be excused  
24 from the virtual witness stand.

1           After testifying, witnesses may continue to  
2 follow the hearing either by staying on the line or by  
3 leaving the telephone line and watching on YouTube.  
4 The link for the hearing on YouTube is on the first  
5 page of the Commission's website at [www.ncuc.net](http://www.ncuc.net).

6           Now, we are holding this public hearing  
7 tonight because we do want to hear from the customers.  
8 Customer views on the Company's Application are  
9 important and need to be heard, but this proceeding is  
10 in the nature of a court proceeding. We have a Court  
11 Reporter attending and she will take down every word  
12 of this proceeding and will later produce a verbatim  
13 transcript of all the public witness testimony and all  
14 that is said during this hearing.

15           Public or customer witnesses will provide  
16 their testimony and answer questions they may be  
17 asked, but the Commission is in the place of the Judge  
18 and, as you are likely aware, the Judge does not  
19 answer questions; instead, the Commission is here to  
20 listen. However, if the customers do have questions,  
21 Mr. Magarira, who is part of the Public Staff  
22 represents all customers as part of the Using and  
23 Consuming Public, and Ms. Kemerait and Mr. Drooz, who  
24 represent ONSWC, will tell you how to be in touch with

1    them following the proceeding.  Or actually, I'll ask  
2    for that in just a moment, that they will provide you  
3    a way that you can be in touch with them after this  
4    proceeding so that either of them or both of them can  
5    assist you in having your questions or any service  
6    issues addressed.

7                   Also, I want you to be aware that the  
8    Commission has required that the Company address all  
9    customer service and service quality complaints  
10   brought forth at this public hearing in a written  
11   report to be filed 20 days from tonight.

12                   Just at this time, Ms. Kemerait or  
13   Mr. Drooz, will you indicate how it is the customers  
14   may get in touch with the Company to have any  
15   questions addressed after this hearing?

16                   MR. DROOZ:  If it's a question concerning  
17   operations, the customers are welcome to contact the  
18   President of the Company, John McDonald.  His email is  
19   jmcdonald@onswc.com.  And they're also welcome to send  
20   email inquiries to me that I can forward to the  
21   Company.  My email is on filings in this docket with  
22   the Commission, it's ddrooz@foxrothschild.com.

23                   COMMISSIONER BROWN-BLAND:  Thank you,  
24   Mr. Drooz.  And Mr. Magarira, do you have similar

1 contact information for customers desiring to contact  
2 the Public Staff following this proceeding, this  
3 hearing, tonight?

4 MR. MAGARIRA: Yes. If customers need to  
5 follow up with our office, they can follow up with  
6 cocounsel on this docket, Reita Coxton. Her email  
7 address is reita.coxton@psncuc.nc.gov. They can also  
8 follow up with our engineer that's working on this  
9 case, Charles Junis. His email address is  
10 charles.junis@psncuc.nc.gov.

11 COMMISSIONER BROWN-BLAND: Thank you for  
12 that. I guess technically we're in the hands of the  
13 Webex host and we will hear from the first witness.

14 MS. BERTONICA: Melissa Bertonica.

15 COMMISSIONER BROWN-BLAND: Ms. Bertonica?

16 MS. BERTONICA: Yes.

17 CHAIR MITCHELL: Good to have you with us  
18 tonight. As we get started, I first want to get to  
19 the oath of affirmation.

20 MELISSA BERTONICA;

21 having been duly affirmed,

22 testified as follows:

23 COMMISSIONER BROWN-BLAND: Mr. Magarira.

24 MR. MAGARIRA: Thank you.

1 DIRECT EXAMINATION BY MR. MAGARIRA:

2 Q And can you state your name again for the record,  
3 please?

4 A Melissa Bertonica.

5 Q And could you spell your first and last name for  
6 us, please?

7 A M-E-L-I-S-S-A B-E-R-T-O-N-I-C-A.

8 Q Thank you. And what is your address and the  
9 subdivision that you live in?

10 A 1516 Osprey Ridge Drive, Willow Spring 27592, and  
11 it is Fish Hawk Ranch Subdivision.

12 Q Thank you.

13 A You're welcome.

14 Q And are you a customer of Old North State?

15 A Yes.

16 Q Great. And do you have a statement that you  
17 would like to make today?

18 A Yes.

19 Q Please go ahead.

20 A Okay. So this is a brand new subdivision. I  
21 believe the first people to move in were in early  
22 2020. We closed on our house November 30th,  
23 2020. Since we've moved in, we have had water  
24 quality issues being that the water is dirty

1 coming out of the faucets; yellow, brownish  
2 water. I have contacted ONSWC and I haven't  
3 really seen a change. After speaking with  
4 several neighbors I know that they have the same  
5 issues as well.

6 From what I understand from  
7 talking with neighbors who have been contacting  
8 them as well, it seems that there have been  
9 issues early on in the development of the  
10 subdivision with the wells. They have been in  
11 talks trying to find a place to put in a new  
12 well, from what I understand. They are going to  
13 be doing a second phase of the neighborhood. And  
14 I have heard that there has been a hold placed on  
15 the second phase starting due to the water  
16 issues. So I don't think they should be able to  
17 raise the rates in our neighborhood at this point  
18 until these issues are addressed and we have  
19 clean, running water.

20 Q Thank you, Ms. Bertonica.

21 COMMISSIONER BROWN-BLAND: Are there  
22 questions for Ms. Bertonica? The Applicant -- or  
23 Mr. Magarira first. I'm sorry.

24 MR. MAGARIRA: No questions from the Public

1 Staff.

2 COMMISSIONER BROWN-BLAND: All right.

3 MR. DROOZ: No questions from Old North  
4 State.

5 COMMISSIONER BROWN-BLAND: Are there any  
6 questions from the Commissioners?

7 (No response)

8 EXAMINATION BY COMMISSIONER BROWN-BLAND:

9 Q Ms. Bertonica, I am sorry I missed it, when did  
10 you move into the subdivision?

11 A November 30th, 2020 was our closing date.

12 Q And the entire time, has the water been  
13 discolored?

14 A Yes.

15 Q And the discoloration is the only complaint at  
16 this time?

17 A Yes. I mean, it's affecting our laundry,  
18 staining, you know, the toilets, the sinks, the  
19 tub. Our drinking water, we get water out of our  
20 refrigerator so we have to replace the filters  
21 more often than what the life shelf is of the  
22 water filters. Also, I know some of our  
23 neighbors have installed home water filtration  
24 systems because the water has been so bad, and me

1 and my husband have actually been talking about  
2 that. Which again, that's more money that we're  
3 going to have to put into it because, you know,  
4 we don't have clean water which is kind of crazy.  
5 It's a brand new home that we just spent \$300,000  
6 on and no clean water. But, yes, it has been  
7 happening since we moved in.

8 Q Have you --

9 A And when --

10 Q Go ahead.

11 A I was going to say when I did email I did submit  
12 a picture and a video showing the quality of  
13 water.

14 Q And where was the email sent?

15 A It was sent to the email on the notification to  
16 you guys that I sent on September 29th to the  
17 ONSWC public hearing email.

18 Q All right, thank you. And have you had the water  
19 tested yourself?

20 A I have not.

21 COMMISSIONER BROWN-BLAND: Are there  
22 questions on Commission's questions? Or do my fellow  
23 Commissioners have any questions to follow up? No.  
24 Questions on Commission questions?

1 MR. DROOZ: None from the Applicant.

2 COMMISSIONER BROWN-BLAND: Mr. Magarira?

3 MR. MAGARIRA: None from the Public Staff.

4 COMMISSIONER BROWN-BLAND: Thank you,  
5 Ms. Bertonica, and you may be excused.

6 THE WITNESS: Thank you for your time.

7 (The witness is excused)

8 MR. MOSHER: Hello.

9 COMMISSIONER BROWN-BLAND: Hello. Please  
10 state your name.

11 MR. MOSHER: Hello. My name is Chuck Mosher  
12 and that's spelled Chuck, C-H-U-C-K, last name is  
13 Mosher, M-O-S-H-E-R.

14 COMMISSIONER BROWN-BLAND: Mr. Magarira.

15 MR. MOSHER: Yes. I'm going to be  
16 talking --

17 COMMISSIONER BROWN-BLAND: Just a minute,  
18 Mr. Mosher.

19 THE WITNESS: All right.

20 COMMISSIONER BROWN-BLAND: Let Mr. Magarira  
21 get some information on the record.

22 MR. MAGARIRA: Good evening, Mr. Mosher.

23 And actually, Commissioner, I don't know if  
24 Mr. Mosher has been sworn in yet.

1                   COMMISSIONER BROWN-BLAND: You're correct.  
2 You're correct and thank you for that.

3                   CHUCK MOSHER;  
4                   having been duly affirmed,  
5                   testified as follows:

6                   COMMISSIONER BROWN-BLAND: Now,  
7 Mr. Magarira.

8 DIRECT EXAMINATION BY MR. MAGARIRA:

9 Q       Thank you, Mr. Mosher, and could you state your  
10       name again for the record, please?

11 A       It's Chuck, last name Mosher, M-O-S-H-E-R.

12 Q       Perfect. And thank you again for spelling that  
13       earlier. What is your address and subdivision?

14 A       My address is 4009 Mendenhall Drive, Zebulon,  
15       North Carolina 27597, and I'm in the Mendenhall  
16       Subdivision.

17 Q       Great. Thank you. And are you a customer of Old  
18       North State?

19 A       Yes, I am.

20 Q       Great. And do you have a statement you'd like to  
21       make?

22 A       Yes. I would like to make comments in regards to  
23       the recent notification that indicated that our  
24       water bill is going to be going up by 71 percent.

1 My wife and I are both retired.  
2 We're living on fixed incomes. So, we also have  
3 two sons that just recently started college.  
4 There are numerous other families in our  
5 Mendenhall development that are also retired or  
6 will soon be in the next two years. Most of the  
7 residents have children, also.

8 As you know, the pandemic has  
9 caused many people to become unemployed and/or  
10 changed jobs to a lower salary. Many people may  
11 be working two jobs just to make ends meet. In  
12 light of the diminished financial situation that  
13 many people are facing today, I do not believe  
14 that now is the time to be imposing a rate hike  
15 of 71 percent for the Mendenhall community, as  
16 well as the substantial rate hikes that other  
17 communities are facing as proposed by the Old  
18 North State Water Company.

19 Old North State Water Company is  
20 the only available provider for water services to  
21 our development and to the other communities it  
22 serves. When there is no other provider for the  
23 water services, the customers are at the mercy of  
24 the sole water provider as to what the provider

1 decides to charge the customers.

2 Some utilities such as electric,  
3 depending upon where you reside, you may have a  
4 choice as to what electric company you want to  
5 choose; however, in this case, customers don't  
6 have a choice and are entirely at the discretion  
7 of the water provider as to what they charge the  
8 customers. That's what I would like to say.  
9 That's my end.

10 Q Thank you, Mr. Mosher.

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

13 MR. MAGARIRA: Just real briefly.

14 BY MR. MAGARIRA:

15 Q Mr. Mosher, have you had any service issues?

16 A There's occasionally at times when there's water  
17 pressure -- it's not consistent all the time.  
18 And many of my other neighbors and other people  
19 in the development that I've spoke to, we  
20 communicate through the Nextdoor app and we also  
21 have a general email that we communicate through  
22 with people in our community, and we've all  
23 experienced, you know, at least once or twice a  
24 month where there's water pressure issues.

1 MR. MAGARIRA: Thank you. No further  
2 questions.

3 COMMISSIONER BROWN-BLAND: Questions from  
4 the Applicant?

5 MR. DROOZ: Yes.

6 CROSS EXAMINATION BY MR. DROOZ:

7 Q Mr. Mosher, do you remember when roughly those  
8 pressure problems occurred?

9 A Like I say, they're random. (Laughing). There's  
10 no way to foretell when oh it looks like we're  
11 going to have issues with the water or what, you  
12 know, it just randomly happens. So, you know,  
13 you could have water pressure issues five times  
14 in one month and then the next month no problems  
15 at all, you know, so there's no consistent  
16 pattern to say, but I would say it averages about  
17 twice a month.

18 Q Have they occurred in the past year?

19 A Yes.

20 Q Have you notified the Company?

21 A I believe other people have.

22 Q Okay. Thank you.

23 A That's my understanding, people from the  
24 homeowners association I believe made contact

1 with them.

2 MR. DROOZ: Okay. That's all my questions.

3 COMMISSIONER BROWN-BLAND: Questions from  
4 the Commissioners?

5 (No response)

6 COMMISSIONER BROWN-BLAND: Thank you, Mr.  
7 Mosher. We appreciate you spending time with us this  
8 evening and you may be excused.

