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Re: Case 13-W-0295 – United Water Rates - 4/24/2014 Public Statement Hearing

**** Please note this is a Preliminary transcript, subject to later edits when reviewed by the parties and the Administrative Law Judges assigned to the case.**

Public Statement Hearing - Vol. I
April 24, 2014

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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Case No. 13-W-0295, Proceeding on Motion
of the Commission as to the Rates, Charges,
Rules and Regulations of United Water New
York Inc. for Water Service.

-----X
Public Statement Hearing
Town of Ramapo
Town Hall Council Room
237 Route 59
Suffern, New York 10901

April 24, 2014
4:00 p.m.

PRESIDING:

RAFAEL EPSTEIN, ESQ.

Administrative Law Judge

PATRICIA ACAMPORA,
Commissioner

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

3 ALJ EPSTEIN: Okay. Hello, ladies
4 and gentlemen. Welcome to this Public
5 Statement Hearing in case 14-W-0295, United
6 Water of New York rates.

7 Let me apologize in advance if you
8 already heard all this last night, I'm not
9 completely sure whether we have repeat
10 visitors here. But this is a case where the
11 Commission is preparing to vote on a request
12 that United Water filed last summer for a
13 rate increase, and it's gotten to the stage
14 where the evidentiary hearings, the trial
15 type hearings -- I'm sorry, my name is Rafael
16 Epstein. I'm one of the administrative law
17 judges employed by the Commission who's been
18 assigned to this case. There are -- I'm
19 actually one of two working on this case.

20 We held these trial type hearings
21 this spring in Albany, where parties opposing
22 the rate request and the company itself both
23 put on witnesses with various kinds of
24 expertise; accounting, economics,
25 environmental, engineering. They prepared

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2 testimony and they were put on the witness
3 stand and cross examined by the opposing
4 parties. The parties were the company, of
5 course, the trial staff of the Department of
6 Public Service, which is a separate entity
7 within the department that's charged with
8 putting on a consumer oriented case. And
9 they testified in opposition to the rate
10 case -- to the rate increase. The Utility
11 Intervenor Unit of the New York State
12 Department of State, which likewise is there
13 to put on a customer oriented case. And the
14 Municipal Consortium, which is a group formed
15 for purposes of this case, consisting of
16 municipal government entities, local
17 government entities, fire chiefs associations
18 and the like. Some of those, some of those
19 parties I can see are represented here today.

20 But the purpose of this hearing is
21 not to hear from any of those parties because
22 they have had ample opportunities to be heard
23 from. In addition to their witnesses and so
24 on, we're waiting for briefs to come in from
25 them this Monday, where they are going to

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2 either criticize or applaud a Recommended
3 Decision that was written by me and the other
4 administrative law judge. That's our
5 recommendations to the Commission regarding
6 how we think the Commission should vote on
7 each of the dozen or so issues that were
8 contested.

9 Legally at this time, the
10 deadline, unless something changes, the legal
11 deadline for a Commission decision is June
12 30th. The last regularly scheduled
13 Commission session before that date would be
14 June 26th. So on no later than June 26th I
15 would expect them to vote.

16 At this hearing, the reason it's
17 valuable is that if you have something
18 individually that you would like to tell the
19 Commission or if you have something that
20 you'd like to tell them on behalf of some
21 organization that you may be affiliated with,
22 this gives you a chance to do it because, in
23 a real sense, because we have the
24 stenographer here, and there's going to be a
25 transcript, and that transcript will be

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2 posted on the Commission's Web site. The Web
3 site address is on the handouts that you may
4 have picked up on the table back there, DPS,
5 like Department of Public Service, dot NY
6 like New York, dot gov, g-o-v, like
7 government.

8 If you go to the Web site and you
9 search for this case number, 13-W-0295, which
10 also is on the handouts, you can find
11 everything that was filed in the case. The
12 testimony, the exhibits, the briefs
13 supporting the rate increase, the briefs
14 opposing the rate increase, the Recommended
15 Decision by myself and the other
16 administrative law judge, and eventually the
17 Commission Order when that comes out by the
18 end of June. And in addition, you can find
19 the transcript of these proceedings tonight
20 as soon as it gets put together in a few
21 days. By next week sometime I would imagine
22 you can read the transcript with these
23 proceedings here this afternoon, plus any
24 public statements that are made tonight, and
25 also public statements that were made

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2 yesterday afternoon and yesterday evening
3 over at the Festa Middle School in West
4 Nyack.

5 I should explain that there are
6 two other cases going on at this time before
7 the PSC. One is, in shorthand terms it's a
8 case about the need for a long term water
9 supply strategy. We call it the need case.
10 And the other one is a case about the request
11 by United Water for a surcharge to recover
12 costs that have gone into the Haverstraw Bay
13 desalinization/desalination project. That's
14 the desal case.

15 We heard about those cases in this
16 rate case, but I want to emphasize that this
17 is a rate case, that all the Commission is
18 really going to be voting on are the rates,
19 the rate request. The rate increase that the
20 company is asking for in this case does not
21 include costs of the desal plant. That's why
22 they have the requests for the desal
23 surcharge, because they want to recover the
24 costs through that surcharge, rather than the
25 rates that are in this case.

