1	PLACE: Held via Videoconference
2	DATE: Wednesday, September 23, 2020
3	DOCKET NO.: W-1314, Sub 4
4	TIME IN SESSION: 6:30 p.m. to 7:30 p.m.
5	BEFORE: Commissioner ToNola D. Brown-Bland, Presiding
6	Commissioner Lyons Gray
7	Commissioner Kimberly W. Duffley
8	Commissioner Jeffrey A. Hughes
9	Commissioner Floyd B. McKissick, Jr.
L 0	
L1	
L2	IN THE MATTER OF:
L3	Application by Pluris Webb Creek, LLC,
L 4	5950 Berkshire Lane, Suite 800
L 5	Dallas, Texas 75225
L 6	for Authority to Adjust and Increase Rates
L 7	for Sewer Utility Service in All Service Areas
L 8	in Onslow County, North Carolina
L 9	VOLUME 1
20	
21	
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24	

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APPEARANCES:
 2
    FOR PLURIS WEBB CREEK, LLC:
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    Post Office Box 10867
 5
 6
    Raleigh, North Carolina 27605
 7
 8
    FOR THE USING AND CONSUMING PUBLIC:
 9
    William E. H. Creech, Esq.
10
    North Carolina Utilities Commission
    4326 Mail Service Center
11
12
    Raleigh, North Carolina 278699-4326
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2	IDENTIFIED / ADMITTED
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PROCEEDINGS

COMMISSIONER BROWN-BLAND: Let's go on the record. Good evening. Let's come to order and go on record. I am Commissioner ToNola D. Brown-Bland, the presiding Commissioner for this hearing. With me by remote means are Commissioners Lyons Gray, Kimberly W. Duffley, Jeffrey A. Hughes, and Floyd B. McKissick, Jr.

I now call for hearing Docket Number W-1314, Sub 4, In the Matter of Application by Pluris Webb Creek, LLC, 5950 Berkshire Lane, Suite 800, Dallas, Texas, 75225, for Authority to Adjust and Increase Rates for Sewer Utility Service in All of Its Service Areas in Onslow County, North Carolina.

On April 27th, 2020, Pluris Webb Creek, LLC, hereafter Pluris or Applicant or sometimes I may refer to them as Company, filed an Application with the Commission seeking authority to adjust and increase its rates for sewer utility service in all of its service areas in Onslow County, North Carolina.

Effective August 8th, 2016, Pluris Webb
Creek, LLC, was appointed by the Commission as the
emergency operator of the wastewater system's
franchise to Webb Creek Water & Sewage, Incorporated;

hereafter I'll refer to the initial franchisee as Webb Creek.

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The Webb Creek Wastewater System had a history of operational and maintenance issues and was not in compliance with the State required environmental standards and regulations when Pluris became the emergency operator. There were serious environmental compliance issues at that time. further complicate the situation, the only known officer of Webb Creek was incarcerated and unable to operate Webb Creek. The Webb Creek Utility owed over \$2 million to the bank and owed taxes to Onslow County such that the Utility faced tax foreclosure actions. Due to these circumstances and many others, an emergency operator was needed and Pluris was appointed to make sure sewer service continued and that the system was put in a position to comply with applicable law.

It was ultimately determined that the old Webb Creek system could not be brought into full compliance, and so Pluris sought approval and was allowed to build a new plant which serves the Legacy Webb Creek service area in a nearby development known as The Pines.

In this general rate case proceeding,

Pluris, which is now the owner and operator of the

Utility, seeks to adjust its current rates to allow
recovery of the capital improvements made and the
reasonable operating expenses it found necessary to
serve the customers.

In its filed Application, the Company proposes to increase its monthly flat rate for residential customers from \$37.69 to \$73.38, and to charge the monthly base rate for commercial customers — to change the monthly base rate for commercial customers from \$28.34 for all meter sizes to a monthly flat rate based on the size of the meter over the total revenue generated by the current rates. In addition, Pluris is proposing to increase the commercial customer's commodity charge from 1,000 gallons — charge per 1,000 gallons from \$9.04 to \$16.50.

The Company filed with its Application the direct testimony of Maurice W. Galarda and Daniel J. Winters.

On May 26, 2020, the Commission issued an Order Establishing General Rate Case and Suspending Proposed Rates.

On August 10th, 2020, the Commission issued an Order Scheduling Hearings and Requiring Customer Notice. That Order set this public hearing for this day and time by remote means on September 23rd, 2020 at 6:30 p.m. for the purpose of receiving customer testimony and schedule the expert witness hearing to begin at 2:00 p.m. on Monday, November the 2nd, 2020 either by remote means or in the Commission hearing room in Raleigh to be determined on or before October the 12th, 2020.

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) is a party in this proceeding. There are not other intervenors.

On August 17th, 2020, the Company filed the Certificate of Service verifying that all affected customers had been served with the required notice as ordered by the Commission.

Pursuant to the State Government Ethics Act,

I remind members of the Commission of our duty to

avoid conflicts of interest and inquire at this time

as to whether any Commissioner has any known conflict

of interest with respect to this docket.

The record will reflect that no conflicts have been identified.

I'll now call on the parties to announce their appearances for the record beginning with the Applicant, Pluris.

MR. HIGGINS: Good evening, Commissioner
Brown-Bland. Dan Higgins with Burns, Day & Presnell
appearing for Pluris Webb Creek, LLC.

COMMISSIONER BROWN-BLAND: All right. And do you have others with you? Is your client with you?

MR. HIGGINS: Mr. Galarda, Maurice Galarda is also attending as is Mr. Randy Hoffer who is the North Carolina Operations Manager for Pluris.

COMMISSIONER BROWN-BLAND: All right. Thank you. Public Staff?