9 THE WITNESS: Thank you very much.

10 (The witness is excused)

11 MR. VERVYNCKT: This is Brian Vervynckt.

12 COMMISSIONER BROWN-BLAND: Let me be sure I  
13 give you the oath of affirmation.

14 BRIAN VERVYNCKT;

15 having been duly affirmed,

16 testified as follows:

17 COMMISSIONER BROWN-BLAND: Mr. Magarira.

18 DIRECT EXAMINATION BY MR. MAGARIRA:

19 Q Please state your name again for the record.

20 A Yeah, it's Brian B-R-I-A-N. And then I'll spell  
21 my entire last name for you. I'm also in this  
22 chat. I'm logged into the Webex. That may make  
23 it easier. But it's V as in Victor, E-R, another  
24 V as in Victor, Y as in Yankee, N as in November,

1 and then Charlie, Kilo, Tango, C-K-T.

2 Q Thank you. And just for my own edification how  
3 do you pronounce that last name? I just don't  
4 want to mispronounce it.

5 A One, you can call me Brian, of course, and then  
6 you pronounce it Ver-vanct (spelled  
7 phonetically).

8 Q Vervynckt?

9 A Yes.

10 Q Perfect. And what's your address and  
11 subdivision?

12 A Yes. 7626 Monty, M-O-N-T-Y, Drive, and it's  
13 Kernersville, North Carolina 27284, and it's  
14 Shiloh Subdivision.

15 Q Great. Thank you. And are you a customer of Old  
16 North State?

17 (WHEREUPON, the Court Reporter  
18 requested the witness to restate  
19 the subdivision name.)

20 THE WITNESS: Shiloh, S-H-I-L-O-H, I  
21 believe.

22 BY MR. MAGARIRA:

23 Q Thank you. And do you have a statement you would  
24 like to make?

1 A I do, yes.

2 Q Please go ahead.

3 A So I have kind of general comments, also  
4 questions as well. Like, if I can be honest, I  
5 don't mind a rate hike, right, but it's what are  
6 we getting for it versus what we have now.  
7 That's kind of what I wanted to go through, you  
8 know.

9                   Similar to the first call, we have  
10 water quality issues. There's sediment in our  
11 screens we always have to clean out. This is a  
12 neighborhood-wide thing. When I say screens, you  
13 know, in my sinks and my faucets. Constantly  
14 changing out our refrigerator filters. You know,  
15 you see stains in the bathtub, the shower.

16                   Water pressure issues: We  
17 often -- now, I acknowledge that sometimes the  
18 water issues are because we're running a hose, a  
19 bath, and the washer, but sometimes it's just one  
20 of those, right, and the water pressure isn't  
21 what it should be.

22                   So, that's part of my question,  
23 what does 71 percent get us? Does it fix some of  
24 these? You know, our neighborhood is not even

1 50 percent complete, so I'm curious where the  
2 number 71 percent came up. It's a brand new  
3 neighborhood. I've been here since December of  
4 2019. So, how did these numbers even get  
5 calculated when we have a neighborhood that's not  
6 even half full.

7 Let's see, just a general  
8 observation, the drivers that you guys send to  
9 our neighborhood go flying through the  
10 neighborhood. Right. I understand that they  
11 might be lost at times and so they're driving  
12 maybe erratically, but the folks they send are  
13 flying through our neighborhood. We all have  
14 kids in the yards and out in the road, and just a  
15 general concern for their wellbeing. And then  
16 often they just show up to our houses or mosing  
17 through our yards messing with neighbors' water  
18 faucets. Maybe that's a right-of-way, I don't  
19 know. But again, it's just something that's  
20 concerning.

21 And so as I said in the beginning,  
22 I don't mind a rate increase if it improves the  
23 quality of both the service and the water. So  
24 that's -- really I just wanted to be on the

1 record to say that I don't see if things stays  
2 status quo that 71 percent really trust it. I  
3 don't see how you could justify that whatsoever.

4 Q Thank you, Mr. Vervynckt.

5 A Absolutely.

6 COMMISSIONER BROWN-BLAND: Are there  
7 questions by the Applicant?

8 MR. DROOZ: No questions.

9 MR. MAGARIRA: Sorry, Commissioner.

10 COMMISSIONER BROWN-BLAND: Mr. Magarira, did  
11 you have a question?

12 MR. MAGARIRA: I did. Sorry about that.

13 COMMISSIONER BROWN-BLAND: I'm sorry.

14 BY MR. MAGARIRA:

15 Q One quick question at least. Have you, Mr.  
16 Vervynckt, reached out to Old North State about  
17 any of the water issues that you've sort of  
18 experienced?

19 A No. That's a great question. I have not. I  
20 should have but honestly it's one of those things  
21 that I figured we got what we paid for and now  
22 I'm concerned when the bill is increasing, right.  
23 So excusable or not understood.

24 Q I hear you. And I guess this is just sort of a

1 follow-up question. Obviously, there are a  
2 collection of issues you've sort of experienced  
3 in your house. And I guess is there some level  
4 of frequency with regards to some of the issues  
5 you mentioned? Obviously, water quality issues,  
6 excuse me, sediment build up, water pressure, is  
7 it something that happens pretty consistently or  
8 just -- I want to get a flavor and sense for  
9 that?

10 A Yeah, that's -- we have to check our -- when I  
11 say we I do mean most of the neighborhood.  
12 Unfortunately, I don't know that many of them  
13 joined. But yeah, we have to unscrew everywhere  
14 that you can so the spigot, faucet, and just dump  
15 out the filters because there's sediment built up  
16 in them monthly.

17 And I apologize, I don't know, I  
18 assume that's from the Company. I don't know  
19 what else it would be from if every single house  
20 is experiencing the same issue.

21 MR. MAGARIRA: Okay. Nothing further.

22 COMMISSIONER BROWN-BLAND: All right.

23 MR. DROOZ: I just have --

24 COMMISSIONER BROWN-BLAND: Mr. Drooz, go

1 ahead.

2 MR. DROOZ: Thank you.

3 CROSS EXAMINATION BY MR. DROOZ:

4 Q So, I'm a little concerned about speeding in the  
5 neighborhood and wondered if you could indicate  
6 when that occurred? Has it occurred recently?  
7 How often?

8 A Thank you. I appreciate that. Yeah, I didn't  
9 know if that was a silly complaint. So, I do  
10 appreciate you acknowledging that. Specifically,  
11 a blue pickup truck if that's helpful. I know  
12 he's checking water because we've asked him  
13 before. It does happen I guess when they check  
14 the meters.

15 Again, the first time some guy  
16 just knocked on my door and I didn't really talk  
17 to him because I didn't know what he was there  
18 for. He was from my -- I feel like a different  
19 company or he said it very quickly, and then we  
20 all kind of collaborated in the neighborhood and  
21 realized he was with the water. And that's the  
22 truck I've seen kind of driving very quickly  
23 around the neighborhood so.

24 Q Has that happened recently?

1 A Yes. I mean as recently as maybe -- I want to  
2 say a month ago he was driving looking down at  
3 either a meter or something and wasn't even  
4 really watching where he was going.

5 Q Thank you. That will help us pinpoint the  
6 problem and address it. I appreciate your  
7 testimony.

8 A I appreciate that. Thank you.

9 EXAMINATION BY COMMISSIONER BROWN-BLAND:

10 Q Mr. Vervynckt, with regard to the blue pickup  
11 truck and the driver, I assume -- do you notice  
12 that either has or provides identifying  
13 information or have insignia on a shirt or  
14 uniform?

15 A Great question. Again, no, he -- I can't  
16 remember what's on the back of his truck. But  
17 like, you know pickup trucks have that big glass  
18 window in the back, nothing that makes me feel  
19 like it's affiliated with the water company. So  
20 that's a very good question. And even some of  
21 the people we've seen walk up into our yards and  
22 turn each others -- like I've texted some of the  
23 neighbors hey man there's somebody -- excuse me,  
24 I know I'm kind of speaking -- I said, hey,

1           there's somebody walking up in your yard and  
2           they're turning on your water. The assumption  
3           was it was North State or sorry the water  
4           company. But again, sometimes they're not really  
5           marked well or I can't, you know, so.

6                    COMMISSIONER BROWN-BLAND: Thank you.

7           Questions from the Commissioners?

8                               (No response)

9                    Any follow up to my question by Mr. Drooz?  
10           Mr. Magarira?

11                   MR. DROOZ: No.

12                   MR. MAGARIRA: No follow up.

13                   COMMISSIONER BROWN-BLAND: Thank you,  
14           Mr. Vervynckt. You may be excused.

15                   THE WITNESS: Thank you.

16                               (The witness is excused)

17                   COMMISSIONER BROWN-BLAND: Our next witness.

18                               (Pause).

19                   Do we have our next witness on the line?

20                   MR. MAGARIRA: Commissioner, we believe the  
21           next caller should be last name Noto, I believe, but  
22           not sure. I'm not sure what's going on.

23                   MR. NOTO: Can you hear me?

24                   COMMISSIONER BROWN-BLAND: Yes, I hear you.

1 Is this Mr. Noto?

2 MR. NOTO: Yes. Hang on a second and I'll  
3 plug in my ear piece to be safe. I have the phone  
4 going, too, at the same time. Can you hear me okay  
5 now?

6 COMMISSIONER BROWN-BLAND: I think so.  
7 We'll see in a minute. I think I maybe heard you a  
8 little better before.

9 ANTHONY NOTO;  
10 having been duly affirmed,  
11 testified as follows:

12 COMMISSIONER BROWN-BLAND: We do hear you.  
13 Mr. Magarira.

14 MR. MAGARIRA: Thank you.

15 DIRECT EXAMINATION BY MR. MAGARIRA:

16 Q Mr. Noto, could you state your name for the  
17 record?

18 A Yes. Anthony Noto, N-O-T-O.

19 Q Perfect. And what is your address and  
20 subdivision?

21 A I'm at 1109 Barley Stone Way in Raleigh 27603,  
22 and the subdivision is Old Mill Trace.

23 Q Thank you. And are you a customer of Old North  
24 State?

1 A I am.

2 Q Do you have a statement you would like to make  
3 today?

4 A I do.

5 Q Please go ahead.

6 A Thank you. So, to begin with a 71 percent  
7 increase is pretty significant. We're also a new  
8 neighborhood. Start -- I think we moved in 2019.  
9 We were one of the first homes in here and we've  
10 had a lot of water issues, not only dirt and  
11 sediment, but also odors and black slime appears.

12 Many of the homeowners have been  
13 spending a lot of money putting in water  
14 treatment systems. I myself put in a whole house  
15 filter and after only two weeks the white,  
16 pristine white filter, pre-filter, was already  
17 all brown. So, we do have a lot of water quality  
18 issues. I don't want to get into the pressure  
19 because that's an issue, too, but fortunately I  
20 haven't seen that as much.

21 I just wanted to mention the  
22 request and the rate that they're asking for is  
23 pretty much -- right now, Raleigh City, I think  
24 we're paying about what Raleigh pays now. They

1           have a little, much lower base charge but the  
2           rate per thousand gallons is about the same. And  
3           Jamison Park, which is another development not  
4           too far from me, several miles, they're paying a  
5           little higher than I'm paying but certainly much  
6           less than what's being proposed by the Company.  
7           So basically, my points are quality of the water  
8           is terrible and we shouldn't be seeing any  
9           increase.

10                   COMMISSIONER BROWN-BLAND: Does that  
11 complete your statement?

12                   THE WITNESS: It does.

13                   COMMISSIONER BROWN-BLAND: Mr. Magarira?

14                   MR. MAGARIRA: Yes, just a couple of  
15 questions.

16 BY MR. MAGARIRA:

17 Q           First, have you reached out to the Company with  
18 regard to some of these issues?

19 A           We have in the past, but I've had the filter  
20 system for about a year now almost.

21 Q           Great. And I'm assuming you installed I guess  
22 the whole house filter system sort of in response  
23 or at least after you had sort of the initial  
24 contact with the Company.

1 A Yes, correct.

2 Q Okay.

3 A My neighbors that haven't installed one are still  
4 having the issues.

5 Q The neighbors that haven't installed it still  
6 have those issues?

7 A Right.

8 Q And you said there was also some black slime or  
9 black mold issues?

10 A Right.

11 Q Have those been or have you had the opportunity  
12 to have those looked into, tested by some sort of  
13 professional?

14 A No. Again, I haven't seen it since I put my  
15 system in. And I don't think my neighbors have  
16 had it tested yet, because they're the ones that  
17 actually have most of the black slime.