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2 So if you want to talk about the
3 company, the rate request is the real plate
4 on the table, so to speak. However, if you
5 have other concerns about the company, either
6 how they do business, how they handle your
7 account, what kind of service you get from
8 them, that's fair game also. And also, we
9 have staff people from the Department of
10 Public Service, one or two, who are
11 ordinarily engaged in fielding customer
12 complaints, trying to deal with customer
13 problems. And if you have some problem that
14 you'd like to talk with them about when we're
15 not on the record, during a break or
16 something like that, or some individual
17 problem that you'd like to talk to me about,
18 maybe you can get useful advice. And if not,
19 we should be able to connect you with
20 somebody in the Albany office who does know
21 more about the issue that you're raising.

22 The only other thing about the
23 procedure here is that if you want to speak,
24 you should sign up a card because we -- sign
25 one of the cards that's available on the

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2 table in the back there, because that helps
3 us make sure everybody gets their turn. If
4 we get a lot more people, I may start
5 imposing time limits so that we won't be here
6 to the point where everybody gets weary. I
7 know that at the last hearing last night a
8 few people who signed up to speak weren't
9 there anymore by the time I called on them,
10 so I think they did get weary. I think, you
11 know, people have other things to do and they
12 can only stay here so long. So although I
13 won't -- I don't see enough people here to
14 justify putting an official time limit on
15 everybody's remarks, I would suggest that
16 about five minutes probably covers all the
17 issues that most people ever want to raise.
18 Or ten minutes if you want to double that for
19 good measure. But just try to be mindful
20 that you have people behind you waiting their
21 turn. And when your turn comes to speak,
22 there's a live microphone over there. And if
23 you will please speak slowly and clearly
24 enough so that the reporter can get
25 everything that you want to say.

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2 And if you have a written
3 statement, you don't have to have a written
4 statement, you don't have to even have notes,
5 but if you have something in writing, you can
6 read it. But it's still helpful if you give
7 a copy to the reporter. It will help finish
8 up the transcript afterwards.

9 And if you don't like to speak in
10 a room full of neighbors, there are other
11 ways that you can communicate to the
12 Commission, through email, by leaving a
13 telephone message, or through regular mail.
14 And those are all described on the larger
15 handout on the table back there.

16 So with all that, I will now call
17 the first speaker who signed up, who is
18 Assembly Member Ellen Jaffee. Ms. Jaffee.

19 ASSEMBLY MEMBER JAFFEE: Good
20 afternoon, Judge. And I am, as you noted,
21 Assembly Member Ellen Jaffee, representing
22 the 97th Assembly District. I want to thank
23 you for the opportunity to speak. I also
24 will be submitting my comments in writing.

25 The Public Service Commission is a

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2 valued agency for New York and for the people
3 who live here. And, as a state official, I
4 appreciate this Commission's intent to
5 respond to the public by opening this matter
6 and providing public hearings. The hearings
7 today and those yesterday have been called to
8 listen to comments on the general rate case
9 of United Water New York, case 13-W-0295, an
10 increase -- a request for an increase to
11 raise rates for water service.

12 This is the second hearing for
13 United Water in the last seven months, with
14 two more yet to come. One that will consider
15 the proposal to construct a desalination
16 plant on the Haverstraw Bay, and the other to
17 consider whether or not United Water is
18 entitled to implement yet another surcharge
19 to recover costs for an as-yet approved and
20 uncalled for, in my opinion, desalination
21 plant. We need to start asking why
22 individual hearings are being held when rate
23 increases, surcharges and a proposed
24 desalination plant are interrelated. And I
25 feel that we should have had one

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2 comprehensive review. But moving forward,
3 however, we are here today, and this is an
4 important opportunity to discuss this
5 essential issue.

6 I don't believe that United Water
7 is acting in the best interests of Rockland
8 ratepayers by asking consumers to bear the
9 cost of an unacceptable record of corporate
10 mismanagement, that includes the inability to
11 account for one-quarter of its water supply;
12 negligence in failing to file for an economic
13 obsolescence adjustments; inability to
14 provide a standard level of service to
15 ratepayers. Instead of reaping rewards for
16 flagrant mismanagement, United Water owes
17 Rockland ratepayers a detailed explanation
18 before we are asked to pay among the highest
19 rates not only in New York state but in the
20 nation. We must have a clear course of
21 action. A justifiable rate increase, if any
22 increase at all, should be based on a full
23 forensic audit. And at the very least, an
24 update of the 22-year-old cost of service
25 study.

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2 United Water's spokesperson claims
3 that they provide quality service and that
4 their request for a rate increase reflects
5 the cost to produce safe and reliable water
6 service. However, as many said yesterday,
7 and you are bound to hear today, quality
8 service is not what United Water delivers.
9 United Water requested a 28.9 percent
10 increase. After that it was assigned, as
11 you're aware, to the administrative law
12 judges, and after hearing testimony, a
13 Recommended Decision was issued, and the new
14 proposed increase is now a 15 percent total
15 revenue increase to United Water. But based
16 on figures provided by United Water most
17 recently, the revenue recommendation would
18 translate to an annual increase of about \$111
19 for a yearly bill of about \$847. Consider
20 the impact this increase will have on
21 Rockland's economy, on Rockland residents.