MR. CREECH: Good evening, Presiding Chair Brown-Bland and Commissioners and Mr. Higgins, and others on here, on the call tonight. My name is William "Zeke" Creech. I'm a Staff Attorney with the Public Staff. Normally, we would have attorneys and engineers in person, but, of course, we're virtual tonight and we are virtually joined by Michael Franklin with the Water, Sewer, and Telephone Division

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of the Public Staff. He's an engineer. And I would,
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    if I may, Presiding Chair Brown-Bland, indicate that
 3
    we will continue to talk to customers about service
 4
    quality issues if they have any and they in particular
 5
    can contact Mr. Franklin via email at
 6
    mike.franklin@psncuc.nc.gov and telephone at
 7
    919-733-5610. But again, thank you for having us this
 8
    evening.
 9
              COMMISSIONER BROWN-BLAND: Mr. Creech, just
10
    once more, would you repeat the contact information?
11
              MR. CREECH: Yes.
                                  Thank you. It's mike. --
12
    the email address is mike.franklin@psncuc.nc.gov and
13
    the telephone number is 919-733-5610. Again,
14
    mike.franklin@psncuc.nc.gov and telephone
15
    919-733-5610. Thank you.
16
              COMMISSIONER BROWN-BLAND:
                                          All right.
17
         Counsel, do we have any preliminary matters that
18
    we need to address before we begin?
19
              MR. HIGGINS: I'm not aware of any,
20
    Commissioner Brown-Bland.
21
              COMMISSIONER BROWN-BLAND: Mr. Creech, I --
22
    I understand that we already have 12 customers signed
23
    up for this evening; is that correct?
24
              MR. CREECH: Correct.
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COMMISSIONER BROWN-BLAND: All right.

Before we begin, before you call the first witness, just a little bit about our procedure for their benefit assuming they are on the line and can hear me. To the customers, after your name is called and you have been unmuted by our Webex host, I will seek your affirmation that your testimony will be the truth, and then Mr. Creech will go over preliminary questions to get you identified for the record. When he has done that, he will indicate that you are free to start providing your testimony or what it is that you want to say to the Commission, and at that point you will begin and you will have three minutes to testify, make your statement.

Around the two-minute mark, I'll try to be vigilante, you will be given an indication that will let you know you have one minute remaining and you should start to wrap up your remarks. When your time is up and you have completed your testimony, each of the parties, that is the Public Staff's Mr. Creech or Pluris' counsel Mr. Higgins will be able to ask you any questions that they may have pertaining to your testimony. Then the Commissioners will have a similar opportunity to ask questions of you. These questions

are not to embarrass you or challenge you, but are primarily to clarify your testimony for the record and to be sure that we understand what it is you want us to know.

After the questions are answered, you will be excused from the virtual witness stand. You may continue to follow the hearing, if you should leave the phone call. You can stay on the line, but if you do, you'll be muted, and so we won't hear you after --after you've been excused. Or you may leave the hearing or the call if you wish and you can attend -- or if you wish you can attend by Webex or you can watch us on You Tube to be able to see what transpires and what others have to say. The links for that are on the first page of the Commission's website and you may have already received that website link in your customer notice, but that is at www.ncuc.net.

Now, we are holding this public hearing tonight because we want to hear from you and your views on Pluris' Application are important and need to be heard. But this proceeding is in the nature of a court proceeding. We have a court reporter attending and she will take down every word of this proceeding and will later produce a verbatim transcript of your

testimony and all that is said during this hearing. You will provide your testimony as witnesses and questions may be asked of you, but the Commission is in the place of the judge and, as you are likely aware, the judge does not answer questions. Instead the Commission is here to listen.

However, if you have questions, Mr. Creech who is part of the Public Staff and actually represents you all as part of the Using and Consuming Public and Mr. Higgins who represents Pluris will tell you how to be in touch with them following this proceeding, so they can assist you in having your questions or any service issues addressed.

And the last thing that I'll say to you is about the Public Staff. The Public Staff is the advocate for the consumers, nonresidential and residential, and they are -- the Public Staff means it's an independent organization and they have their own experts as Mr. Creech referenced an engineer a moment ago. They also have accountants, attorneys. They have experts that they bring to bear to help them in their representation of the public. And these experts will pour over the Application to verify the information to see that it supports the Company's

Application or not and they will be filing their 1 2 testimony. It happens to be due on Friday. And at 3 that point you will be able to see the position they 4 are taking in this case by going to the Commission's 5 website. And if you enter the Commission's -- or the 6 docket number for this case which is W-1314, Sub 4, 7 you will follow it through, you'll be able to go there 8 and see all of the testimony that has been prefiled in 9 the case, including what it is the Public Staff may 10 have to say about the case. As I say, that is due on 11 Friday. 12 I think that's enough to get us started. 13 So, Mr. Creech, you may call your first witness. 14 MR. CREECH: Thank you, Madam Chair. Our 15 first witness tonight and we actually have not seen 16 his number come up quite yet is Anthony Cardinal. 17 Mr. Cardinal, are you on the line? 18 MR. BIRCKBICHLER: Mr. Creech, this is Dan 19 in IT. He has not joined. The first witness on your 20 list is the fourth one down and I do have confirmation 21 on joining and I can unmute them if you're fine to 22 proceed. 23 That would be David Cote or MR. CREECH: 24 Cot?

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MR. BIRCKBICHLER: Yes, sir.
 1
 2
              MR. CREECH: Okay. If that's all right, we
 3
    will -- Madam Chair, we would like to see if we can
 4
    call upon those witnesses if they do join us here
 5
    shortly.
               COMMISSIONER BROWN-BLAND: We will come back
 6
 7
    to them.
 8
              MR. CREECH: Okay. David, are you on the
    line?
 9
10
              MR. COTE: Yes. It's David Cote.
11
              MR. CREECH: Cote.
                         Having been duly affirmed,
12
    DAVID COTE;
13
                         Testified as follows:
    DIRECT EXAMINATION BY MR. CREECH:
14
15
                         Mr. Cote, will you please state
               Q
16
    and spell your name for the record, and then also
17
    provide your physical address as well as your
18
    subdivision, please?
19
              Α
                         David L. Cote, C-O-T-E, last name.
    Fox Trace is the subdivision and the address is 503
20
21
    Nuthill Drive. I'm not sure if that was in the order
22
    of the questions you asked.
23
                         Thank you. And that's in Hubert,
               Q
24
    North Carolina?
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Correct. 1 Α 2 And Mr. Cote, did you have a Q 3 statement that you wanted to provide to the Commission 4 this evening? 5 I do. Α Please proceed. 6 Q 7 So I'm honored to kind of have 8 this first act here. I appreciate everybody's time 9 and this information process here. I'm kind of torn 10 on how to present this material. It's not so much 11 factual based. I do have some facts, but I didn't --12 I didn't dig into this like some of the other 13 counterparts that I know that are probably going to 14 testify. 15 What is the anticipated rate increase for 16 the duration? Because I understand, you know, 17 expenses get paid after a certain time period. 18 I'm not mistaken, Pluris was a volunteer for this 19 emergency appointment per se, so they probably knew 20 what they were getting into before they volunteered 21 for it I would assume. And I believe that in some of 22 the documents that I had read stated they did maybe 23 one to two site surveys, so they might've seen what