18 Q Okay. So this isn't an issue that you're  
19 experiencing?

20 A Not after the filters. Correct.

21 Q Not after the filters. But prior to the filters  
22 did you --

23 A Before the filters we did see a little bit of  
24 black but not as bad as my neighbors are actually

1           seeing.

2       Q     Okay.  And around sort of when did these -- so,  
3           obviously you've had the filter, whole house  
4           filter in for about a year.  When, I guess, were  
5           you seeing some of these more like issues with  
6           the black slime and other issues?

7       A     It would happen periodically.  And even the dirt  
8           in the water, I mean, sometimes the water would  
9           get brown but maybe it would happen every two or  
10          three weeks, something like that.  And the slime  
11          was a little less frequent.  You'd see it  
12          occasionally.

13      Q     So every two weeks I guess with the --

14      A     Browning.

15      Q     -- browning.  Okay.

16      A     Yes.  And then maybe once a month the slime and  
17          odor, because there's a bad odor that comes with  
18          it, too.  You would walk into the bathroom and it  
19          would smell pretty bad.

20      Q     And I guess this is the last question.  Was the  
21          whole house filter something that you had to  
22          install at your own cost or --

23      A     Yes, I did.

24      Q     Okay.

1 MR. MAGARIRA: No further questions from the  
2 Public Staff.

3 COMMISSIONER BROWN-BLAND: From the  
4 Applicant?

5 MR. DROOZ: No questions.

6 COMMISSIONER BROWN-BLAND: From the  
7 Commissioners?

8 (No response)

9 COMMISSIONER BROWN-BLAND: Mr. Noto, I have  
10 just a few.

11 EXAMINATION BY COMMISSIONER BROWN-BLAND:

12 Q So earlier you told Mr. Magarira that you did  
13 attempt at some point in time to speak with  
14 someone from the Company. Do you remember who  
15 you spoke with and what the Company's response to  
16 you was?

17 A I don't know who I spoke with. At the time they  
18 were sending somebody out to take a look so it  
19 was a fairly responsive call.

20 Q And were you given any feedback or indication  
21 about the issue?

22 A No. I never heard back afterwards.

23 Q And could you describe the odor that you have  
24 testified to?

1 A It's a musty, you know, odor. Like an old, stale  
2 odor. Unpleasant like a sewer-type odor, but a  
3 little milder.

4 COMMISSIONER BROWN-BLAND: Are there any  
5 follow-up questions to Commission questions?

6 MR. DROOZ: No.

7 COMMISSIONER BROWN-BLAND: Mr. Magarira, any  
8 follow up?

9 MR. MAGARIRA: None from the Public Staff.

10 COMMISSIONER BROWN-BLAND: Mr. Noto, thank  
11 you for coming out and sharing your testimony with us,  
12 and you may be excused.

13 THE WITNESS: Thanks for the consideration.  
14 Have a good night.

15 COMMISSIONER BROWN-BLAND: You too.

16 (The witness is excused)

17 COMMISSIONER BROWN-BLAND: Next Witness.

18 MR. FLYNN: It's Thomas Flynn here.

19 THOMAS FLYNN;

20 having been duly affirmed,

21 testified as follows:

22 COMMISSIONER BROWN-BLAND: Mr. Magarira.

23 DIRECT EXAMINATION BY MR. MAGARIRA:

24 Q Good evening, Mr. Flynn. Could you state your

1 name again for the record?

2 A Yes. First name is Thomas, last name is Flynn,  
3 that's F like Frank, L-Y-N-N.

4 Q Thank you. And what is your address and  
5 subdivision?

6 A 9814 Chris, just like the name, C-H-R-I-S, Drive.  
7 That is in Raleigh. The zip is 27603. And the  
8 subdivision is Leon Landing.

9 Q Perfect. Thank you. And are you a customer of  
10 Old North State?

11 A Yes. Our bill actually says the second ONSWC,  
12 ONS, Old North State, I'm not sure, I guess Water  
13 Company.

14 Q Right. Thank you. And do you have a statement  
15 you would like to make?

16 A Yes. I'm calling on behalf of the Leon Landing  
17 homeowners with regards to this proposed  
18 71 percent rate increase. In our opinion,  
19 nothing has been done to justify such an  
20 increase. We've seen no construction  
21 improvements, no water quality improvements of  
22 any kind. We haven't heard or seen any operating  
23 cost increases that would justify a 71 percent  
24 increase. Now, we do know that there has been

1 inflation in the past year but anybody can see  
2 it's not 71 percent. And it's our belief they're  
3 asking for this exorbitant increase thinking  
4 we'll ask for the sky and they'll give us one  
5 much lower, maybe in the 50's percent, which is  
6 still crazy.

7 In our opinion, they should  
8 receive no more than a 3 percent increase which  
9 is basically in line with what inflation is in  
10 the State of North Carolina. Furthermore, any  
11 increase that they get should -- will there be  
12 some sort of provision in there to make them do  
13 something about the water quality issues? Like  
14 such at my house, it's just my wife and myself at  
15 our house and we're very clean people. As my  
16 brother-in-law says you can eat off our floors.  
17 Yet our toilets have permanent stains in them  
18 even though we scrub them constantly. Our  
19 bathtub has a permanent stain in it even though  
20 that gets scrubbed all the time and it's from the  
21 quality of the water.

22 Now, I don't have the issues that  
23 some of the other callers stated with slime and  
24 stuff like that. Although, I do have to clean

1 out, I wouldn't call it a filter but you know how  
2 you have a screening on the faucets, those  
3 periodically have to be cleaned out because  
4 they'll have some sort of black gunk in them.  
5 I'm not sure exactly what it is.

6 As far as our water pressure goes,  
7 if I'm out wanting to wash my car, my wife can't  
8 take a shower at the same time and that's been  
9 since the day we moved in, which was in July of  
10 '17, is when our -- our house got done being  
11 built I think in March of 2017, and we moved in  
12 in July, and it's been that way since. If nobody  
13 is running anything the water pressure seems to  
14 be fine. But if I go to wash the car or if I  
15 need to put water through the hose into our pool  
16 then you can't take a shower because there's not  
17 enough water pressure for both.

18 Q Thank you. And does that conclude your testimony  
19 tonight?

20 A Yes, sir.

21 Q Thank you.

22 COMMISSIONER BROWN-BLAND: Do you have  
23 questions, Mr. Magarira?

24 MR. MAGARIRA: Just a couple real quick.

1 BY MR. MAGARIRA:

2 Q So I see here, obviously you've got issues with  
3 staining on your toilet or your bathtub or  
4 shower. I apologize if I have that second fact a  
5 little bit inaccurate. You've had to clean some  
6 of your filters. And also water pressure is an  
7 issue where, you know, if your wife is running  
8 something indoors and you're like trying to clean  
9 your car or something like that, there would be  
10 water pressure issues there. And I think you  
11 said with regards to the water pressure, that's  
12 been an issue since you've moved in.

13 The other issues that you talked  
14 about is the staining. Is that something that's  
15 been pretty consistent since you moved in in July  
16 of '17? Or I just want --

17 A Yes. Yes, as I stated it's just my wife and I  
18 here, although we do have grandkids that come  
19 over once in a while and stuff like that. But  
20 like I said, my brother-in-law, he jokes around,  
21 you could eat off their floors. We keep our  
22 house very clean. And, of course, when we clean  
23 the house we clean the toilets and the bathtub.  
24 And no matter what we do we can't get those

1 stains out. And it's not like they're 20, 30  
2 years old, and say oh that's why they're stained.  
3 They stained fairly quickly. As I said, we moved  
4 into the house. We were the first people to live  
5 in the house. The only people. And no matter  
6 what we use the stain keeps coming back and now  
7 it's permanent. My wife has tried every product  
8 under the sun to get these stains out and they're  
9 there.

10 Q So the staining I guess has been something that  
11 has been pretty consistent. Obviously, this is a  
12 new build and everything that you've done so far  
13 just doesn't seem to really address the issue.  
14 Do I have that right?

15 A Correct.

16 Q And I guess the other issue with the cleaning of  
17 the filters, is that something that's been  
18 consistent since you've moved into the new house?

19 A Yes. What first alerted me to it was, believe it  
20 or not about -- I can't remember exactly when it  
21 was. About four to six months after we moved in,  
22 we had an issue with one of the faucets. So I  
23 called the builder because they gave us some sort  
24 of warranty on the house and everything. They

1 sent the plumber to fix whatever was wrong. And  
2 I watched him and I didn't even realize I should  
3 be doing this, but when he took the faucet apart  
4 he removed the piece that had the screen in it  
5 and it was all full of black junk. And I said  
6 what is that from? Is that a defect in the  
7 faucet? He said, no, that's from your water.  
8 And I said, oh, so I should be doing this all the  
9 time? He said, yes, because it's from your  
10 water. It's not from the plumbing, you know, the  
11 manufacturer of plumbing or the pipes or  
12 anything, it's your water quality. I said, all  
13 right. So, now I do it because I learned  
14 something and now I do it periodically. I just  
15 unscrew them, clean them out and put them back.

16 Q And how often are you having to -- you said  
17 periodically. Is this something like once a  
18 week, once a month?

19 A No. No, it's not anywhere near that often. I  
20 would say every three months or so.

21 Q And have you contacted Old North State about  
22 these issues?

23 A I didn't. I'm one of those guys that says, yeah,  
24 it's like fighting city hall. I probably should

1           have. The only time I've contacted them is a  
2           couple of weeks ago we woke up and the entire  
3           neighborhood had zero water pressure. Apparently  
4           something went at our pumps and a number of the  
5           people in the neighborhood called. And I will  
6           give Old North State credit, they did actually  
7           respond to that fairly quickly. And I don't know  
8           what the issue was, but they got it fixed fairly  
9           quickly.

10    Q       And when was that sort of neighborhood-wide sort  
11       of I guess down on pressure?

12    A       It's -- let me, if you don't mind, just run  
13       upstairs and I'll ask my wife, she might remember  
14       when that was. I want to say --

15                               (COURT REPORTER NOTE:  
16                               Conversation between Mr. Flynn  
17                               and his wife.)

18    A       I'm not 100 percent sure. I think it was roughly  
19       three weeks ago.

20    Q       Okay.

21    A       Like I said, I'll give them credit when credit is  
22       due. We called and they, in my estimation, I  
23       think they responded fairly quickly.

24    Q       So this was something that was remedied what like

1 I guess the same week? Same day maybe?

2 A It was remedied that morning. Just a few hours  
3 later everything was done.

4 MR. MAGARIRA: No further questions from the  
5 Public Staff.

6 COMMISSIONER BROWN-BLAND: Mr. Drooz, any  
7 questions?

8 MR. DROOZ: No questions.

9 COMMISSIONER BROWN-BLAND: Any questions  
10 from the Commissioners?

11 (No response)

12 EXAMINATION BY COMMISSIONER BROWN-BLAND:

13 Q Mr. Flynn, you mentioned that you were testifying  
14 on behalf of the homeowners. Is that in an  
15 official capacity? Are you an officer of --

16 A No, ma'am. No, ma'am. I am part of the  
17 architectural committee on our board for the  
18 neighborhood. But I basically went around to the  
19 neighbors that I'm friendly with and said listen  
20 did you get this letter and they were like yeah  
21 this is outrageous, 71 percent. So I said listen  
22 I'm going to give them a call and they said do  
23 that for us. Because not everybody works nine to  
24 five. A lot of our neighbors do have younger

1 kids, so at this time they're busy with their  
2 kids doing whatever. So I said it's just me and  
3 my wife here I'll handle it and they were like  
4 great, thank you.

5 Q And would that be the Leon's Landing Homeowners  
6 Association?

7 A Yes, ma'am.

8 COMMISSIONER BROWN-BLAND: Thank you for  
9 attending tonight and you may be excused.

10 THE WITNESS: Thank you. Have a good night.

11 COMMISSIONER BROWN-BLAND: Our next witness,  
12 please.

13 MS. BLACK: Hi. I'm Cynthia Black.

14 COMMISSIONER BROWN-BLAND: Ms. Black.

15 CYNTHIA BLACK;  
16 having been duly affirmed,  
17 testified as follows:

18 COMMISSIONER BROWN-BLAND: Mr. Magarira.

19 DIRECT EXAMINATION BY MR. MAGARIRA:

20 Q Good evening, Ms. Black. Could you state your  
21 name for the record?

22 A Yes. My name is Cynthia, C-Y-N-T-H-I-A, Black,  
23 B-L-A-C-K. I live at 649 Blawell Circle in the  
24 Blawell Subdivision in Stedman, North Carolina.