22 As a member of the State Assembly,
23 representing large portions of Rockland, I
24 share the concerns raised by many, along with
25 the Rockland Municipal Consortium with regard

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2 to United Water's request for this rate
3 increase. I respectfully request that the
4 Public Service Commission deny United Water's
5 request for this rate increase. And I
6 recommend a zero percent increase, especially
7 given the comments in the brief by the
8 Utility Intervention Unit, Division of
9 Consumer Protection.

10 First, United Water never filed
11 for economic obsolescence adjustments to
12 lower their taxes. Had they filed the proper
13 paperwork, this would have saved Rockland
14 residents millions over the last several
15 years; 2.2 million for 2013 alone.

16 Generally, all other utilities do
17 make these filings. There is no clear
18 explanation as to why the charges from United
19 Water's management and services company have
20 gone up thirteen to fifteen percent over the
21 last two years. Considering the fact that
22 the rate of inflation has averaged two
23 percent over the last six years. This raises
24 serious questions for consumers, especially
25 since United Water New York has received more

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2 than a 72 percent increase in revenues over
3 the last six years. And that's ten percent a
4 year, or five times the rate of inflation.

5 Commission regulations require a
6 water utility to report when unaccounted for
7 water exceeds 18 percent and provide an
8 action plan to reduce it. United Water New
9 York has never made such a filing, even
10 though unaccounted for water has been over
11 that threshold every year for the last five
12 years.

13 Actions such as these leave many
14 of us scratching our heads and raising other
15 questions. Why does, you know, why doesn't
16 United Water New York check pressures after
17 it makes a system improvement? Why doesn't
18 United Water do a cost-benefit analysis in
19 evaluating its capital projects? The problem
20 again and again is lack of transparency,
21 useless generalities, and clearly poor
22 management.

23 United Water New York seeks a
24 10.85 percent return on equity and believes
25 that the provision of water service in

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2 Rockland County is just as risky from a
3 business perspective as the provision of
4 electric, gas and steam by Con Edison in
5 Manhattan.

6 The New York State Division of
7 Consumer Protection suggests United Water's
8 management company has improperly shifted a
9 disproportionate amount of expenses to the
10 utility. They recommend, and that is the
11 institute of -- they recommend the Public
12 Service Commission institute a prudence
13 investigation into United Water's failure to
14 file for economic obsolescence awards; a
15 comprehensive forensic audit of expenses
16 charged by United Water as recoverable from
17 tax ratepayers; and, also, to institute a
18 proceeding to conduct a comprehensive
19 management and operations audit for United
20 Water New York and its affiliated management
21 and services company.

22 And, finally, based on this
23 flagrant mismanagement, I join the Rockland
24 Municipal Consortium in recommending no rate
25 increase, since any rate increase must be

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2 based on good management, transparency and
3 accountability. United Water New York has
4 demonstrated none of these. And I'm being
5 polite. Rockland ratepayers should not be
6 paying today or in the future for United
7 Water's mismanagement. Especially
8 considering the UIU noted, and I quote, that
9 they are concerned about the company's
10 willingness or ability to comply with
11 standard utility practices.

12 Thank you.

13 (Applause)

14 ALJ EPSTEIN: Thank you.

15 I'd like to welcome my boss,
16 Commissioner Patricia Acampora. Ms. Acampora
17 is one of the five commissioners on the PSC.
18 And, as I was explaining earlier, she's
19 therefore one of the people that will vote on
20 this rate request, most likely at the end of
21 June. The PSC does have these regularly
22 scheduled sessions. And I'll bet you that
23 Commissioner Acampora just came hustling down
24 from the one that was this morning. They're
25 every two weeks, and this one happened to be

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2 this morning. So welcome.

3 COMMISSIONER ACAMPORA: Thank you.
4 It's a pleasure to be here. I think I've
5 been in this room before for public statement
6 hearings. As the judge said, I just came
7 down from Albany. We had a session that ran
8 a little late, and without breaking the law I
9 tried to get here as soon as I could.

10 As a commissioner I will be
11 deciding on this case. So I will not make
12 any statements or answer any questions, but I
13 will take notes. I know that this is a very
14 important issue to all of you, and I will
15 share those notes of your concerns with my
16 other commissioners. So let's continue.

17 ALJ EPSTEIN: All right. And I
18 want to thank the previous speaker, who's the
19 only one we've heard from so far, Assembly
20 Member Jaffee, for using the correct case
21 number, because I don't think I did. And you
22 need that case number if you want to read all
23 the materials that are on the Commission Web
24 site, which is a very educational thing to
25 do. The correct case number is on the

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2 handouts at the back. And for the record, it
3 is 13-W-0295, not 14-W-0295.

4 The next speaker is Robert
5 Randhare.

6 MR. RANDHARE: Thank you. And
7 you're a tough act to follow, Ms. Jaffee.
8 She certainly nailed all the issues that
9 we're concerned about.

10 I've lived in Rockland County over
11 thirty years. I now live in Orange County.
12 I've been up there for about ten. I'm
13 retired, on a fixed income.

14 This rate increase, 30 percent, is
15 obscene. Never in my employment was I ever
16 given a 30 percent raise for doing my job.
17 So I don't think the water company is doing
18 their job.

19 We heard earlier not to discuss
20 the desalinization plant because that's not a
21 topic of this rate increase. But it is the
22 elephant in the room. It has to be. Who's
23 paying for the public relations blitz that
24 United Water has been putting on about that
25 plant? Obviously this is paying for that.