24

was going to happen.

I see this rate increase and I look at it and I understand that Pluris had just built a park for the -- not the community, which a lot of people thought it was for, but it was donated to the County, which was kind of a slap in the face for, you know, the community to think that hey they're doing a great thing. They're building a park. And they handed it over to the County. This is private property, but yet it was given to the County so we're -- we're on the hook to maintain these roads and these streets, and yet the County has access to this park that Pluris has established.

You know, mind you, it's only a couple of swings and a picnic table; nothing glamorous. But just the whole -- it's kind of insulting.

I also understand that Pluris is a donator to the Fishstrong Foundation and they're a diamond plus rating. Meaning to be at the diamond level that's to at least \$5,000 in contribution to make that mark. And if they have enough money to donate property and parks to the County and be at the diamond level to donate to the Fishstrong Foundation, it seems like they're a no-fail business model and they can push their rates down on the consumers. It doesn't

matter how bad they fail, they're just going to pass it off to the homeowner who is paying for the service and has no choice but to pay for Pluris' services. It -- it's just kind of mind blowing to me.

And I get it, you know, clean water back into the community. Protect the environment. They're all important things. I just -- at a 95 percent increase. I'm held accountable. Pluris isn't held accountable for my bad decision making and my finances. If I want to put a new roof on my house and I go with the most expensive roof there is and put a \$20,000 metal roof, then that's my fault. I could've easily done it for less than 10 grand with some three-tab shingles. It seems excessive to -- to have such a high-dollar water treatment facility for 1,500 consumers knowing that they're not going to fail and they're just going to pass that rate down to their -- you know, the homeowner.

COMMISSIONER BROWN-BLAND: Mr. Cote, your time is up.

A I appreciate it. Thank you.

COMMISSIONER BROWN-BLAND: All right. Hold on a minute. Let's see if we have questions for you. Mr. Higgins, do you have any questions for Mr. Cote?

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MR. HIGGINS: I don't have any questions for
 1
 2
    Mr. Cote.
 3
               COMMISSIONER BROWN-BLAND:
                                          Mr.
                                               Creech.
 4
              MR. CREECH: None other than to thank you,
 5
    Mr. Cote. Appreciated your comments.
               COMMISSIONER BROWN-BLAND: All right.
 6
 7
    questions from Commissioners?
 8
    EXAMINATION BY COMMISSIONER BROWN-BLAND:
 9
               Q
                         Mr. Cote, I would just ask, you
10
    made a reference to the possibility that the Company
11
    may have been able to supply its service for less. Do
12
    you have any evidence or reason to believe they could
13
    have done so?
                         I don't and I wish I did.
14
               Α
15
    was an engineer and could come up with that, that
16
    dollar amount that they're associating with the whole
    new plant. And I'm just -- I don't have quantifiable
17
18
    numbers. I'm not well educated. But I -- no.
19
    answer your question, no, I do not.
20
                         All right. I thank you for that.
21
    Now, Mr. Cote, as I indicated earlier, the Public
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    Staff will look into it and they will have engineers
23
    to look into it, so they will help us understand
    what's -- what the Application is all about here.
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But we'd like to thank you for coming out.
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    There are no questions for you, so you may be excused.
 3
    Thank you.
 4
               THE WITNESS:
                             Thank you.
 5
                    (The witness is excused)
               MR. CREECH: Madam Chair, the next witness -
 6
 7
    and, Dan, you can confirm - the next witness we'd like
 8
    to call is Amy Clifton. Amy, are you on the line?
    Ms. Clifton?
 9
10
                         MR. BIRCKBICHLER: Mr. Creech, the
11
    next witness I have confirmed on the line is Robert
12
    Shake.
13
                         MR. CREECH: All right.
14
    apologies. Mr. Shake, are you on the line?
15
                         MR. SHAKE: Yes, sir.
16
                         Having been duly affirmed,
    ROBERT SHAKE;
17
                         Testified as follows:
18
    DIRECT EXAMINATION BY MR. CREECH:
19
               Q
                         Mr. Shake, good evening. If you
20
    could please state and spell your name for the record
21
    and also provide your physical address as well as your
22
    subdivision, please.
23
                         Robert Shake, S-H-A-K-E, Fox Trace
               Α
24
    Subdivision, and my physical address is 303 Fox Ridge
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Lane in Hubert, North Carolina 28539. 1 2 Thank you, Mr. Shake. And do you 3 have a statement you'd like to provide for the 4 Commission this evening? 5 Yes, sir. Please proceed. 6 Q 7 I'm going to talk fast. Thank you 8 for this time. The rate increase is excessive by 9 industry standards and I -- and it serves to minimize 10 actual future profits by holding 1,358 residents 11 hostage to an unfair monopoly. I'm asking the Commission to -- to side with both Pluris and the 12 13 residents in a -- in a middle ground rate increase of 14 \$58.38, which would still be an increase of over 55 15 percent. 16 I want to state two -- two real quick 17 The APR system I believe is necessary. 18 rate increase is actually necessary, but a fair rate 19 increase is what is necessary. A \$20 increase for the 20 residents and \$15 from the proposed rates, let's meet 21 in the middle. Here's the -- here's the reasons why. 22 Pluris is stating that the rate of return 23 requested is 6.5 percent and they're using Aqua's

recent approval to say that this is a reasonable rate

24

to the Commission. However, I will say that if the 95 percent increase doesn't -- they didn't have a 95 percent increase and they did not break the \$70 value.