1 Q Great. Thank you. And are you a customer of Old  
2 North State?

3 A I am.

4 Q Great. And do you have a statement you would  
5 like to make tonight?

6 A Yes, thank you. First of all, our situation is a  
7 little bit different. Our neighborhood, our  
8 Blawell Subdivision, is a very small  
9 neighborhood. We're an island of Cumberland  
10 County surrounded by the Town of Stedman which is  
11 just outside of Fayetteville. We pay Old North  
12 State Water Company for our water who gets it  
13 from Stedman who gets it from the Public Works  
14 Commission in Cumberland County. It's all the  
15 same water.

16 There is a bit of a history here.  
17 I don't know if Old North State just took over  
18 the billing and the maintenance for our little  
19 neighborhood, but the neighborhoods around us  
20 belong to the Town of Stedman and they pay  
21 approximately \$100 a month for water, sewer and  
22 trash pickup.

23 My average bill with Old North  
24 State is between \$45 and \$50 for water. I also

1 have to pay the Town of Stedman \$62.50 for sewer,  
2 regardless of my water usage, and we don't get  
3 any trash pickup.

4 I think that this rate increase is  
5 usurious and unconscionable. If Old North State  
6 Water Company has bad business management and has  
7 suffered a loss and needs to recoup half a  
8 million dollars, I think they need to take up  
9 with whoever is managing their business. They  
10 should not try to recoup that from the customers  
11 who are often times stuck with whatever water  
12 provider they have.

13 The Town of Stedman received -- I  
14 have been in this neighborhood for 22 years.  
15 When I came in the water was terrible. It was  
16 rust colored. It was awful. We got our water  
17 from Maxwell Water Company through a well.  
18 That's when -- I don't know if you have maps  
19 there to look at but Highway 24 is to the south  
20 of us. The Town of Stedman applied for a federal  
21 grant to run Public Works Commission water and  
22 sewer lines out to Stedman, and I think we were  
23 probably included in that grant application, but  
24 they got that. So the Town of Stedman now has

1 run water lines connected to PWC, connected our  
2 neighborhood to it, and the surrounding area  
3 around us that was previously farm land is now a  
4 subdivision, and the Town of Stedman services  
5 water to all of them. So, we all get the same  
6 water.

7 Old North State to my  
8 understanding just manages the billing and  
9 service. Our water is heavily chlorinated. I  
10 don't know where that comes from but I don't  
11 think that's Old North State's problem because  
12 they're not the ones actually supplying us with  
13 the water. We pay two --

14 (Timer beeps)

15 Got it. We pay two middlemen for  
16 our water use so we get up-charged twice for  
17 water. But this rate increase is unconscionable.

18 There's a bit of a history there.  
19 If you check the Public -- the Utilities  
20 Commission history you'll probably see a little  
21 bit of it. Thank you. I'm happy to answer any  
22 questions.

23 Q Thank you, Ms. Black. Have you experienced any  
24 sort of water quality issues?

1 A We routinely will get a notice in the mail that  
2 water was tested. They found this. We're  
3 treating it with that. When I've had issues in  
4 the neighborhood, if the water goes out, Old  
5 North State sends somebody out to fix it. My  
6 bill -- I send my payment to Birmingham, Alabama.  
7 I don't know who they contract with so I have no  
8 idea who is out here reading my meters or  
9 servicing things. But that rate increase to me  
10 is unconscionable.

11 There's just -- and I just don't  
12 understand why customers of a public utility  
13 should be on the hook for making up a business'  
14 operating revenue loss. How is that? How are we  
15 on the hook for that?

16 Q And just one sort of clarifying question. I  
17 think you had said you currently get your water  
18 from Old North State but your sewer services you  
19 get from the Town of Bendman, Bedman; is that  
20 right? Stedman?

21 A Yes. We pay Old North State for our water but  
22 our water comes from Cumberland County Public  
23 Works Commission. We get the same water as the  
24 neighborhood behind us which is in the Stedman

1 City limits. They get their water from the  
2 Public Works Commission of Cumberland County.

3 Since we are an island of counties  
4 surrounded by Stedman, and Stedman has not  
5 annexed us, Stedman I believe has either sold,  
6 negotiated, given Old North State the right to  
7 bill us, to collect money from us, and to service  
8 our water. But we get the same water as the  
9 neighborhood around us and that water is provided  
10 by the Cumberland County Public Works Commission  
11 which provides all of the County, which is not on  
12 well water.

13 Q Thank you. And sorry for that mispronunciation.

14 MR. MAGARIRA: No further questions from the  
15 Public Staff.

16 COMMISSIONER BROWN-BLAND: Mr. Drooz?

17 MR. DROOZ: No questions.

18 COMMISSIONER BROWN-BLAND: Any questions  
19 from the Commissioners?

20 COMMISSIONER HUGHES: Just have one.

21 COMMISSIONER BROWN-BLAND: Commissioner  
22 Hughes.

23 EXAMINATION BY COMMISSIONER HUGHES:

24 Q Ms. Black, you have said that you've been in your

1 property for a fairly long time. Do you recall  
2 when the last water rate increase was that you  
3 paid or when the last time what you paid changed?

4 A I -- to my recollection this is the first time  
5 Old North State has asked for a rate increase.  
6 But the time prior to that Maxwell Water Company  
7 who had the infrastructure in our neighborhood  
8 just prior to the Town of Stedman getting the  
9 federal grant to run water out here around us,  
10 and they also connected our neighborhood into  
11 that for water and sewer to the Public Works  
12 Commission, Maxwell Water Company requested a  
13 rate increase. And this was probably 12 or 15  
14 years ago to -- they wanted almost a \$70.00 base  
15 rate in addition to usage. We -- there was a  
16 public -- there was a Utilities Commission  
17 hearing at the Cumberland County Courthouse at  
18 that time, and several residents of the  
19 neighborhood showed up, and did not give them  
20 that.

21 So I would agree with a prior  
22 witness who said that they're asking -- his  
23 thoughts are they're asking for the moon in  
24 hoping they get half of that. And that's what

1           happened with Maxwell Water Company. The  
2           Utilities Commission approved I think 50 percent  
3           of what they were asking for. The thing that  
4           gets me I guess is the inequality of all of it  
5           because these few little neighbors in this island  
6           of county are getting the same water and using  
7           the same sewer as everybody else surrounding us.  
8           And I understand that we don't pay Stedman City  
9           taxes but we don't get trash service either, but  
10          we pay a tremendous upcharge compared to  
11          everybody else around us who gets water.

12                         Like I said, my water and sewer  
13          together is over \$100 a month, while my neighbors  
14          around us pay less than \$100 a month and get  
15          water, sewer and trash. I understand trash is  
16          not an issue here, but it just seems that a 68 or  
17          71 percent increase is unconscionable in this  
18          instance and is borderline usurious, because we  
19          don't have any choice but for you nice folks with  
20          the Commission trying to look out for the  
21          customer.

22                         COMMISSIONER HUGHES: Okay. Thank you for  
23          that. No further questions.

24                         COMMISSIONER BROWN-BLAND: Any questions on

1 Commissioner Hughes' question?

2 MR. MAGARIRA: None from the Public Staff.

3 MR. DROOZ: None from the Applicant.

4 COMMISSIONER BROWN-BLAND: Ms. Black, thank  
5 you for your testimony. You may be excused.

6 THE WITNESS: Thank you.

7 (The witness is excused)

8 COMMISSIONER BROWN-BLAND: Next witness  
9 please.

10 MR. KALLULALAM: My name is Martin Francis  
11 Kallukalam and I live in Apex, North Carolina, 2200  
12 Stillness Park Lane.

13 COMMISSIONER BROWN-BLAND: Just a moment.

14 MARTIN FRANCIS KALLUKALAM;

15 having been duly affirmed,

16 testified as follows:

17 COMMISSIONER BROWN-BLAND: Thank you.

18 Mr. Magarira.

19 DIRECT EXAMINATION BY MAGARIRA:

20 Q Good evening, Mr. could you state your name for  
21 the record?

22 A Yes. First name Martin, M-A-R-T-I-N, middle name  
23 Francis, F-R-A-N-C-I-S, last name Kallukalam,  
24 K-A-L-L-U-K-A-L-A-M.

1 Q Great. Thank you. And just because I want to  
2 pronounce it correctly, how do you pronounce your  
3 last name?

4 A Kallukalam but you can call me by my first name.  
5 It makes it easy.

6 Q Thank you. And I think we heard it beforehand  
7 but, just for the record, could you state again  
8 your address and subdivision?

9 A Yes. It's 2200 Stillness Pond Lane, Apex, North  
10 Carolina 27539, and Subdivision 60, Blaney Farms.

11 Q Thank you. Mr. Kallukalam, are you a customer of  
12 Old North State?

13 A Yes.

14 Q And do you have a statement you'd like to make  
15 tonight?

16 A Yes, I do. And thanks for the opportunity to  
17 give my written notes. So, I have or we have  
18 experienced water quality issues since we moved  
19 into this neighborhood in Apex in July 2020.  
20 That's a year, three months back. And issues  
21 we've faced is very similar to what other people  
22 have described, which is water discoloration, low  
23 water pressure occasionally. But in my personal  
24 experience, the low water pressure has not been

1 bad enough to be considered as a serious  
2 inconvenience but it's been there every once in a  
3 while. There is no water if there is a utility  
4 power outage. And I have not contacted Integra  
5 the service company during any of these issues or  
6 these events and primarily because someone else  
7 in the community has always made that contact  
8 whenever these issues pop up. That's one reason.

9 The other reason being the  
10 experience with these water quality issues are  
11 less severe in my case than others in the  
12 community, which I have no explanation why that's  
13 the case, or maybe my tolerance level is higher  
14 than others. But in either case, I have not  
15 officially contacted Integra to report these  
16 issues, but I have faced these issues time and  
17 again.

18 Now, to refer in the last five  
19 months I have experienced less visible  
20 discoloration issues and I believe that's due to  
21 some sequestration of water which neutralizes the  
22 visible color caused by minerals rather than not  
23 necessary removing them. So visibly the water is  
24 much cleaner now in the last three, two, five

1 months.

2 But the main reason I'm here is  
3 not to speak of the water quality issues that's  
4 there but, one, to raise my concern against the  
5 proposed water rate hike. And I want to call it  
6 out as a hike rather than an increase. I mean,  
7 if it's a 6 percent, 7 percent in our rate  
8 increase I would call it just an increase which  
9 is understandable. But 71 percentage, that's not  
10 an increase, it's a rate hike. Right. So what  
11 makes me worry is this 71 percentage will make  
12 this water which should be a commodity or a  
13 utility makes it a novelty, right. I mean, it's  
14 not -- it's a novelty rather than a utility in  
15 that case.

16 The second point I want to make is  
17 so all the nearby towns - Apex, Fuquay-Varina,  
18 Cary, Raleigh - they all had a rate increase in  
19 2021, and the rates are published on their  
20 respective websites. But if you compare the  
21 out-of-town rates for all these adjacent towns,  
22 they are substantially lower than what we will be  
23 paying with this new rate even though the nearest  
24 city, Fuquay, is just two miles from where we are

1 living. And I'm sure they are paying  
2 substantially lower rates compared when this new  
3 rate goes into effect, if it does.

4 And the last point I want to make  
5 is so I read through some of this public  
6 information documents available under the  
7 subdivision 60, the Docket Number W-1300, and in  
8 one of the documents Mr. McDowell states that  
9 some of the benefits of a uniform rate to ONSWC's  
10 water customers is it essentially reduces the  
11 overall cost to customers which will result in  
12 all cost savings for all the customers. That's  
13 on the page 7 of that document. So even though  
14 Mr. John McDowell says that it will in turn bring  
15 down the cost to every customer, but I fail to  
16 understand that because the new rate proposal  
17 basically shows there is a 60 to 71 percent  
18 increase for every customer, every customer  
19 serviced by ONSWC. So, how could this uniform  
20 rate reduce the rate of water for customers? In  
21 turn, it's basically bringing the cost up for  
22 every customer. Not even a single customer has a  
23 rate which goes down in the proposed rate. So,  
24 on the same topic and under incentive for which I

1 believe is what led to this new rate issue --

2 (Timer beeps)

3 -- making the rate uniform for all  
4 the customers. Right. But I think that's unfair  
5 because if you make the rates uniform for all the  
6 customers serviced by ONSWC geographically,  
7 right, then some customers suffer at the expense  
8 of others because we live in Apex which is not  
9 too remote into North Carolina So, I'll  
10 essentially be paying at the same rate as a  
11 county in North Carolina which may have a huge  
12 expense for generation and distribution of water.  
13 So a uniform rate essentially hurts some  
14 customers at the expense of others.