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2 The things that I would like to
3 understand is why do we have a perceived
4 water shortage in Rockland County that this
5 company is supposed to be managing for us?
6 Is it because of mismanagement, which
7 Ms. Jaffee alluded to? Is it because of the
8 inaccurate data that they provide to the
9 government agencies, including the DEC, who
10 took them to task for all of the reservoir
11 discharges down through New Jersey? That was
12 obscene.

13 I believe a big part of the
14 problem is their lack of investment and
15 maintenance of their existing facilities.
16 I'll refer to New Jersey, the three
17 reservoirs that are south of us, in Oradell,
18 Woodcliff Lake and Tappan. You go by them in
19 August, they look like pea soup. They're
20 full of algae. They have to be maintained
21 better. All they have to do is dredge those
22 reservoirs another foot, and the acreage of
23 those reservoirs, with just a foot acre of
24 dredging on them, will increase their
25 capacity 50 percent. So we don't have a

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2 water problem, we have a management problem.

3 The other thing that I'd like to
4 bring into the fray is about 35 years ago I
5 served on the Rockland County Girl Scout
6 Council board of directors in the midst of a
7 thing called the Ambrey Pond Reservoir that
8 was proposed up in the Stony Point area. As
9 a result of that proposal that they were
10 going to build this reservoir, a lot of
11 properties up in that area were condemned and
12 brought into the United Water family of
13 properties. It impacted the Girl Scout
14 Council because we were told that we couldn't
15 use the lake for swimming activities and we'd
16 have to build a swimming pool and we'd have
17 to put in flush toilets and a sanitation
18 system because that would be in the watershed
19 of this reservoir.

20 So what did the council do? They
21 don't have a lot of money other than selling
22 Girl Scout cookies. They had to sell off
23 part of their land that they had been holding
24 as part of their campgrounds. That land was
25 sold and ultimately developed into Buckburg

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2 Estates, which was an unnecessary building.
3 But all of that impacted that council in a
4 negative manner, and nothing ever happened
5 with this reservoir. So they're sitting on
6 all that property that they condemned and
7 acquired 35 years ago, and caused a lot of
8 hardship on a lot of people.

9 So who owns all that land? Part
10 of that plan was to take outflow from
11 Harriman State Park out of the lakes that
12 feed into the Hudson River and re-divert them
13 into the reservoir system. I think that's
14 something that should be considered again as
15 a source of water. We don't need anything
16 more than maintaining and improving the
17 current system that we have. And I won't go
18 into the desalination because you told us
19 this was not the issue. So that was half of
20 my discussion.

21 Thank you very much for your time.

22 (Applause)

23 ALJ EPSTEIN: Okay, thank you,
24 Mr. Randhare.

25 Jocelyn DeCrescenzo.

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2 MS. DeCRESCENZO: Hello. My name
3 is Jocelyn DeCrescenzo, and I live in Valley
4 Cottage. And what I beg of you, the Public
5 Service Commission, is to do your job, and to
6 do it well. And actually protect the people
7 of Rockland County from what will be a
8 terrible, terrific burden financially and
9 health-wise. We don't even know what kind of
10 impact, what United Water's proposing will
11 have on our health and well-being. And so I
12 beg you to do a good job.

13 I actually wish that there could
14 be a forensic investigation, an analysis of
15 United Water. I believe that their acts are
16 criminally negligent at this point. And, as
17 the gentleman before said, it's absolutely
18 obscene that they would be requesting a rate
19 increase of this nature.

20 I also believe that the pay back
21 should really come out of their pockets and
22 their stockholders' pockets. It shouldn't be
23 the Rockland County residents, who don't need
24 or want what United Water has proposed.
25 There is no need to. The only need is

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2 corporate greed. That's the need. That's
3 United Water's need.

4 There is not the need for water in
5 Rockland County. If we just simply fix
6 what's there, make some of the reservoirs
7 deeper and let nature take its course, we
8 will have more than enough water. We do not
9 need a plant that will be spewing carbon
10 footprints into the air that are grander than
11 anything we have ever seen.

12 It also brings up the subject of
13 costs that will be borne by Rockland County
14 for Orange & Rockland Utilities, because
15 apparently there's not even enough power to
16 power the proposed desalination plant. So
17 the costs would be unending. They would just
18 go on and on and on, and it would literally
19 choke the life out of every single Rockland
20 County resident. And I'm not willing for
21 that to happen. And I do hope that you take
22 what you're hearing very, very seriously. I
23 am so concerned about the health and
24 well-being of all Rockland County residents,
25 and this is criminal.

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2 Thank you very much.

3 (Applause)

4 ALJ EPSTEIN: Thank you very much,
5 Ms. DeCrescenzo.

6 Ms. Drechsler.

7 Welcome back.

8 MS. DRECHSLER: Thank you.

9 This is a beautiful space to be in
10 and it's a beautiful day. And I'm just going
11 to speak very briefly because I spoke
12 yesterday.

13 But I just would like to implore,
14 once again, that you listen to the residents
15 of the county and to all of our politicians,
16 who feel that this is a very unfair thing to
17 do to the residents and the ratepayers. So I
18 just wanted to keep it very brief and thank
19 you very much.