According to UNC Chapel Hill, North Carolina, 2020 Water and Wastewater Rates, median in this area is \$38 and the max is \$48, meaning this is over \$73 rate increase is well outside the excess -- of the industry standards.

Number two, the rate of return of 6.5 percent is, according to Mr. Winter's financial accounting, has Pluris' equity of 2.7 million in the construction in progress is actually receiving 9.6 percent rate of return if this rate is approved where the cost of long-term debt is only 4.1 percent. A rate increase of \$58.38 would bring the return of equity on Pluris' \$2.7 million back to that norm of 4.1 percent or approximate thereof long-term debt.

In addition, and this is the third and final reason, and very important, the capacity of the MBR is actually 1,800 but there's only 1,358 current users.

Now, they will add more users to this, but they're not annotating that in their -- their rate of return that they will get in the future. They added 271 users in 2019. They will add more users to the capacity of

this rate. And what I'm asking for is the 1,800 users to spread the rate of return so they can get a fair and value return. Four hundred and forty-two users deficiency on this current system. There's \$309,000 in pure profits at the \$58.38 return bringing the -- the rate of return overall in this proposal to 11.4 percent and Pluris' personal rate of return over 17 percent on their equity. That's -- that's above and that's not fair market. I'm asking the Utilities Commission to find for the residents and with Pluris where we both can have the win/win and we can meet right in the middle

where it actually should be. And I don't understand why this hasn't been already evaluated and the financial accounting been scrutinized to this degree.

COMMISSIONER BROWN-BLAND: All right. you, Mr. Shake. Are there any questions, Mr. Higgins?

MR. HIGGINS: No, ma'am.

COMMISSIONER BROWN-BLAND: Mr. Creech.

MR. CREECH: Please, Madam Chair.

22 BY MR. CREECH:

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Mr. -- Mr. Shake, you had emailed to the Public Staff late today, and I forwarded it on

to counsel for the Commission as well as Company 1 2 counsel, a statement that is headed as Final and 3 Correct Submission, A Consumer Statement of Position. 4 Is that something you would like to have part of the 5 record this evening? Yeah, please, sir. Three minutes 6 7 isn't enough to cover all the details that I would 8 like to have had, but that statement does absolutely. If you can make it part of the record, I would 9 10 appreciate it. 11 MR. CREECH: Presiding Chair Brown-Bland, I 12 would -- I would propose that I will also share this 13 with the court reporter and have this marked as Shake 14 Exhibit 1 if that's possible. 15 COMMISSIONER BROWN-BLAND: It will be so 16 identified and received into the record. 17 (WHEREUPON, Shake Exhibit 1 was marked for identification as 18 19 prefiled and received into 20 evidence.) 21 COMMISSIONER BROWN-BLAND: Mr. -- I mean, 22 are there questions from the Commissioners? 23 Mr. Creech, are you done? Did you have any 24 questions?

MR. CREECH: Just thank you for your statement and -- and both verbal and written, Mr. Shake. Thank you.

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COMMISSIONER BROWN-BLAND: All right. Do any of Commissioners have questions for this witness?

(No response)

All right. Mr. Shake, we appreciate your coming out. You made a comment that you didn't understand why it hadn't already been looked into, but a part of information that I usually give out and I did not this time would have explained to you that this is just part of the process. Once the Application is filed, it follows a process and, as I indicated, the Public Staff will be filing their position looking into perhaps some of these things that you have raised and they will file their position on Friday. So they are looking into it and the timing is just such that the public hearing comes before that, so that we can also hear from you and have what the customers have to say, to be able to take it into account when we take into account the other information that will be filed in the docket. the answer to that question.

All right. There are no further

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questions from you, so you may be excused.
 1
 2
              THE WITNESS: Thank you very much.
 3
              COMMISSIONER BROWN-BLAND: You're welcome.
 4
                    (The witness is excused)
 5
               COMMISSIONER BROWN-BLAND: Mr. Creech?
              MR. CREECH: Dan, is Debbie Phillips on the
 6
 7
    line?
 8
              MR. BIRCKBICHLER: Yes, sir, I have Debbie
 9
    Phillips on the line. She's available.
10
              MR. CREECH: Ms. Phillips, good evening.
11
              COMMISSIONER BROWN-BLAND: Ms. Phillips, can
12
    you hear us?
13
              MR. CREECH: May need to unmute, Ms.
14
    Phillips.
15
              COMMISSIONER BROWN-BLAND: I believe the
16
    host would unmute her.
17
              MR. CREECH: Right.
18
              COMMISSIONER BROWN-BLAND: Ms. Phillips, are
19
    you with us? Does she appear to be with us, Mr. --
20
              MR. BIRCKBICHLER: I have two phone numbers
21
    with the same six digits, so we may have a Daniel -- I
22
    don't want to mispronounce the last name, but it's
23
    your last witness who has the same first six digits of
24
    his phone number. It might be Daniel that is on the
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line now.
 1
 2
              MR. CREECH: That would be Daniel Swokla.
    Let's come back to him if we can then.
 3
 4
              MR. BIRCKBICHLER: Okay.
 5
              MR. CREECH: Next, I do believe that we have
 6
    Karen Zornes on the line.
 7
              MR. BIRCKBICHLER: Yes, sir, let me unmute
 8
    her.
 9
              MR. CREECH: Ms. Zornes, are you on the
10
    line?
11
              MS. ZORNES: Yes, sir.
12
              MR. CREECH: Good evening.
13
    KAREN ZORNES; Having been duly affirmed,
                         Testified as follows:
14
15
              COMMISSIONER BROWN-BLAND: Mr. Creech, your
16
    witness.
17
              MR. CREECH: Thank you.
18
    DIRECT EXAMINATION BY MR. CREECH:
19
              Q
                        Ms. Zornes, if you can please
20
    state and spell your name for the record and also
21
    provide your physical address as well as your
22
    subdivision, please.
23
                        Karen Zornes. It's Z-O-R-N-E-S.
              Α
    156 Parnell Road, Hubert, North Carolina, Fox Trace
24
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Division (sic).

