

1 PLACE: Via Videoconference

2 DATE: Thursday, October 7, 2021

3 DOCKET NO.: W-1300, Sub 60

4 TIME: 6:30 p.m. to 8:52 p.m.

5 BEFORE: Commissioner ToNola D. Brown-Bland, Presiding

6 Commissioner Daniel G. Clodfelter

7 Commissioner Jeffrey A. Hughes

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IN THE MATTER OF:

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Application by

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Old North State Water Company, LLC,

14

3212 6th Avenue South, Suite 200,

15

Birmingham, Alabama 35222, for Authority to

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Adjust and Increase Rates for Water Utility Service

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in All Its Service Areas in North Carolina

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VOLUME 1

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NORTH CAROLINA UTILITIES COMMISSION

1 A P P E A R A N C E S:

2 FOR OLD NORTH STATE WATER COMPANY, LLC:

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8

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NORTH CAROLINA UTILITIES COMMISSION

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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

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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 Kemeraït. 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. Kemeraït 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.

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 crossed 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. 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