20 (Applause)

21 ALJ EPSTEIN: Mr. Finn.

22 MR. FINN: Thank you. And I will
23 be very brief. I have to be in New City at
24 about five, at about five o'clock, so I might
25 be breaking the speed limit as well.

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2 But first I want to thank you for
3 having us here today. My name is Geoffrey
4 Finn. I'm supervisor of the Town of Stony
5 Point.

6 I'm here representing all of my
7 taxpayers and residents of Stony Point,
8 asking this board to please deny this rate
9 increase. I'm not here to bad mouth the
10 employees by no means of United Water. I
11 understand they have a job to do. My job as
12 a supervisor of the Town of Stony Point is to
13 protect my taxpayers, and that's why I'm here
14 on their behalf asking you to please deny
15 this rate increase.

16 The gentleman before me mentioned
17 something about a 30 percent. I only -- I
18 can only manage what would happen if I went
19 to my constituents and asked them to raise
20 taxes 30 percent. Where do you think I would
21 be? I'd be out the door. Okay? So please,
22 please take it into consideration. The
23 people of Stony Point have had enough, enough
24 is enough and we can no longer afford to pay
25 these high rates.

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2 Thank you.

3 (Applause)

4 ALJ EPSTEIN: Thank you, Mr. Finn.

5 Ms. Klopfer.

6 MS. KLOPFER: I had a question, so
7 I don't know if that's appropriate.

8 ALJ EPSTEIN: I think we're trying
9 to get -- to keep the dialogue to a minimum
10 just because we want everybody to get a
11 chance, but is it something --

12 MS. KLOPFER: It's a procedural
13 question.

14 ALJ EPSTEIN: Okay.

15 MS. KLOPFER: Okay. My question
16 is, have you already made a recommendation to
17 the Commission, what do -- what does most of
18 this anecdotal discussion, what kind of
19 bearing does that have on your already made
20 recommendation, and does the Commission ever
21 not go along with the recommendation by the
22 administrative law judge?

23 ALJ EPSTEIN: Okay. Since
24 yesterday I heard that last time I -- last
25 time around, in other words, yesterday, I may

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2 have spent too much time talking about the
3 process, and I didn't think anyone was
4 interested. Well, you just disproved that.
5 I guess what -- the short answer is yes.
6 Speaking as an administrative law judge, I
7 can tell you that the Commissioners all the
8 time find that they don't like the ALJs'
9 recommendations in one way or another. The
10 Commission goes through very definitely an
11 independent analytical process. And they
12 are -- it would be far from accurate to say
13 that they're there to rubber stamp a
14 recommendation that comes from one or two
15 ALJs who may be idiosyncratic or may not have
16 the same vision of the public interest that
17 the Commissioners do. And again, I would
18 emphasize that this kind of comment procedure
19 that we are having right now is very
20 valuable, that the commissioners will be very
21 much aware of what came up during these
22 comments, and that will be one factor that
23 they consider.

24 The Recommended Decision is always
25 helpful because it presents a lot of the

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2 arguments and facts that were brought in by
3 the parties in the formal proceeding. But in
4 the end it's a public interest determination.
5 The statute says that the Commission has to
6 set rates that are just and reasonable. And
7 there's a lot of -- that leaves a lot of room
8 open for interpretation and judgment.

9 The commissioners normally have
10 about a month after all the -- once the
11 Recommended Decision is issued and briefs
12 come in either challenging or supporting the
13 Recommended Decision, the Commissioners have
14 about a month to consult with their advisory
15 staff, which is separate, again, from the
16 trial staff that I mentioned earlier, and try
17 to make sense of it all and see what the
18 Commissioners independently think. So it
19 definitely, in my experience at least, it
20 definitely makes a difference whether you're
21 here today and what you say.

22 MS. KLOPFER: Okay, thank you.

23 ALJ EPSTEIN: Ms. Klopfer?

24 MS. KLOPFER: That was me.

25 ALJ EPSTEIN: Oh, okay. Did you

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2 want to make a statement?

3 MS. KLOPFER: No, I wanted to --

4 ALJ EPSTEIN: Okay. Thank you.

5 Mr. Levine.

6 MR. LEVINE: My name is Julius
7 Levine.

8 The last hearing I was at was when
9 we were giving away our water resources to a
10 foreign company, and I asked the Public
11 Service Commission at that time why, and they
12 essentially admitted to me on the side that
13 they didn't know how to regulate or control
14 what we had, so they were kicking the can
15 down the road and letting somebody else do
16 it. At that time I said how do you have a
17 provision to give away our resources to
18 somebody who has no interest in working for
19 other than just a profitable profits for
20 themselves. They have no interest in the
21 community. It was not one of the
22 considerations at that time by the Public
23 Service Commission. They felt they were
24 getting a lot of free improvements without
25 any thought of having to pay for it later on.

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2 When I asked about the water
3 that's processed along the Ramapo River, and
4 many processing plants, and I've gone to some
5 of them, those are clean, the water is clean
6 enough to be fed back into our aquifer. And
7 yet, we put in ten times the amount of water
8 into the Hudson River, that a little bit of
9 additional purification cleanup would allow
10 us to put it back into our aquifer. And I
11 think in the long run that should be
12 significantly less costly than the
13 desalinization farce that they are putting
14 on, because then they'll be able to sell
15 water to ships that come in from foreign
16 ports, and that's not really Rockland
17 County's obligation.