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Q Thank you, Ms. Zornes. And did you have a statement that you wanted to provide to the Commission this evening?

A Yes.

Q Please proceed.

I want to thank Pluris -- okay. want to thank Pluris for taking over. We appreciate what they've done so far. But I do apologize that I'm not sure that I heard or if there had to be a public hearing notice about building a new plant. looked over the documents and I understand the plant was in bad shape. But what I'd like to know is that there was any possible way that the tank could've been repaired, if the equipment could've been repaired, replaced, at maybe a cheaper cost because you're only dealing with 1,358 customers. And since this was an emergency appointment that was taken over, did anybody look into a possible grant to rebuild this? There was a bond on the plant and I understand that they used There is now a \$200,000 bond on the plant, but is that enough and what will stop -- what will -- how will we keep from this happening again? Somebody taking over, not being responsible. I'm not sure who

is responsible for watching over the sewer plants, but either the County, the State, somebody didn't do their job when the previous owner had this place.

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And so with that why are they not being part of the payment plan? They should have followed They did not. And have all the means of through. collecting any assets from this previous owner. that been exhausted? That it could go towards the new plant? I Understand that there is about 50 homes that are not paying or that are vacant. That means that down the road they'll need another increase because they'll have to recoup those people that are not paying and the homes that are empty. I would like to know what the annual operating cost is normally for the plant without the \$5 million to rebuild it included. Is there -- they say that they have increased the payment plan for us which is a way for them to really make sure they get their money, and that they have better communication which is not necessarily true, because I called and wanted to know some things about the roads and I was just put off and told to call the County instead of somebody speaking They emailed me and I had to keep on calling and emailing to get an answer.

Webb Creek used to help with the paving of 1 2 the roads and cleaning out the ditches, and now Pluris 3 does not. So why are they not helping if that was 4 Pluris -- if that was Webb Creek's job at one time? 5 And my last comment is that I 6 knew -- I do not know anywhere in this state where a 7 sewer amount is this high that at least -- that does not include water at least. I don't know how many 8 9 years they're looking to repay themselves back, but 10 can't it be put over a longer period of time like 10 11 years instead of five years? And people have, you 12 know, this is a pandemic. People have lost their 13 jobs. People are hurting. It's an awful lot of money 14 to be asking for something that not so sure something 15 else could have been done or rebuilt a little bit 16 cheaper. 17 COMMISSIONER BROWN-BLAND: All right. 18 Zornes, your time is up and thank you. Mr. Higgins, 19 do you have questions for this witness? 20 MR. HIGGINS: No, ma'am, I do not. 21 COMMISSIONER BROWN-BLAND: Mr. Creech? 22 BY MR. CREECH: 23 Ms. Zornes, thank you so much for 0 24 your comments tonight. You had -- you had a number of

questions that you wrote that the -- that -- that you hoped that the Company could -- or that you would like to get answered. And you were wondering whether -just to confirm your questions, you were wondering whether the customers that received notice about the scale of the plant; is that correct? Α I -- I don't remember ever --Q I don't want to put words in your mouth. Α I don't remember ever hearing anything about the plant wanting to rebuild. would -- I would think that we would've gotten a public hearing notice that they wanted to do this and that we would have some sort of say in that. I don't know politically what is correct and not correct. I assumed that we would get some sort of notice that they were building a new plant and that we could ask, hey, have you done everything possible to verify you can't replace these tanks? You can't replace these -these -- these pieces of equipment that are damaged? Wouldn't that be cheaper? I mean, 1358 people that pay for a \$5 million dollar plant is a lot.

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Q And that's the third comment in a row that we've had this evening, so would you say