15 So, that's all I have to say. But  
16 to end this testimony, I would say that if I'm  
17 given a choice to -- if I'm given two choices and  
18 I live with the current water quality or a rate  
19 hike, I will gladly accept the current water  
20 quality than a rate hike, because 71 percentage  
21 rate hike is, in my opinion, it's too much. I  
22 would rather live with the current quality of  
23 water which is not terrible at least at this  
24 point in time but the 71 percentage increase is

1           terrible. That's all. Thank you.

2           MR. MAGARIRA: Thank you.

3           COMMISSIONER BROWN-BLAND: Any questions,  
4 Mr. Magarira?

5           MR. MAGARIRA: Yes, just very briefly.

6 BY MR. MAGARIRA:

7 Q       Martin, you have mentioned obviously sort of the  
8       purpose of your testimony today is not really the  
9       water quality issues, so I want to be respectful  
10      of that. But I guess I just have one sort of  
11      quick question. I guess the main issues that you  
12      seemed to have observed is water discoloration,  
13      low water pressure, and at least my recollection  
14      is that these issues have persisted since you  
15      moved or have at least been an issue since you  
16      moved into your house in June 2020, and then I  
17      see that the discoloration has lessened in the  
18      last five months because of sequestration.

19                   I just want to clarify  
20      the sequestration issues. Is that something that  
21      I guess has been done on your end or is this  
22      something that -- at least your belief is that  
23      it's been done by ONS or someone else I guess  
24      somewhere on the system to reduce that

1           discoloration. I just want to make sure that I  
2           have that.

3   A       Yes. So I think it's been done by the service  
4           company Integra or one of its affiliates, not by  
5           me. So I've done nothing to make it any better  
6           or any worse.

7   Q       Okay. So is this something that Integra, the  
8           maintenance company, has sort of done to sort of  
9           improve that issue. And you said that's been  
10          within the last five months you've seen sort of a  
11          marked increase in quality there?

12   A       Yeah, I would say in the last four months. At  
13          the same time I've seen other people in the same  
14          community reporting quality issues, but I wanted  
15          to speak on their behalf.

16   Q       I definitely understand.

17   A       It's all -- yep, it's always been a baffling  
18          thing to me that why some households have really  
19          terrible water quality issues while some others  
20          don't even though it's supplied by the same water  
21          main.

22   Q       Gotcha. Thanks.

23                 MR. MAGARIRA: No further questions from the  
24                 Public Staff.

1 COMMISSIONER BROWN-BLAND: Mr. Drooz?

2 MR. DROOZ: No questions.

3 COMMISSIONER BROWN-BLAND: Any questions  
4 from the Commissioners?

5 (No response)

6 COMMISSIONER BROWN-BLAND: Mr. Kallukalam -  
7 I'm trying to say that right - thank you for  
8 testifying, and you may be excused.

9 THE WITNESS: Thank you. Yep.

10 (The witness is excused)

11 COMMISSIONER BROWN-BLAND: Next witness,  
12 please.

13 MS. KILPATRICK: Jolieann Kilpatrick.

14 JOLIEANN KILPATRICK;

15 having been duly affirmed,

16 testified as follows:

17 COMMISSIONER BROWN-BLAND: Mr. Magarira.

18 DIRECT EXAMINATION BY MR. MAGARIRA:

19 Q Good evening, Ms. Kilpatrick. Could you state  
20 your full name for the record, please?

21 A Yep. It's Jolieann Kilpatrick. J-O-L-I-E-A-N-N.

22 Q And Kilpatrick being spelled?

23 A K-I-L- -- oops. Sorry. K-I-L-P-A-T-R-I-C K.

24 Q Perfect. Thank you. And what is your address

1 and subdivision?

2 A It is 2201 Stillness Pond Lane and we are in the  
3 Blaney Farm Subdivision.

4 Q Great. And are you a customer of Old North  
5 State?

6 A We are now.

7 Q And do you have a statement you would like to  
8 make tonight?

9 A Yes. I would like to speak to the water quality  
10 that I know my neighbor Martin just spoke to  
11 about a little bit. I actually -- my husband and  
12 I moved in May 1st of 2019, and I actually have  
13 documentation from several neighbors, because  
14 this was an issue that we noticed very quickly  
15 upon moving in. And talking to other neighbors,  
16 they said they had been dealing with it since the  
17 inception of the neighborhood. So we started  
18 gathering pictures and video. And I started  
19 writing down everything I could find from anybody  
20 who had called to Integra, was the one who we  
21 were supposed to contact. And we just in the  
22 last two months got switched over to ONSWC. And  
23 I know that some of the people in the  
24 neighborhood have always paid their bills to

1           ONSWC. We had always done it to Integra and we  
2           now do it to ONSWC.

3                       So we complained a lot about our  
4           water quality and to the point of we ended up  
5           going and getting it tested at our own expense.  
6           And it wasn't until we went and got it tested and  
7           I sent some letters to the State Legislators and  
8           to Shawn Guyer at DEQ that we finally started the  
9           process of sequestration got approved, because of  
10          all of the complaints that we had and the water  
11          testing that we had done. I actually had  
12          Mr. Guyer question whether or not we had scraped  
13          that water off the bottom of the pond because the  
14          numbers were so bad. And we did take the -- we  
15          took the sample during one of our brown water  
16          instances because we wanted to see what it was in  
17          our water when we were so frequently getting  
18          this.

19                      And so the sequestration started  
20          in February and we still in this year 2021, we've  
21          had -- six out of the nine months we've still had  
22          instances of brown water or our new issue high  
23          chlorine. We have lots of people -- I used to  
24          smell it when my kids would fill up their bathtub

1 and you'd go in and it would be like a teal color  
2 and it would smell like a pool.

3 And then I have pictures from  
4 another neighbor who sent me, because I've kind  
5 of been the one documenting and gathering  
6 everything, and they had burns on their daughter.  
7 And another neighbor from Senter Farm had  
8 actually contacted me and let me know that they  
9 also had rashing and burning on their daughters  
10 after bathtub.

11 So that started after the  
12 sequestration started because adding phosphate to  
13 the water they had to up the chlorine in order to  
14 kill off the algae that was going to grow from  
15 the phosphates. And so I went back and I've been  
16 looking -- we've been working with Darryl at --  
17 Darryl Boyette at the Rock Water Group and he's  
18 been wonderful. He's been very attentive to all  
19 our issues. However, he's also let us know that  
20 these issues are not actually going to be solved  
21 unless a filter is put on the well. And I think  
22 it's ridiculous that a company, a private company  
23 can come in and sell me the water straight from  
24 the ground without filtering it when if I went

1 into a store and bought bottled water it must be  
2 filtered before it's sold to me.

3 We have not been personally in our  
4 family drinking the water until -- since we got  
5 our water test back. We -- I've looked at all of  
6 the water tests that have been done because DEQ  
7 did get on it. And they sent a Notice of  
8 Deficiency to Integra on our wells and one well  
9 they ended up having to completely take offline  
10 because it couldn't be fixed. And then the other  
11 wells, that's been left on.

12 The only reason we're not seeing  
13 the brown water anymore is because the iron  
14 levels, it has been working, the sequestration,  
15 the phosphates have been binding to iron and it's  
16 been helping with the coloration. But according  
17 to Darryl, it's not actually removing it  
18 completely from our water. It's just in a sense  
19 hiding it. And the hope is that it binds to the  
20 piping. And that has been happening with the  
21 iron because our iron numbers have gone down.

22 However, our manganese numbers  
23 have stayed the exact same and are consistently  
24 above the EPA secondary standard for health

1 advisory that was given out and so those numbers  
2 still stay consistently above that number.

3 And I've noticed that when I have  
4 had to go back and drink the water, I immediately  
5 get mouth sores and when I stop drinking the  
6 water the mouth sores go away. And I mentioned  
7 that to some other neighbors and they mentioned  
8 their children are having the same issue; that  
9 they have a lot of mouth sores.

10 So we've -- I know that other  
11 people in the neighborhood have talked about  
12 health issues that they've linked back to the  
13 water and they've stopped drinking the water.  
14 We've had several homes in the neighborhood end  
15 up at their own expense getting whole house  
16 filtration systems. I have not done that yet  
17 because I am still fighting to try and get the  
18 water that we do have and that we have paid for  
19 for the last two years, I'm trying to make that  
20 drinkable for my family. And as it is, we don't  
21 drink it. We've hired a water company to come in  
22 and deliver water to us. So, I'm very not okay  
23 with a 71 percent hike. And I'm not even okay  
24 with a little increase unless I saw that increase

1 was worth it. I don't have clean water that  
2 I've --

3 (Timer beeps)

4 -- I've paid for unclean water for  
5 two years now and it's not something that I'm  
6 excited about having to pay more for water that I  
7 still can't drink.

8 So, I have lots of pictures and  
9 videos. If anybody wants to see them, they can  
10 always contact me. I have pictures of the burns.  
11 I have pictures of basically mud coming out of  
12 our system and I have the North Carolina State  
13 lab certified lab results from the two tests that  
14 we had done that were both astronomically high.  
15 And the cause for us were not drinking the water  
16 anymore. I have small children and I can't in  
17 good conscience give them this water knowing that  
18 manganese causes neurological deficiencies. So,  
19 that's what I have to say.

20 COMMISSIONER BROWN-BLAND: Mr. Magarira.

21 BY MR. MAGARIRA:

22 Q Thank you, Ms. Kilpatrick, and I'm sorry that  
23 you're experiencing these issues. So, a couple  
24 of questions. So you had mentioned obviously

1           that, or at least I believe you mentioned that  
2           your kids had gotten, I guess rashes and also --  
3           rashes and burning in addition to some neighbors'  
4           kids. And I think you also mentioned when you  
5           drank the water, when you have, which it sounds  
6           like you're not anymore, you're having a water  
7           company deliver water to your house, that you got  
8           mouth sores, and some of your neighbors have as  
9           well.

10                           I guess the first question is have  
11           you or -- yeah, have you or any of your family  
12           members just been able to sort of had those  
13           issues be looked at, at sort of by medical  
14           professionals? And then secondly -- actually  
15           yeah, that's my first question for right now.

16   A       Yeah, we did not have any medical people take a  
17           look at us. And the mouth sores, one, I actually  
18           didn't realize was caused by the water until I  
19           stopped drinking it. I had started them when I  
20           moved in in 2019, but I was also pregnant at that  
21           time and I do tend to get dental issues when I'm  
22           pregnant and they just continued for awhile  
23           afterwards and I just kind of assumed it was my  
24           hormones were still out of balance. But as soon

1 as I finished drinking the water within a week  
2 the mouth sores cleared up. And then like I said  
3 I didn't drink it for about two or three months.  
4 And then there was a time where I was running out  
5 to the store and grabbing water, and we hadn't  
6 gotten the water service yet, and I was like well  
7 I'll be fine for a week and I started drinking  
8 the water again and immediately got the mouth  
9 sores and so I stopped drinking the water and the  
10 mouth sores went away.

11 Other issues with like I thought I  
12 had acid reflux and that went away when I stopped  
13 drinking the water.

14 And then for the rashing, my  
15 children have just had extreme, extreme dry skin  
16 where they get out of the bath and they're just  
17 unbelievably itchy and crying because they can't  
18 get the itching to stop. But I do have pictures  
19 from neighbors who have sent me the pictures  
20 because I'm -- I've kind of become the  
21 neighborhood data person for our water issues.  
22 So I have a file of photos and complaints and  
23 brown water, I have dates and the houses that  
24 were affected, and who called Integra at the

1 time. And, yeah, we've got a pretty big list.

2 Q Thank you. And I mentioned sort of at the  
3 beginning of the hearing we've got some email  
4 addresses for folks that you can reach out to,  
5 but we can also sort of follow up with you after  
6 the hearing with regards to the documentation you  
7 indicated.

8 Did you reach out to the Company  
9 ONS sort of after --

10 A Yes.

11 Q -- you experienced some of these health issues?  
12 I know you've been pretty consistent with  
13 reaching out to them with regards to sort of  
14 these like bigger picture water quality issues.  
15 But with regards to these specific health issues,  
16 did you with reach out to ONS?

17 A No, because we were told to just call when there  
18 was a water issue. And I know we do -- I do  
19 have -- we've called about high chlorine smell.  
20 But we haven't contacted them because we didn't  
21 have any like -- because we didn't go to a doctor  
22 and get a doctor's note. We didn't have anything  
23 to give them other than our pictures. And  
24 they've never asked for any of our pictures and

1 don't actually have a way of getting them to them  
2 so far. And I know that before I moved into the  
3 neighborhood several neighbors had contacted. I  
4 know of one who had even contacted the president  
5 of Integra and it just -- nothing ever got done.  
6 So, it wasn't until we as a community contacted  
7 the State Legislators that we finally started  
8 getting some movement on our water issues.