18 There are many things that should
19 be done. But who has the expertise to know
20 what to watch, to see that they're working
21 for the interests of the people of Rockland
22 County as opposed to just pure profit. If
23 they're totally inefficient and they get a
24 profit on their inefficiency, they have no
25 incentive to be more efficient, if they want

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2 to retain that profit margin.

3 So I'm not sure I understand where
4 these things are going or how they can be
5 held accountable for the operation that they
6 have. When they bought the property -- when
7 they acquired the property, they sold off the
8 land that was guarding or protecting the
9 reservoirs. They permitted trees being cut
10 away that were used as preventative material
11 for keeping the reservoirs clean. Money was
12 taken out. And I don't know who pays
13 attention to this sort of stuff. So I think
14 somebody better ask those questions. And if
15 the Public Service Commission isn't competent
16 enough to exercise these types of judgment,
17 then somebody should be able to be brought in
18 that can, that plays our advocate, not the
19 company's advocate.

20 Thank you.

21 ALJ EPSTEIN: Thank you,
22 Mr. Levine, thank you.

23 Ms. Vendura.

24 MS. VENDURA: Good afternoon.

25 Thank you for holding these hearings because

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2 I think a lot of people are not aware of it.
3 I sent out about ten emails to people because
4 I got an email from the town hall, and asked
5 people to come. I'm looking at the turnout
6 and I'm really, really surprised that there
7 aren't more people here attending this
8 meeting, because it affects everybody who's a
9 Rockland County resident. And I don't know
10 how to get the word out.

11 The thing that I'm concerned at,
12 Mr. Jaffee I think was his name, the one
13 before me?

14 ALJ EPSTEIN: Levine.

15 MS. VENDURA: Alluded to some kind
16 of a committee. I think there should be a
17 watchdog committee for this. And I don't
18 know how United Water would want to deal with
19 that, but I don't know if they would allow it
20 or not.

21 In any event, I think what they're
22 doing is a shell game. I think they're
23 making the rates as high as they can make it.
24 And then when that's parched out, they'll say
25 well, you can't get 30 percent but you can

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2 get 15 or 12. But well, that's probably what
3 they wanted anyway. And I don't know how
4 stupid they think people are.

5 The other thing is that I don't
6 know why they can't utilize the resources of
7 the reservoirs and the aqueducts that are
8 already preexisting. And one of the other
9 gentlemen said earlier all they have to do is
10 dig them deeper, dredge it out and more --
11 well, it makes sense, the deeper it is, the
12 more water that goes into it. New York City
13 has their reservoirs and they have no problem
14 with water and they serve millions and
15 millions and millions of people. And if New
16 York City can do it, I don't know why these
17 people can't.

18 The other thing that I had a big,
19 big complaint about was their billing
20 procedure. It's every three months. Now, I
21 have three bathroom toilets in my house. I'm
22 the only one in the house, I only use one
23 toilet. So I turned the other two off. Last
24 year I had a leak in my hot water heater, and
25 since I don't go downstairs very often, I

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2 didn't know it. I got a bill for six hundred
3 dollars and I didn't know why I got the bill
4 for six hundred dollars. So now I had to
5 have the plumber come in and check
6 everything, and he found that the hot water
7 heater was the one that was leaking.

8 This year I got a bill for a
9 thousand and something dollars. And they
10 said no, you have a leak, you have a leak.
11 Well, I have all my toilets turned off. I
12 caught the leak. I heard the water running
13 at four o'clock in the morning and I turned
14 the water off. And I said okay, so I turned
15 water off. I still got the thousand dollar
16 bill. They came in, they changed the meter.
17 Now it's even harder to read than the old
18 meter, and I don't know what can be done
19 about that. I have to pay a little bit at a
20 time. I'm on a fixed income. I certainly
21 don't make any money at all anymore.

22 And I think their consideration is
23 just deplorable. I don't remember ever
24 having gotten any information in the past two
25 years about desalination. I don't remember

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2 if it was like a card, do you want it, do you
3 don't want it. They don't ask you as a
4 customer what do you want. They just go
5 ahead and do what they want. And I think if
6 this affects all of us, that has to be
7 addressed. Every customer should get
8 something in the mail from every utility
9 company that they have to deal with to say do
10 you want something and tell us why you do and
11 tell us why you don't.

12 And thank you very much for your
13 time.

14 (Applause)

15 ALJ EPSTEIN: Okay, thank you.

16 Ms. Christenson.

17 MS. CHRISTENSON: Hello, and thank
18 you for the opportunity to speak today. My
19 name is Jordan Christenson, and I'm the
20 Hudson Valley program coordinator for the
21 Citizens Campaign for the Environment. And I
22 think a lot of issues were covered pretty
23 thoroughly yesterday, so I'll keep it brief.

24 But since 2006, CCE has
25 participated in several PSC public comment

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2 periods on Rockland's water supply, as well
3 as the cost of water in the county,
4 particularly with regard to the desalination
5 proposal, which I won't go into today. But
6 one constant has been United Water's lack of
7 transparency and inadequate justifications
8 for their proposals and requests throughout
9 these review processes. The public deserves
10 to know why this rate increase is necessary
11 and whether it is in fact caused by United
12 Water's mismanagement.