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that's -- that's a -- well, I just -- I just note
 1
 2
           So thank you for that, Ms. Zornes. You had
 3
    several other questions --
 4
                         I just want to make --
               Α
 5
                         Go ahead.
               0
                         I just want to make sure that that
 6
 7
    $200,000 bond is enough cover whatever might happen in
 8
    the future with what the past owner did. Somebody is
 9
    supposed to be overseeing these sewer plants, but
10
    somebody has failed in their job to do that that man
11
    got away with not paying his bills. And why are we
12
    the ones that have to cover the cost, you know?
13
    know, the County or the State is responsible.
    there a grant they could've used; something?
14
15
                         And you had some other questions,
               Q
16
    what are the other -- one of the final questions that
17
    you had related to the amount that's being charged in
18
    this instance and are there -- how does that compare
19
    to other -- other customers across the state.
20
               Α
                         Yeah.
21
                         Is that correct?
22
                         Yes.
                               I don't know -- I don't know
               Α
23
    of anybody that has a $74 bill for just sewer.
24
    see that there were some -- a little bit higher rate,
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but they included water. So we -- this doesn't even
 1
 2
    include our water bill. It's really kind of
 3
    outrageous. And why can't it just be over a 10-year
 4
    or a longer period of time to recoup their finances?
 5
               COMMISSIONER BROWN-BLAND: All right.
 6
    that it for you, Mr. Creech?
 7
               MR. CREECH:
                            Yes. Yes.
                                        Thank you.
 8
               COMMISSIONER BROWN-BLAND: Are there any
 9
    questions from the Commissioners?
10
                          (No response)
11
              All right. Ms. Zornes, we appreciate you
12
    coming out and speaking with us this evening. And as
13
    I said --
14
               THE WITNESS: Thank you.
15
               COMMISSIONER BROWN-BLAND: -- you can
16
    certainly follow these proceedings and see what the
17
    Public Staff has to say as early as Friday.
18
               THE WITNESS:
                             Thank you.
19
               COMMISSIONER BROWN-BLAND: And you are
20
    excused.
              Thank you.
21
               THE WITNESS:
                             Thank you.
22
               COMMISSIONER BROWN-BLAND:
                                          You're welcome.
23
                    (The witness is excused)
24
                            Dan, is Alberta Houck on the
              MR. CREECH:
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line?
 2
              MR. BIRCKBICHLER: They were, but it looks
 3
    like they disconnected.
 4
              MR. CREECH: Although I see they may have
 5
    come back on. Is that possible? Caller four?
              MR. BIRCKBICHLER: No. That's a different
 6
7
    witness, sir. I'm not seeing anything coming up with
8
    their call-in information for that individual.
9
              MR. CREECH: Who do you have? We may need
10
    to come back to that. Who do you have next on the
11
    list, please?
              MR. BIRCKBICHLER: I believe it is the last
12
13
    witness Daniel. I have a matching phone number. At
14
    least the first six are matching --
15
              MR. CREECH: Correct.
16
              MR. BIRCKBICHLER: -- so I can unmute them
17
    now for confirmation.
18
              MR. CREECH: Thank you. Daniel, are you on
19
    the line, Mr. Swokla?
20
              MR. SWOKLA: Yes, I am.
21
              COMMISSIONER BROWN-BLAND: All right.
22
              MR. SWOKLA: Can you hear me?
23
              COMMISSIONER BROWN-BLAND: Yes, we hear you.
24
    DANIEL SWOKLA; Having been duly affirmed,
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1	Testified as follows:
2	COMMISSIONER BROWN-BLAND: Mr. Creech.
3	DIRECT EXAMINATION BY MR. CREECH:
4	Q Mr. Swokla, good evening. If you
5	could please state and spell your name for the record
6	as well as provide your physical address and
7	subdivision please.
8	A My first name is Daniel, last name
9	is Swokla, S-W-O-K-L-A. I live at 167 Parnell Road in
10	Hubert, North Carolina in the Fox Trace Subdivision.
11	COMMISSIONER BROWN-BLAND: All right. Mr.
12	Creech?
13	Q Mr. Swokla, do you have a
14	statement you'd like to provide for the Commission
15	this evening?
16	A Yes.
17	Q Please proceed.
18	Q Okay. Yeah. My concern on this
19	is certainly the massive increase from \$37 up to
20	almost \$80 increase in the service. I've lived here
21	since '93, and I've see the rate start at \$25 and then
22	10 years ago under the emergency injunction the State
23	included them to go up to \$37 and change. And now
24	they're asking for a large increase

to believe that the Company can't function without increases. Certainly they can and -- and they -- their abilities and maintain them, they do from time to time need to have rate increases.

COMMISSIONER BROWN-BLAND: Mr. Swokla, could you just speak up a little bit? Let's make sure our court reporter is able to hear you.

A Okay.

COMMISSIONER BROWN-BLAND: Thank you. Continue.

A Okay. My ear, they're both loud in my ear. Okay. But usually the -- the big increase in the price has really concerned me. And, you know, the other thing too is, is this very expensive plant intended just to service Fox Trace and The Pines or do they have plans to extend services elsewhere with this plant with the capability that it has? And I know, you know, I start -- when I moved in here I knew the developer which was also they guy that run the plant. And of all the time I knew him he was a shoddy operator and he left us not only with a bad plant that had to be taken over after being so delinquent, but also he also gifted us with private streets out here, private roads, and they were in a lot of disrepair, so

we're having to look at that too as private citizens. Too, there's no federal funding and there's no state funding, there's no county money, there's no grant, and there is no -- as far as we know no miracle, so it's going to have to come out of our pockets.

Also, you know -- is it over?

COMMISSIONER BROWN-BLAND: No. You have a minute.

A Okay. All right. Now Pluris has helped us quite a bit since they've been here. They haven't done so much in the last probably six months, but -- you know, because they knew how bad our situation was out here and also some of our street problems. They -- they did -- they seemed to be (inaudible) oriented as well and, you know, they did buy -- built that nice little park. Although they turned it over to the County, the County will take good care of that. It will not be a nuisance. I used to work with -- around the boys that take care of the parks, and they're a wonderful bunch of people and the County is proud keep their parks nice, so I don't think that'll be an issue.

That's my biggest concern is, you know, the rate, because of the limited income out here

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for residents and retirees.
 1
 2
               COMMISSIONER BROWN-BLAND: All right. Thank
 3
    you. Mr. Creech?
 4
              MR. CREECH: Only one clarifying question.
 5
    BY MR. CREECH:
                        You trailed off there at the end.
 6
 7
    Did you indicate you're a retiree; is that correct?
 8
              Α
                         Yes, I am.
                         Okay. Very good. Thank you.
 9
               Q
10
    Thank you, Mr. Swokla.
11
              Α
                         Okay.
12
              COMMISSIONER BROWN-BLAND: All right.
13
    Higgins, do you have any questions for this witness?
14
              MR. HIGGINS: No, ma'am, I do not.
15
              COMMISSIONER BROWN-BLAND: Mr. Creech.
16
              MR. CREECH: No further questions at this
17
    time.
18
               COMMISSIONER BROWN-BLAND: And
19
    Commissioners, any questions?
20
                          (No response)
21
              Mr. Swokla, we appreciate you coming out to
22
    tell us what you think about this Application and some
23
    of your concerns, and you are excused. You may leave.
24
               THE WITNESS: Okay. Thank you.
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1
               COMMISSIONER BROWN-BLAND:
                                          Thank you.
 2
                    (The witness is excused)
 3
               COMMISSIONER BROWN-BLAND: All right.
 4
    go back from the top of the list and see if we have
 5
    any others who haven't been able to testify yet.
              MR. BIRCKBICHLER: I have confirmed, I
 6
 7
    believe it is Ms. Phillips that has reconnected, but I
 8
    do have two phone numbers out there, so I'm going to
    unmute the one in which I believe is Ms. Phillips.
 9
10
    She is now unmuted.
11
              MR. CREECH: Ms. Phillips, are you there?
12
              MS. PHILLIPS: Yes, I am.
13
    DEBBIE PHILLIPS;
                        Having been duly affirmed,
                         Testified as follows:
14
15
               COMMISSIONER BROWN-BLAND: Mr. Creech.
16
    DIRECT EXAMINATION BY MR. CREECH:
17
                         Ms. Phillips, good evening.
                                                      Ιf
18
    you can please state and spell your name for the
19
    record as well as provide your physical address and
20
    subdivision please.
21
                         Debbie Phillips, D-E-B-B-I-E,
              Α
22
    Phillips, P-H-I-L-L-I-P-S. I live in the Fox Trace
23
    Subdivision in Hubert, North Carolina. My address is
24
    437 Dion Drive.
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Q Thank you, Ms. Phillips. And do you have a statement you'd like to provide for the Commission this evening?