9 Q Gotcha. And you had said specifically that the  
10 sequestration that had been implemented, it seems  
11 to have maybe not remedied the iron issues that  
12 were causing some discoloration but were at least  
13 hiding them because like -- I'm not really a --  
14 I'm not a chemistry person but I think you've  
15 said they added phosphates to the --

16 A Yeah. That's what was explained to us by Darryl  
17 at Rock Water Group whose been maintaining the  
18 wells for Integra now ONSWC. He's the one who  
19 said that the hopes were that it would bind to  
20 the iron so then we just wouldn't see it. So, it  
21 basically gets rid of the discoloration, because  
22 the iron is what's causing the brown water. But  
23 for us, at least for me, the higher concern is  
24 the manganese and manganese toxicity.

1 Q Yeah. And that was going to be my follow-up  
2 question that you had said that the manganese is  
3 still -- the levels --

4 A Yep.

5 Q -- are exceeding sort of the EPA advisory. And  
6 has that been pretty consistent, that exceedance?

7 A Yep. Yep. Comparing the numbers from 2018 from  
8 a water report that I had, the numbers are the  
9 same if not higher and they are consistently on  
10 each well, because there's three wells that have  
11 been tested and I have the numbers on all of  
12 those quarterly for the last from -- from 2020, I  
13 think. I have quarterly reports after the Notice  
14 of Deficiency was given. And Darryl was good  
15 enough to send that to our HOA as well. So I  
16 have all of those numbers, and the manganese has  
17 never gone down; that stayed consistently high.  
18 And what we've been told by the State is well  
19 it's a secondary number so we don't -- you know,  
20 we can't -- it's for aesthetics. And I can see  
21 that with the iron aesthetically, yes. It's not  
22 great to drink brown water but then again also  
23 high iron isn't necessarily going to damage you  
24 as much. You might not be able to go to the

1 bathroom as easily. But manganese, however,  
2 stays in the body and high elements causes  
3 neurological issues, so that's the one that's  
4 very concerning. And we had been told by an  
5 environmentalist that no infant should be  
6 drinking anything with the numbers that we were  
7 seeing, so we didn't. But, yes, the manganese  
8 has not changed at all with the sequestration.  
9 It has not affected those numbers in the least.

10 Q And I just want to confirm, you said the  
11 sequestration was approved and then it started in  
12 February of this year. Do I have that right?

13 A Uh-huh (yes). Yep. Correct.

14 Q And I guess --

15 A And since it started -- since it started, we  
16 still had brown water issues. Like I said, well,  
17 if I don't include January, we had them in  
18 February -- I'm sorry. I have my little list up  
19 here. We had issues of brown water in February,  
20 March, April, May, and July of this year.

21 Q And then again, obviously, I know you've been in  
22 pretty consistent contact with the Company ONS.  
23 And I guess, given these sort of elevated -- I  
24 just want to make sure and apologies if you sort

1 of mentioned this already, but with regards to  
2 the continued elevated levels of manganese, have  
3 you contacted the Company and what was their  
4 response? Then I think -- I would -- you talking  
5 to someone and saying that's sort of the issue  
6 that they flagged was that iron and manganese,  
7 these are secondary sort of issues. There's a  
8 term here that I'm blanking out on. There's  
9 primary and secondary sort of water issues and  
10 regulations. And then iron and manganese levels,  
11 these are secondary issues and so they're not  
12 seen as being perhaps as severe, but I guess  
13 heavy follow up with regards to sort of these  
14 elevated levels. And has there been response  
15 with regards to that?

16 A I haven't reached out to them because they were  
17 reporting to DEQ and so we were trying to let  
18 things play out and kind of see what happened  
19 with sequestration. And now that we're in the  
20 third quarter of that -- well actually, just  
21 started the fourth quarter of that sequestration.  
22 Yeah, it would be great to talk to ONS. I would  
23 love to have a number that they would reply to.  
24 Before, trying to get information from them --

1 we've always dealt with Integra and so it's new  
2 that we're now not able to deal with Integra. So  
3 now I'm not exactly sure who we're supposed to  
4 contact because Integra was our contact.

5 Q Right.

6 A But we're in a lot of contact with Darryl Boyette  
7 who has been working for I guess now it's ONSWC.  
8 He's the one who's contracted to maintain the  
9 well. So, he's the one that we call when there's  
10 issues. We usually call Integra or whatever  
11 number that they list as like the emergency  
12 number. I've had neighbors wait for an hour to  
13 talk to somebody on that before. And then they  
14 usually contact Darryl and he's very responsive.  
15 He's been wonderful. He's come out every single  
16 time there's been an issue and he's tried to take  
17 care of it as best he can. But from my  
18 understanding, the system is -- the wells  
19 themselves are not even very good systems and the  
20 way they were set up is not effective and because  
21 there's no filter on it. He's the one that told  
22 us because there's no filter on it this issue  
23 isn't actually going to be solved.

24 Q Gotcha. One last question because I don't want

1 to take up too much time. When did you start  
2 purchasing your own water?

3 A We started purchasing it back in -- I believe we  
4 got the test in, oh gosh, it was either the end  
5 of November or December of 2020. We stopped  
6 drinking the water as soon as we got those tests  
7 back. So all of 2021 and I can probably pull up,  
8 I'm trying to think of when the last big, big  
9 issues. I think it was January 19th actually was  
10 the last huge problem that we had and we got the  
11 water tested after that so we stopped.  
12 Effectively, in February we stopped drinking the  
13 water.

14 Q Okay. Thank you.

15 MR. MAGARIRA: No further questions from the  
16 Public Staff.

17 COMMISSIONER BROWN-BLAND: Mr. Drooz?

18 MR. DROOZ: Yes, I wanted to ask if  
19 Ms. Kilpatrick had heard earlier about the contact she  
20 could reach at the Company if she wants to raise  
21 further questions or concerns.

22 CROSS EXAMINATION BY MR. DROOZ:

23 Q Just so if you can tell us if you did get that  
24 information?

1 A I was just dialing in when that was being given  
2 out. If you could give me that again that would  
3 be wonderful. I'd love to talk to somebody.

4 Q Sure. You can email me at  
5 ddrooz@foxrothschild.com, and that email is in  
6 some of our filings in the docket, too, and I'll  
7 pass that on to the Company.

8 A Okay.

9 Q Also, you mentioned a person named Darryl. Was  
10 that person with Old North State or Integra?

11 A He was hired by Integra to maintain -- because  
12 Integra is based out of Alabama, so they didn't  
13 have any offices in North Carolina. We were told  
14 actually that they were going to be building  
15 offices here in North Carolina in April and that  
16 never happened. Instead, we just got turned over  
17 to ONSWC.

18 Q Has Darryl been responsive to concerns from the  
19 neighbors?

20 A Darryl's been very responsive. He's been  
21 wonderful.

22 Q Thank you.

23 MR. DROOZ: That's all I have.

24 A Yep.

1           COMMISSIONER BROWN-BLAND: Are there  
2 questions from the Commissioners?

3                           (No response.)

4           COMMISSIONER BROWN-BLAND: Ms. Kilpatrick,  
5 we appreciate the information you had to share through  
6 your testimony tonight and you may be excused.

7           THE WITNESS: Thank you.

8                           (The witness is excused)

9           COMMISSIONER BROWN-BLAND: Before we move  
10 on, Madam Court Reporter, are you needing your usual  
11 break? I think we're about half way through.

12                           (WHEREUPON, the Court Reporter  
13 indicated positively.)

14           COMMISSIONER BROWN-BLAND: We will take a  
15 break at this time and we will come back and start  
16 over at 8:15. And those of you participating by Webex  
17 at the moment, please stop your video and come back on  
18 at 8:15. Our host will mute you or you will mute  
19 yourselves. Thank you.

20                   (A recess was taken from 8:00 p.m. to 8:15 p.m.)

21           COMMISSIONER BROWN-BLAND: Let's come back  
22 on the record.

23           Webex host, please bring up our next  
24 witness.

1 MS. MATTON: Good evening.

2 COMMISSIONER BROWN-BLAND: Good evening.

3 State your name, please.

4 MS. MATTON: Yes, ma'am. My name is Mary  
5 Matton. Last name is spelled M- as in Mary, A- as in  
6 apple, T- as in Tom, T- as in Tom, O-, N as in Nancy.

7 MARY MATTON;

8 having been duly affirmed,

9 testified as follows:

10 COMMISSIONER BROWN-BLAND: Mr. Magarira.

11 DIRECT EXAMINATION BY MR. MAGARIRA:

12 Q Good evening. Could you state your name again  
13 for the record, please?

14 A Yes, sir. My name is Mary Matton. Again,  
15 spelled M-A-T-T-O-N.

16 Q Perfect. And what is your address and  
17 subdivision?

18 A Address is 395 Dorchester Street, Clemmons, North  
19 Carolina. I'm in the Rocklyn Subdivision.

20 Q And are you a customer of Old North State?

21 A I am.

22 Q And do you have a statement you'd like to make  
23 tonight?

24 A Yes, sir. ONSWC is asking to raise customer

1 rates a staggering 71 percent in 34 of 43 or  
2 80 percent of its North Carolina-based service  
3 areas according to the data provided in our  
4 customer notice.

5 Do they understand the  
6 consequences in the whopping increase they're  
7 proposing? First, we've seen incomes take a huge  
8 hit during the pandemic. The U.S. Census Bureau  
9 released a report CB21-151 on September 14th of  
10 this year stating "Median household incomes in  
11 2020 decreased 2.9 percent and the official  
12 poverty rate increased one percentage point."  
13 The same report places a median yearly income in  
14 the U.S. at \$67,521 in 2020.

15 According to the latest U.S.  
16 Census, six of the eight counties ONSWC is asking  
17 for rate increases in fall substantially below  
18 that figure. Poverty rates in seven of the eight  
19 counties are well above the cited 11.4 percent  
20 national average. Now, let's remember, since the  
21 figures don't take into account the most recent  
22 decrease in income or increase in poverty. Let's  
23 also remember there's not a government program in  
24 North Carolina to provide utility assistance for

1 water and sewer services.

2 Home values have also increased  
3 substantially, according to a Yahoo Finance  
4 article by Chris Morris published May 20th of  
5 this year. Quote, the national median listing  
6 price for homes has increased 8.3 percent between  
7 January and April, end quote. This has prompted  
8 property values in many North Carolina counties  
9 to be reassessed ahead of schedule. And, of  
10 course, higher property values mean a greater  
11 property tax burden on homeowners. In addition,  
12 cost for necessities have gone up sharply.

13 Another Yahoo article published  
14 just today by an Adele Ushay (spelling uncertain)  
15 states quote, According to AAA, the cost per  
16 gallon of gas is now over a dollar compared to  
17 this time last year, end quote. And the food  
18 price outlook 2021, the USDA found that quote,  
19 food at home prices increased 3.5 percent, now  
20 that's grocery prices.

21 A CBS article Christopher J.  
22 Brooks dated January 5th of this year states,  
23 quote, Major pharmaceutical companies are raising  
24 their prices a median of 4.6 percent, end quote.

1 Plus a rate increase for other utilities was  
2 approved earlier this year, namely Duke Energy.

3 (Timer beeps)

4 On the other hand, how much did  
5 ONSWC post in quarterly profits? This figure has  
6 not been made transparent to customers. What's  
7 going on here? All these changes in quick  
8 succession have a ripple effect. These rate  
9 increases will disproportionately affect those at  
10 or near the poverty line, pushing many of us past  
11 it. Is this Commission going to allow whopping  
12 rate hikes to make it impossible for North  
13 Carolinians hard hit by the pandemic to stay in  
14 their homes? If approved, this increase may well  
15 be a recipe for a housing crisis in the near  
16 future.

17 Thusly, I encourage the Commission  
18 to resoundingly reject the proposal put forth by  
19 Old North State Water Company and grant zero  
20 increase in customer rates while this pandemic  
21 still rages. Thank you guys very much.

22 COMMISSIONER BROWN-BLAND: Mr. Magarira.

23 BY MR. MAGARIRA:

24 Q Ms. Matton, and apologies if I mispronounce your

1 last name, have you experienced any water quality  
2 issues?

3 A The only water quality issues we've had are high  
4 calcium deposits and smell coming from the  
5 faucets. We've had this attempted to be  
6 corrected but it's an on-again/off-again issue.

7 Q So you said high calcium deposits and smell  
8 coming out of the faucets. And when did those  
9 two issues sort of arise and sort of how  
10 consistently have those been issues for you?