13 As you heard yesterday, fees from
14 United Water's management company have
15 increased 13 to 15 percent, and United Water
16 has not provided an explanation.

17 United Water failed to file for
18 the economic obsolescence adjustments to
19 lower their taxes, like other utilities
20 regularly do, and that would have saved
21 Rockland millions.

22 The PSC requires utilities to
23 report when non-revenue water exceeds 18
24 percent and to present a plan to reduce it.
25 United Water's five year average is 21

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2 percent, and United Water has never filed a
3 report.

4 And United Water admitted it
5 doesn't do cost-benefit analyses in
6 evaluating capital projects. So United Water
7 has not demonstrated its proposed rate
8 increase is just and reasonable.

9 In addition, as you already heard,
10 the Division of Consumer Protection suggests
11 United Water's management company has
12 improperly shifted a disproportionate amount
13 of expenses to the utility, and recommends
14 audits and investigations into United Water's
15 actions in Rockland.

16 Ratepayers should not be asked to
17 pay for an unjustified and unnecessary rate
18 hike. Right now the PSC is evaluating the
19 need for the long term water supply, the \$56
20 million surcharge for planning costs for
21 that, as well as this rate case. And in all
22 three cases Rockland ratepayers have demanded
23 an explanation for United Water's request,
24 and have opposed United Water in each case
25 due largely to issues of unnecessary rate

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2 increases.

3 CCE requests that the PSC does not
4 look at all these issues piecemeal, and
5 instead does a comprehensive review.

6 Thank you.

7 (Applause)

8 ALJ EPSTEIN: Thank you,
9 Ms. Christenson.

10 Natalie Patasan, Patasaw.

11 MS. PATASAW: Good afternoon. My
12 name is Natalie Patasaw, and I am a professor
13 of environmental science at Rockland
14 Community College. I also chair the
15 Environmental Management Council for Rockland
16 County. I'm also on the planning board for
17 Rockland County. I am here representing
18 myself as a private citizen. And quite
19 frankly, I just want to make short comments
20 to you.

21 What I hear over and over and what
22 I've read in the paper and what I've seen
23 online, because the email messages are going,
24 flying fast and furiously about this issue,
25 there are a number of rate cases here where

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2 Rockland County of course wants to increase
3 the amount of money that we spend. I also
4 live here in Rockland County. I'm a
5 ratepayer to United Water.

6 What seems to be the underlying
7 issue is that there is a lack of transparency
8 in how United Water makes its decisions to
9 increase the water rates. We then have to
10 pay for what seems to be -- I'm trying to
11 look for a nice word -- let me just say
12 mismanagement of its operations, and we, as
13 ratepayers, are stuck paying the tab on this,
14 and we don't know why or how they come to
15 come up with these numbers.

16 Over and over again I've heard
17 people here speaking, saying that we need a
18 forensic audit. I appeal to you today as the
19 Public Service Commission to heed these
20 comments. There are so many questions. I
21 mean at the Environmental Management Council
22 we hear lots of questions that people raise,
23 but we don't have the answers. I would like
24 to believe that the Public Service Commission
25 has the will and the ability to find these

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2 answers, because once this is approved, we
3 are stuck with this forever.

4 There are -- there's a common
5 notion of brain drains, where many of the
6 young adults in our counties, not just here
7 in Rockland but many places, can no longer
8 afford to live where their parents moved to
9 raise them because things are too expensive.
10 And our utility bills are just one of those
11 items that once it goes up, they don't go
12 down.

13 So I wish for you to very
14 sincerely take into consideration all of the
15 different comments. There are many experts
16 here that have gone into great detail, so I
17 don't feel the need, at this time, to
18 reiterate those things, but I just want to
19 make that appeal to you. And hear us out.
20 Use all of the resources at your disposal,
21 because we are just one community talking
22 about this. United Water can go around the
23 country and do the exact same thing. I know
24 that's not your jurisdiction, but it's a
25 national company, part of it international,

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2 very powerful water company.

3 We tend to take water for granted.

4 But do you know, one of the other things is,

5 we're in a deciduous temperate forest biome.

6 We don't need to -- this is a wet area of the

7 country. We're not supposed to be talking

8 about the desalination plant, but part of

9 that is what is driving these increases in

10 the rates for us. We really can't

11 disassociate all of these things. Yes, I

12 know that there are three different rate

13 cases, but they are all intertwined like the

14 fingers on your hand, they're all connected,

15 even though they are separate digits.

16 So please, I appreciate the fact

17 that you are having these public hearings.

18 And thank you very much for coming to

19 Rockland County to hear what the elected

20 officials on both sides of the aisle, the

21 Assembly and the Senate, are against this.

22 Thank you very much.

23 (Applause)

24 ALJ EPSTEIN: Thank you for taking

25 the time.

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2 Ms. Madronero.

3 MS. MADRONERO: Good afternoon, or
4 I guess maybe it's almost evening. Again,
5 Commissioner and your Honor, I spoke
6 yesterday at the Felix Festa School, so I
7 won't go into great length, but one thing I
8 neglected to bring out. And I will put more
9 formal writing comments in.