A Yes, sir.

Q Go ahead.

in the Pluris Webb Creek, LLC, are they not at all being contacted, would be interested in donating any money towards this building of this new plant to help reduce the cost? And also I have Googled online and there are plenty of grants that are available. And my question is could they not have applied for a grant in the building of this new plant to help, you know, in the cost of this or to offset some of this cost?

Also referring to case law here, Article 7, \$62-131 and \$62-132, it states that the Public relies on the North Carolina Utilities Commission to increase and to be fair with all intentions of any utility company requesting for an increase. So I am asking that the Utilities Commission, by all means, listen and take into consideration all the witnesses that have spoken here tonight, you know, for various reasons and, of course, some of mine were some of the ones that have already been stated.

It is a large jump. It is a most unopportune (sic) time. People are struggling from COVID. And if you also will refer to the North Carolina Water and Wastewater Rates website, this is not a normal increase. However, Pluris has come in as emergency operator. They did have to dig through a lot in the purchase of the plant due to the previous owner. Which I do understand they are a community-oriented company. They have done a lot of good things. We would like to see them, you know, extend out more to us, you know, in helping us out. We are a military company -- a military community. You know, we can't even supply our military men and women in uniform with decent roads out here. And then on top of that here comes a rate increase in our sewer. So I think the priorities are a little bit -- or will need to be readjusted. hopefully a compromise between the Utilities Commission, the consumers, and Pluris Webb Creek can be made where there's a happy medium in this. COMMISSIONER BROWN-BLAND: All right. Mr. Creech? MR. CREECH: Just wanted to clarify one

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question.

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BY MR. CREECH:
 2
                         Ms. Phillips, thank you. One of
 3
    the questions that you had for the Company was whether
 4
    the Company was able to or availed itself of possible
 5
    grant applications or apply for grants?
 6
                         That's correct.
               Α
 7
               0
                         All right. Thank you.
 8
                         You're welcome.
               Α
 9
               COMMISSIONER BROWN-BLAND: All right.
10
    Higgins, do you have questions for this witness?
11
              MR. HIGGINS: No, ma'am, I don't have any
12
    questions for Ms. Phillips.
13
               COMMISSIONER BROWN-BLAND: All right.
                                                      Any
14
    questions from the Commissioners?
15
                         (No response)
16
              All right.
                           I'm not seeing any. So, Ms.
17
    Phillips, we thank you and thank you for your patience
18
    in getting back on. We're glad we had the opportunity
19
    to hear from you. Again, as I've indicated to some of
    the others, please continue to follow these
20
21
    proceedings. You'll be hearing more from the Public
22
    Staff later this week. And you're excused.
23
    for coming out.
24
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And thank you.

THE WITNESS:

(The witness is excused) 1 2 COMMISSIONER BROWN-BLAND: All right. Do we 3 have others -- other witnesses? 4 MR. BIRCKBICHLER: Madam Chair and Mr. 5 Creech, this is Dan in IT. I have gone back through 6 the witness list and no one else is connected to the 7 Webex meeting at this time. I can take a pause and 8 reverify here in another minute if you would like. 9 COMMISSIONER BROWN-BLAND: Is there anyone 10 on that you need to unmute that hasn't already 11 testified? 12 MR. CREECH: Is it possible that -- excuse 13 I'm sorry. Dan, is it possible that the 910-330 14 number is Alberta Houck and that we just have the 15 wrong prefix there? What I had received and what I 16 believe is the case is 333, but I wonder if that is --17 if that is -- just was a typo on their part. 18 MR. BIRCKBICHLER: Alberta Houck. Let me 19 verify so --20 MR. CREECH: It should be 910-330's. 21 MR. BIRCKBICHLER: 910-330? 22 MR. CREECH: I'm just wondering if that was 23 a typographical error that we received. Yes, sir. So I do have 24 MR. BIRCKBICHLER:

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confirmation of 910-330. They are connected on the
 1
 2
    line. I can unmute them for confirmation.
 3
              COMMISSIONER BROWN-BLAND: Let's see who it
 4
    is.
 5
              MR. BIRCKBICHLER: It's unmuted.
 6
              MR. CREECH: Good evening. Would you mind
7
    indicating who this is? Hello? Is this Alberta?
    910-330 number.
8
9
              And there's one other. Same prefix, user
10
    two. Will you unmute them?
11
              MR. BIRCKBICHLER: That's the one I just
12
    unmuted.
13
              MR. CREECH: Oh, I'm sorry. I was looking
    at two and four appeared to have the same first six
14
15
    numbers to me.
              MR. BIRCKBICHLER: Yes, sir. I'm unmuting
16
17
    caller number four right now.
              MR. CREECH: Thank you. The 910-330, would
18
19
    you mind please indicating who this is?
20
              MS. SPEHAR: Hello.
              MR. CREECH: Hello. Is this Alberta?
21
22
                        MS. SPEHAR: No. This is Arlene
23
    Spehar.
             The 91 -- 330 number.
24
              MR. CREECH: Very good. Arlene, did we have
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45