11 A Well, honestly it's been every other week and  
12 we've been in our home since March 19th of 2019.

13 Q And how would you describe the smell coming out  
14 of your faucets?

15 A A rotten egg smell.

16 Q An egg smell, okay.

17 A Uh-huh (yes).

18 Q And it sounded like from your earlier response  
19 that you have been in the -- sorry, you have been  
20 in contact with the Company with regards to these  
21 issues?

22 A We've been in contact with the company Integra.  
23 Integra, really before they got handed off to Old  
24 North State, they really, they came out and

1           assessed the situation. We've had plumbers come  
2           out and try to fix the vents for the pipes and  
3           honestly it's had no effect. We do live  
4           basically right across the street from the water  
5           works. Down -- we've got one up the hill and one  
6           down the hill. We live near the water sewage --  
7           the sewage treatment plant and the water works.  
8           So, we're right on the county line.

9    Q       Gotcha. And so you said the -- when they tried  
10           to fix the vents that didn't seem to fix the  
11           issue. Has there been any other sort of  
12           maintenance or repair that's been attempted by  
13           ONS or someone else on your own costs that sort  
14           of address these issues?

15   A       Yes, sir. My husband installed a whole house  
16           water filtration system and we still continue to  
17           have the rotten egg smell.

18   Q       When was the whole house filter installed?

19   A       Pretty much when we moved in; within a couple of  
20           months.

21   Q       Okay. And so after sort of the -- I guess the  
22           vent fix did not work, have you been in contact  
23           with the Company since with regards to sort of  
24           these issues or through contact --

1 A No, sir. We -- honestly we had just resolved to  
2 the fact that we live near the water works and  
3 that this was a fact of life. Because, you know,  
4 honestly with you -- even if you go outside there  
5 are times that you smell the -- I mean, it's  
6 overpowering, but again, we live near the water  
7 works. So water and -- water works and the  
8 sewage treatment plant, which we thought this was  
9 a fact of life so we really haven't pushed on  
10 this matter further.

11 We have not had testing done as  
12 far as water quality through an independent lab  
13 like another caller has. I mean we could but  
14 honestly that's one of those things that we can't  
15 really afford to do right at this point.

16 Q Gotcha. And then this last question, so you said  
17 that the smell coming from inside your house,  
18 specifically the faucet smelled, excuse me, like  
19 rotten eggs. What is the smell outside of your  
20 house? Because you mentioned that there was a  
21 smell outside and you sort of connected that to,  
22 at least sort of assumed, that that was because  
23 of the sewage plant and the water works being  
24 close. Is that smell the same? Different?

1 A Well, there are times when you don't smell  
2 anything at all. But about every week, once a  
3 week, you go outside different times of the day  
4 and it smells overwhelmingly of sewage. Yeah,  
5 overwhelmingly of sewage.

6 The smell only comes out of the  
7 faucet whenever we turn on the faucets. Say, if  
8 I draw a bath for my young child, I mean, if the  
9 water hadn't run for, you know, since earlier  
10 that day we'd get the rotten egg smell coming  
11 out.

12 Q So, the -- and I guess I'll ask one follow-up  
13 question. The smell that comes from your faucet,  
14 I think I heard you say that that happens pretty  
15 much every single time you open a faucet; is that  
16 right?

17 A No, not every single time. It depends on which  
18 faucet. We have various faucets through the  
19 house where we have not gotten any smell  
20 whatever. Most of those are downstairs. The  
21 only faucets we really get the massive smell out  
22 of is my kid's bathtub and all of the bathroom  
23 sinks upstairs. We have three bathroom sinks  
24 upstairs.

1 Q So the kid's bathtub and the sinks upstairs.

2 A Uh-huh (yes).

3 Q Is the bathtub also upstairs?

4 A Yes.

5 Q Okay.

6 MR. MAGARIRA: No further questions from the  
7 Public Staff.

8 COMMISSIONER BROWN-BLAND: Mr. Drooz?

9 MR. DROOZ: No questions.

10 COMMISSIONER BROWN-BLAND: Commissioners?

11 (No response)

12 COMMISSIONER BROWN-BLAND: Thank you,  
13 Ms. Matton. You may be excused.

14 THE WITNESS: Thank you, ma'am. Y'all have  
15 a good evening.

16 (The witness is excused)

17 COMMISSIONER BROWN-BLAND: Thank you. Our  
18 next witness, please.

19 MR. CRAIG: Hello.

20 COMMISSIONER BROWN-BLAND: Please state your  
21 name.

22 MR. CRAIG: My name is Jeffrey Craig.

23 JEFFREY CRAIG;

24 having been duly affirmed,

1 testified as follows:

2 COMMISSIONER BROWN-BLAND: Mr. Magarira.

3 DIRECT EXAMINATION BY MR. MAGARIRA:

4 Q Good evening, Mr. Craig. Could you state your  
5 full name for the record, please.

6 A Yes, it's Jeffrey J-E-F-F-R-E-Y, last name is  
7 Craig C-R-A-I-G.

8 Q Great. What is your address and subdivision?

9 A I live at 1705 Salem Crest Lane, Raleigh, North  
10 Carolina 27614, and that's in the Ethan's Meadow  
11 Subdivision.

12 Q Thank you. And are you a customer of Old North  
13 State?

14 A I am.

15 Q Do you have a statement you would like to make  
16 tonight?

17 A I do. Thank you. Ethan's Meadow is a small  
18 extension subdivision that was constructed onto a  
19 larger existing subdivision. The first home went  
20 in around 2017. There are 33 homes; twenty of  
21 the homes are serviced by Old North State Water  
22 Company, the surrounding homes in the larger  
23 neighborhood, and 13 of the homes in Ethan's  
24 Meadow are serviced by Aqua of North Carolina.

1           So my next door neighbor is serviced by Aqua even  
2           though their water meter is essentially 2 feet  
3           from my water meter, and I am serviced by Old  
4           North State Water.

5                         In their filing, they said for the  
6           year test period the average usage was  
7           4,750 gallons. It just so happens that my next  
8           door neighbor's water bill from Aqua for August  
9           was 5,000 gallons. What they paid for water for  
10          5,000 gallons through Aqua of North Carolina in  
11          August was \$43.47. If I, now under these  
12          proposed rates and this 71 percent increase,  
13          would use 5,000 gallons under Old North State  
14          Water my calculation is my water bill would be  
15          \$68.48, or stated another way, 63 percent higher  
16          than my next door neighbor.

17                        I know that part of the Utilities  
18          Commission's mission is to provide fair utility  
19          pricing across the State. And through our  
20          utility suppliers that seems relatively unfair to  
21          me that next door neighbors would have basically  
22          utility bills that far off from one another for  
23          essentially the same service.

24                        Having listened to every one also

1 speak about water quality issues I'll just say  
2 we've had those here in this neighborhood. I  
3 moved in -- my wife and I moved in in December of  
4 2018 and by February of 2019 I had installed a  
5 whole house filtration system, water softener and  
6 reverse osmosis drinking water system for the  
7 house. We don't drink or cook with any of the  
8 water that doesn't go through that reverse  
9 osmosis system. Thank you.

10 Hello.

11 COMMISSIONER BROWN-BLAND: Are there  
12 questions?

13 MR. MAGARIRA: Just briefly.

14 BY MR. MAGARIRA:

15 Q When, Mr. Craig, did you have that whole house  
16 filtration system installed?

17 A It was either in the end of January 2019 or  
18 beginning of February 2019. We had only been  
19 here about a month and we were having bad  
20 staining, as people have otherwise described, in  
21 the household fixtures, and I had a private  
22 company come out and test it; very high levels of  
23 manganese and calcium and what was described as  
24 extremely hard water. And they installed a very

1 large, what people refer to as the "big blue  
2 filter". It's a 28/20" tall sediment filter that  
3 has to be changed every two months. When you  
4 change it, it looks like red North Carolina mud  
5 or rust in that short period of time. And then  
6 there is a water softening system and then a  
7 reverse osmosis drinking water system as well.

8 Q So sort of the water quality issues, as I  
9 understand it from your prior statement, the  
10 water quality issues had prompted you to  
11 installing a whole house filter system more for  
12 the water staining that you were seeing  
13 beforehand?

14 A Yes, the staining. And after having seen that we  
15 were not going to drink the water without  
16 cleaning it sufficiently.

17 Q Did you, sir, report the staining to Old North  
18 State when you started experiencing it?

19 A I don't recall reporting the staining to them. I  
20 remember reporting to the builder because the  
21 builder was still involved with us and they were  
22 the ones that had worked to have Old North State  
23 in this -- you know, service these 20 homes. And  
24 I remember reporting it to them and they kind of

1 shrugged me off.

2 Q Gotcha. Okay.

3 A Again, I just echo what others have said. A  
4 71 percent increase particularly when there is  
5 another service provider providing the same exact  
6 service one door away from me at 60 percent less  
7 is quite frustrating.

8 Q Yeah. Two last questions. I'm assuming the  
9 whole house filtration system, has that sort of  
10 addressed the staining issues that you  
11 experienced beforehand?

12 A They are certainly not nearly as bad as they  
13 were. There is occasionally a ring, without  
14 being too graphic, in the toilets, you know, in  
15 between cleanings, but it's nothing like it was  
16 when we first moved in. So, I guess that was the  
17 long answer for saying, yes, it has addressed it  
18 to our satisfaction but it's not perfect.

19 Q And do you remember -- these two questions relate  
20 to the testing. Do you remember approximately  
21 when the water got tested by that private  
22 company? You mentioned a private company had  
23 come out to your house to test your water.

24 A It would have been like I said the end of January

1 or the first part of February in 2019.

2 Q Okay. And has there been any testing that's been  
3 sort of conducted since the installation of the  
4 whole house filtration system?

5 A Well, they come out annually to service it and  
6 when they are here they -- you know, they have  
7 one of those water test kits they use and test it  
8 then, just to make sure what's coming out of the  
9 system is the way it's supposed to be.

10 Q Thank you.

11 MR. MAGARIRA: No further questions from the  
12 Public Staff.

13 COMMISSIONER BROWN-BLAND: Mr. Drooz?

14 MR. DROOZ: No questions.

15 COMMISSIONER BROWN-BLAND: Any questions  
16 from the Commissioners?

17 (No response)

18 Mr. Craig, we appreciate you coming out  
19 tonight or rather showing up on our Webex, and you may  
20 be excused.

21 THE WITNESS: Thank you for having us.

22 (The witness is excused)

23 COMMISSIONER BROWN-BLAND: Next witness,  
24 please.

1 MS. COLEMAN: Hello.

2 COMMISSIONER BROWN-BLAND: Please state your  
3 name.

4 MS. COLEMAN: Mayuri Coleman. The first  
5 name is M-A-Y-U-R-I, last name is Coleman  
6 C-O-L-E-M-A-N.

7 MAYURI COLEMAN;  
8 having been duly affirmed,  
9 testified as follows:

10 COMMISSIONER BROWN-BLAND: Mr. Magarira.

11 DIRECT EXAMINATION BY MR. MAGARIRA:

12 Q Good evening, Ms. Coleman. Could you state your  
13 full name for the record, please?

14 A It's Mayuri Coleman, M-A-Y-U-R-I. Last name is  
15 Coleman C-O-L-E-M-A-N.

16 Q Perfect. Thank you. And what is your address  
17 and subdivision?

18 A 6312 Abby Rose Court, A-B-B-Y R-O-S-E, and we're  
19 in Zebulon 27597, and we're in the Mendenhall  
20 community.

21 Q Great. Thank you. And are you a Old North State  
22 customer?

23 A I am.

24 Q And do you have a statement you would like to

1 make tonight?

2 A I would. I'm basically coming on to, you know,  
3 just speak up about the rate increase. It is  
4 quite high. I understand that utilities make a  
5 lot from time to time, but 71 percent is  
6 ridiculous. Also, we don't have a choice, right.  
7 So I can't go shop around for other water  
8 companies and decide that I'm going to go  
9 somewhere else. It's a monopoly. Because we  
10 don't have a choice we have to use the ONSWC, so  
11 it's -- I think it's Old North State. So, to ask  
12 everyone to pay 71 percent more is I think way  
13 beyond what would be considered a normal rate  
14 increase.

15 I think another gentleman  
16 mentioned it's a hike. It's a very big hike,  
17 especially when people are paying more for their  
18 homes; they're paying more for everything else,  
19 71 percent is a lot, and I think it would be a  
20 real hardship for most of the people in our  
21 community, so I'm speaking up for all of them.

22 And I really don't have anything  
23 else to say. I have not had water quality issues  
24 like others on this call have mentioned. I do

1 get rings like the gentleman mentioned in the  
2 toilets that need to be cleaned. I have not  
3 experienced any other water quality issues.