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you registered -- I don't believe we had you
 1
    registered for the hearing this evening, did we?
 2
              MS. SPEHAR: Yes, I -- I received a
 3
 4
    confirmation by email.
 5
               COMMISSIONER BROWN-BLAND: Could you state
 6
    your last name for me?
 7
              MS. SPEHAR: Yes.
                                  Spehar.
 8
              COMMISSIONER BROWN-BLAND:
                                          Spehar?
              MS. SPEHAR: S as in Sam --
 9
10
              COMMISSIONER BROWN-BLAND: Spekar?
11
              MS. SPEHAR: S as in Sam, P as in Paul, E as
12
    in Eagle, H-A-R.
13
              COMMISSIONER BROWN-BLAND: All right.
14
              MS. SPEHAR: 130 Charlton Road.
15
               COMMISSIONER BROWN-BLAND: Just a moment.
16
    Just a moment. I just wanted to give you an
17
    affirmation.
18
                         Having been duly affirmed,
    ARLENE SPEHAR;
                         Testified as follows:
19
20
               COMMISSIONER BROWN-BLAND: All right now.
21
    Mr. Creech will do the honors and get you identified
22
    for the record.
23
              MS. SPEHAR: All right.
    DIRECT EXAMINATION BY MR. CREECH:
24
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Q Ms. Spehar, thank you for being on the call this evening. I appreciate your being with us. Can you please, again, state and spell your name for the record as well as provide your physical address and your subdivision please?

A Yes. It's Arlene, A-R-L-E-N-E-, Spehar, S as in Sam, P as in Paul, E as in eagle, H-A-R at 130 Charlton Road, Hubert, North Carolina 28539, Fox Trace Point.

Q Thank you, Ms. Spehar. Did you have a comment you cared to provide to the Commission this evening?

A Yes. I have four questions. The first question is why didn't Pluris apply for a grant? And there are several out there that are -- are out there for -- to improve infrastructure. And why couldn't we have hooked up to ONWASA? And three, our utility operating rate 1.0 to break even. I would like to know what Pluris' operating rate is. And I would also like to know, there were 495 infractions on Webb Creek since 1995 and I would like to know why no one stepped in before this all happened and now we're paying for it. Fifteen hundred residents are paying for someone else's mistake.

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That's -- that's all I have to say.
 1
 2
              COMMISSIONER BROWN-BLAND: All right. Mr.
 3
    Creech, do you have any further questions?
 4
              MR. CREECH: Very well stated. Thank you,
 5
    Ms. Spehar. No, no questions.
 6
              COMMISSIONER BROWN-BLAND: Mr. Higgins?
 7
              MR. HIGGINS: No, ma'am. I don't have any
 8
    questions.
 9
              COMMISSIONER BROWN-BLAND: And
10
    Commissioners?
11
                         (No response)
12
              All right. I'm not seeing questions from
13
    the Commissioners.
14
    EXAMINATION BY COMMISSIONER BROWN-BLAND:
15
                        Ms. Spehar, you indicated about
              Q
16
    the break-even rate. Would you tell us where you got
17
    that information?
18
                        I got it online on North Carolina
              Α
19
    website --
20
                      Do you know which website or
              Q
21
    agency?
22
              Α
                       No. I'd have to go back to my
23
    records.
24
                        All right. And with regard to the
              Q
```

grants, we've heard several people mention that grants 1 2 were available. Do you know -- can you identify for 3 the record any of the grants that you're looking at? 4 Α Yeah, I -- that I've got written 5 down. 6 All right. Q 7 The first one was Mocksville and Α 8 Davie County. They got \$2 million for sewer for 9 rebuilding their infrastructure. And then there was 10 another one, \$1.5 million given to Johnston County, 11 North Carolina on 4/27/20. 12 All right. And were you able --13 do you know the source of those funds? The North Carolina -- I only went 14 Α to the North Carolina Government website. 15 16 Okay. All right. Q COMMISSIONER BROWN-BLAND: 17 Is 18 there any follow-up questions on the Commission's 19 questions? Not seeing any. 20 MR. HIGGINS: No, ma'am. 21 COMMISSIONER BROWN-BLAND: All right. 22 Spehar, thank you for your persistence in getting on 23 and I'm glad you were able to come on and share your 24 questions with us. Again, continue to follow this

proceeding and --

THE WITNESS: Sure will.

COMMISSIONER BROWN-BLAND: -- and I believe the hearing was set for November 2nd, so we haven't made a decision whether that will be in person or by remote. It's a good possibility it may be remote, but we'll make that decision by October 12th, so you can continue to follow then.

THE WITNESS: Thank you.

(The witness is excused)

COMMISSIONER BROWN-BLAND: All right. Thank you. Is there anything else to come before the Commission before we adjourn this public hearing?

MR. CREECH: Madam Chair, good evening.

This is William Creech again. I -- I just want to indicate that it appears that we did have approximately seven individuals who had indicated they would be calling in but had not and they don't appear -- I don't see -- I just want to confirm with Mr. Birckbichler, Dan Birckbichler, our IT professional, whether anyone has raised their hand. Either Alberta Houck, Elizabeth and Ryan Neuendorff, Jennifer Crifante, Amy Clifton, Bryan Allen, Charles Aaron Smith, or Anthony Cardinal. I'm not seeing any

1 additional telephone numbers that have not been unmuted that would indicate that's who they are, but 2 those seven individuals, if they are on the call we 3 4 don't know that. Dan, can you confirm that? 5 MR. BIRCKBICHLER: Yes, sir. I'm going 6 through the list now. I just checked every number you 7 gave me, again, a verification and there is no one 8 else online. 9 MR. CREECH: Thank you. Thank you. 10 COMMISSIONER BROWN-BLAND: And I think 11 Alberta Houck was another. 12 MR. CREECH: Yes. Yes, Madam Chair. 13 COMMISSIONER BROWN-BLAND: All right. Well, it seems that we've come to an end and we've heard 14 15 from everybody who -- who's been able to join us and 16 wishes to be heard. So with that said, we will 17 adjourn this public hearing. Thank you all for your 18 participation. 19 (Proceedings were adjourned.) 20 21 22 23 24

CERTIFICATE 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 Court Reporter