4 We do have water pressure issues  
5 quite often where, you know, you'll turn the  
6 faucet on and it's a trickle but it's not  
7 constant, but that does happen from time to time.  
8 Usually it's a few times every month, but it  
9 comes back, you know, a few hours later.

10 So that was it. I'm just really  
11 not okay with the rate increase and I hope it's  
12 not approved.

13 Q Thank you.

14 COMMISSIONER BROWN-BLAND: Any questions,  
15 Mr. Magarira?

16 MR. MAGARIRA: Just one question.

17 BY MR. MAGARIRA:

18 Q Have you reported the water pressure issues to  
19 Old North State?

20 A We have not because by the time I think I'm going  
21 to get on the phone -- I call and when I'm on the  
22 phone for quite a long time and then I end up  
23 giving up because I work full-time. So, it's  
24 really hard for me to stay on the phone and, you

1 know, be on hold so I have not followed through  
2 on it. But, like I said, the pressure does come  
3 back a couple of hours later so it hasn't been a  
4 huge hardship. And, like I said, it wasn't  
5 enough of a hardship for me to stay on the phone  
6 and miss out on work.

7 Q Gotcha.

8 MR. MAGARIRA: No further questions from  
9 Public Staff.

10 COMMISSIONER BROWN-BLAND: Mr. Drooz?

11 MR. DROOZ: No questions.

12 COMMISSIONER BROWN-BLAND: Commissioners?

13 (No response)

14 Ms. Coleman, thank you, and you may be  
15 excused.

16 THE WITNESS: Thank you. Have a good night.

17 COMMISSIONER BROWN-BLAND: You too.

18 (The witness is excused)

19 COMMISSIONER BROWN-BLAND: Next witness,  
20 please.

21 MR. ARONNE: Good evening. Nicholas Aronne.

22 NICHOLAS ARONNE;

23 having been duly affirmed,

24 testified as follows:

1 COMMISSIONER BROWN-BLAND: Mr. Magarira.

2 DIRECT EXAMINATION BY MR. MAGARIRA:

3 Q Could you state your name for the record; your  
4 full name, please?

5 A Sure. Nicholas Aronne. Last name is Alpha,  
6 Romeo, Omega, November, November, Echo.

7 Q Thank you. And what is your address and  
8 subdivision?

9 A 2208 Honey Crisp Court, Apex, North Carolina  
10 27539, Senter Farm.

11 Q Great. And are you a customer of Old North  
12 State?

13 A Yes.

14 Q And do you have a statement you would like to  
15 make tonight?

16 A Yes.

17 Q Go ahead.

18 A Thank you. So my dealings with Old North State  
19 started in August of 2019 when my family moved  
20 in. A few weeks into us moving into our brand  
21 new home we noticed upon drawing a bath for our  
22 child that the water smelled kind of a sulfuric,  
23 a rotten egg smell, as well as the water was  
24 extremely discolored and was leaving sediment in

1 the bottom of the tub. Immediately, I called the  
2 builder, who then they probably said hey that's  
3 not our deal, you have to call your provider  
4 which is Old North State.

5 That started down a series of just  
6 convolutedness, because in contact when we were  
7 trying to get in touch with Old North State you  
8 come to find out about Integra. So you contact  
9 Integra and Integra tells you well -- well let me  
10 see what I can do and apparently -- I'm talking  
11 to a gentleman. Unfortunately for him, he's only  
12 been on the job three months and he tells me well  
13 I have to page this service out. Come to find  
14 out this was a contracted out company by the name  
15 of Envirolink. And Envirolink, to my  
16 understanding as I came to understand, managed a  
17 lot of Integra or North State's water systems.  
18 So, called them out here. Their answer was we'll  
19 flush the system, so they flushed the system, and  
20 it kind of quote, unquote resolved it for a  
21 little bit. But it just pushed the issue, the  
22 discoloration and the sediment, to other  
23 homeowners which then by the same reverse effect  
24 they called. It moves it around and so we go

1 round and round. And so between September and  
2 then October I'm reaching out to other  
3 homeowners.

4 And then for unrelated reasons I'm  
5 talking to a person on Nextdoor who was a former  
6 resident in Blaney Farms which is our sister  
7 subdivision. And that subdivision I believe  
8 started somewhere in around 2017, 2018. And I  
9 happened to off ask -- offhand ask her did you  
10 ever have water issues. And she's like yeah we  
11 moved about a few months ago and we've had issues  
12 since day one. And oh by the way, when we were  
13 selling our house the inspector -- the potential  
14 homebuyers insisted that we put in the filtration  
15 system because of the water quality. So that  
16 quickly made me realize that this wasn't a new  
17 problem.

18 And that after calling repeatedly  
19 and getting passed off to Envirolink and then  
20 talking to their technicians and engineers that  
21 quote, unquote, well, the system was never  
22 engineered properly and it's going to cost  
23 roughly six figures, low to mid six figures  
24 to correct at least two, three of the wells,

1 because the fourth one finally became defunct and  
2 taken offline, that I wasn't going to get  
3 anywhere quick.

4 And I have young kids and was not  
5 going to be drinking or bathing in that water, so  
6 in I think it was like the beginning of November  
7 I decided to have a company come out. I did my  
8 own independent testing; showed high for the  
9 iron, the manganese, the calcium, all that stuff,  
10 very hard water. And it obviously is not a very  
11 detailed test but it was enough to say hey this  
12 isn't that sensitive and the numbers were high.

13 So I had the filtration system put  
14 in and for all intense purposes things were  
15 pretty good. We had some intermediate pressure  
16 issues even before and after. And then start to  
17 come to the end of 2020 and we start to smell  
18 chlorine. And, you know, the filtration system I  
19 got for the whole house didn't take care of  
20 filtering out chlorine.

21 Come to find out after Rock Water  
22 Group who is Darryl Boyette took over that, they  
23 found some issues with the system. Because at  
24 this point, my understanding is that Envirolink

1 was run out of town because they were mismanaging  
2 the system for years, and not just ours but  
3 pretty much most of the ones that Envirolink were  
4 managing. And that goes back to what the  
5 gentleman at Envirolink told me earlier which  
6 said we -- we're not even allowed to spend \$5.00.  
7 We're just going to do what we can do. And this  
8 was even after talking to a director at  
9 Envirolink who swore up and down they're doing  
10 everything they could.

11 So in late February, I reached out  
12 to Integra. I was able to get a meeting with  
13 Mr. McDonald and Darryl Boyette and we spoke.  
14 And I do believe that Mr. McDonald sincerely  
15 wants to correct the issues. The challenge that  
16 we have is, it's been stated by Darryl Boyette  
17 multiple times, the only way to fix this source  
18 of the issue is at the well with filtration  
19 systems that, again, are in the six figures.

20 Now, in fixing that problem with  
21 this 71 percent increase, they're expecting to  
22 pass years of mismanagement of the infrastructure  
23 off to the people consuming their product. I get  
24 reasonable rates in management and they're a

1 regulated service but that should not come at the  
2 cost of us who are landlocked into these services  
3 and ultimately did not mismanage this system for  
4 years and turn a blind eye to let Envirolink do  
5 whatever they did or did not do.

6 So ultimately, reasonable rates  
7 are okay. This was kind of brushed under the  
8 carpet for years. And I commend Mr. McDonald for  
9 taking charge now but, again, not at the cost of  
10 us fixing the service. Thank you.

11 COMMISSIONER BROWN-BLAND: Do you have  
12 questions, Mr. Magarira?

13 MR. MAGARIRA: Yes, just a couple of  
14 questions.

15 BY MR. MAGARIRA:

16 Q You mentioned in 2020 you started noticing a  
17 chlorine smell. Has that smell kind of  
18 continued? I'm assuming it has but I just wanted  
19 to --

20 A So, I don't know personally because at that same  
21 time even after I talked to Darryl Boyette and  
22 Mr. McDonald, I decided that after previous  
23 experience the only way to fix it was going to be  
24 myself. So, in addition to adding a chlorinator

1 or de-chlorinator, I also put in a pressure  
2 booster to keep constant pressure in the house.

3 Ultimately, I did all of this to  
4 kind of protect my investment in my home because  
5 all of the -- you know, the hot water heater, the  
6 fixtures, et cetera, this over long term will  
7 ruin and cost thousands upon thousands of  
8 dollars, probably even more than what I already  
9 put into the water filtration system, which again  
10 comes from the source of the well that needs to  
11 be fixed.

12 Q Sure. And so you mentioned in November you hired  
13 a company, they came out to your house and they  
14 sort of tested the water and they found that, you  
15 know, there were these -- I think I recall you  
16 saying iron, manganese and some other sort of I  
17 think it was particles in the water. Has sort of  
18 the installation of the, I guess, whole house  
19 water system and sort of the other fixes, have  
20 those sort of addressed the issues?

21 A Yes, for the particular elements that are in our  
22 water. I also failed to mention that I did reach  
23 out to Shawn Guyer just prior to doing this, and  
24 they said they were aware of a lot of complaints

1 going on at the State level and they would keep  
2 an eye on it. But the constant answer that I got  
3 from Envirolink and even the State was, oh well,  
4 they're in acceptable means. And I said that's  
5 great but my children don't drink acceptable  
6 means because of all the case studies linked to  
7 long-term effects of increased quantities of  
8 manganese in water. So, I don't particularly  
9 want to be a science experiment with my children.

10 Q Gotcha. And you mentioned Envirolink, sort of  
11 initially when you had I guess moved into your  
12 house -- you know, there was an issue with the  
13 water smelling like rotten eggs and you had also  
14 seen sediment buildup. Envirolink sort of they  
15 flushed your system and that as I recall, sort of  
16 pushed the issue to other homeowners. Was that  
17 the first and only time that they flushed your  
18 system or was that a fix that they did again to  
19 your house?

20 A Multiple times. And I know even when I didn't  
21 call because my property houses one of the flush  
22 valves, so my water -- at least my front yard got  
23 plenty of watering, because every time a customer  
24 would call it was either this location or another

1           one on the other end of the subdivision that they  
2           would flush, either both at the same time or they  
3           would rotate them, depending on where the issue  
4           was reported.

5   Q     Gotcha. I think that's all I've got.

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

8           COMMISSIONER BROWN-BLAND: Mr. Drooz?

9           MR. DROOZ: No questions.

10          COMMISSIONER BROWN-BLAND: Any questions  
11 from the Commissioners?

12   (No response)

13          We thank you for your testimony, and you're  
14 excused.

15          THE WITNESS: Have a good evening.

16          COMMISSIONER BROWN-BLAND: You too.

17   (The witness is excused)

18          COMMISSIONER BROWN-BLAND: Next witness,  
19 please.

20   (Pause).

21          If the next witness is there, please state  
22 your name.

23   (Pause).

24          Is the next witness there, Mr. Host?

1 (Pause).

2 Mr. McCoy?

3 MR. McCOY: I'm going down the list. I'm  
4 unmuting and I'm muting it -- or unmuting and then  
5 muting it to try to get a signal, but I'm just going  
6 down. We have a couple more left.

7 (Pause).

8 COMMISSIONER BROWN-BLAND: While we're  
9 waiting, Mr. McCoy, do you have --

10 MR. McCOY: That's it. I went through all  
11 of the whole list, unmuted, muted, unmuted a couple of  
12 times; no response.

13 COMMISSIONER BROWN-BLAND: Did we hear from  
14 the Andrean Edwards (spelling uncertain)?

15 MR. McCOY: They unfortunately dropped off.

16 COMMISSIONER BROWN-BLAND: All right. For  
17 those who are still on and listening, I will just  
18 remind you that the evidentiary hearing in this matter  
19 is set for Raleigh on December 2nd. At this time it  
20 would be -- it's set to be an in-person hearing. And  
21 for anyone following along with this docket, you may  
22 do so on our website which again is [www.ncuc.net](http://www.ncuc.net). And  
23 I'll remind you that 20 days from today the Company  
24 will file a report addressing the concerns and issues

1 that have been brought forth tonight.

2 With that said, unless the parties have  
3 something else to bring to the Commission.

4 MR. MAGARIRA: The Public Staff has nothing  
5 to present to the Commission.

6 COMMISSIONER BROWN-BLAND: All right. And  
7 then we will be adjourned.

8 Thank you, ladies and gentlemen.

9 (The proceedings were adjourned)

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C E R T I F I C A T E

I, KIM T. MITCHELL, DO HEREBY CERTIFY that  
the Proceedings in the above-captioned matter were  
taken before me, that I did report in stenographic  
shorthand the Proceedings set forth herein, and the  
foregoing pages are a true and correct transcription  
to the best of my ability.

Kim T. Mitchell

Kim T. Mitchell