10 You know, this -- well, first of
11 all, you know, one of my favorite
12 recollections is the French government
13 bailing out Suez, that was basically I guess
14 mismanaged as well as, you know, doing the
15 same job they're doing here. And the French
16 government said, because an Italian company
17 was going to come in and purchase Suez, and
18 the French government responded by saying we
19 can't have our largest corporation owned by a
20 foreign entity. But it's okay for Rockland
21 County to have its water owned by a
22 foreign -- or operated by, distributed by a
23 foreign entity, which as, Mr. Levine pointed
24 out -- it's good to see you, Julius.

25 MR. LEVINE: Thank you.

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2 MS. MADRONERO: And hopefully
3 you're doing well.

4 Many of the people in the room
5 were here back in Haverstraw at the hearings
6 with regard to the acquisition by Suez of
7 United Water. And there was a protest there,
8 and the state let us down, once again, by
9 allowing that to go through.

10 My question today, more to the
11 point, is self-reporting. I think that's a
12 major step in the wrong direction that is
13 allowed routinely where the reporting is done
14 by the entity. It's sort of the fox in the
15 henhouse. The follow up in '92, '94 in the
16 rate case back then, when the summer rates
17 were imposed under the aegis of it being a
18 measure of water conservation, within that
19 was a caveat that there would be independent
20 audits to see whether or not it was an
21 efficacious move. I don't believe that ever
22 took place or what has happened since to
23 review what is going on.

24 So the point being, are you folks
25 going back and reviewing earlier cases and

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2 interconnecting, again, not only the issues
3 of today but what history -- you know, how
4 history brought us here? I think it's
5 important. And time and again for the public
6 to have to take their time to come out and do
7 the jobs of the entities that have
8 responsibility for management and oversight
9 is extremely frustrating and it's frankly
10 unfair.

11 I would also, you know, look into
12 that self-reporting and the standards by
13 which water is measured; where, why, how.
14 It's curious that the USGS reporting and
15 information that members, be it the public or
16 some of our expert witnesses, have
17 differences of opinion of water availability.
18 And we have seen changes in what is
19 available. So somewhere along the line what
20 is the standard of measurement being used?
21 And is it consistent, is it being
22 consistently being applied by the state, by
23 the USGS, and certainly by the self-reporting
24 entity, United Water of New York. And it
25 seems New Jersey is a big player here in

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2 Rockland County as well.

3 But I mean there are so many
4 issues. But I would really ask that you go
5 back and revisit the history of how we got
6 here. And I think you'll see time and again
7 that the residents, the people of Rockland
8 County have good intentions. No one is
9 looking to cast aspersions at corporate --
10 corporations, but we just ask that you take a
11 really sound, complete look at what has gone
12 on here over the decades, and what has gotten
13 us to the this point.

14 As I indicated last night, your
15 Honor, I mean to just hand out 25, 15 to 20
16 percent increases without critical analysis
17 is just simply wrong, particularly when we
18 haven't -- and the other thing, you know,
19 just the other question I forgot to raise is
20 the point, when you impose these terms and
21 conditions in the rulings, what is your
22 follow up? Who are you depending upon to
23 look at these to say -- I think Mr. Levine
24 was touching on that also -- who are you
25 looking upon to say are you doing what we

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2 said needs to be done? You know, local staff
3 on the county health department or whatever
4 entity here has been reduced exponentially.
5 So are you linking the requests that you're
6 imposing, also with the manpower, and the
7 ability to carry forth those requests? The
8 monitoring, you know, something that
9 hopefully whenever the discussion -- and
10 every three cases, the 0246, 0295 and 0303,
11 that's 13 W, the three pending cases for
12 United Water, none of them are we allowed to
13 bring in the discussion of the desalination
14 proposal. They're recouping money for
15 expenses, this elusive, oh, but don't mention
16 it, we can't talk about desal. The big thing
17 with that is, the radionuclides. You've
18 heard comments about that, the monitoring.

19 They're asking us to pay for
20 contractor's work. In 2008, Black & Veatch
21 put forth a report saying there is no
22 monitoring, realtime monitoring available to
23 monitor on a wide scale basis of water for
24 radionuclides, it doesn't exist. NASA and
25 the Department of Defense are looking into

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2 coming up with that material, that
3 technology. And they're asking us to, you
4 know, but they still want to forge ahead with
5 a proposal for a desalination plant that
6 there is not the ability, there is not the
7 technology to monitor that. They say oh,
8 well, we'll do it manually, we'll have people
9 on staff to check that. How? NASA and the
10 Department of Defense can't do that. So we
11 have to reimburse them for this folly.

12 Anyway, I could go on, but I shall
13 not. But I thank you for your time and
14 attention, and it's good to see you. I hope
15 you have a safe trip up and back. And thanks
16 so much.

17 ALJ EPSTEIN: Okay, thanks.

18 (Applause)

19 ALJ EPSTEIN: Ms. Greene.

20 MS. GREENE: Good afternoon. I am
21 Manna Jo Greene. I am the Environmental
22 Director for Hudson River Sloop Clearwater.
23 I also happen to serve on the Ulster County
24 Legislature. And I mention that just to say
25 that I have sat on both sides of the desk.

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2 So I am often in a position of having to make
3 difficult decisions.

4 I will try to really be brief on
5 the details that are historic and the facts
6 that have been cited often in this case. But
7 I'm submitting the comments on behalf of
8 Hudson River Sloop Clearwater on the proposed
9 United Water of New York rate increase.

10 United Water has requested to
11 increase its revenues by approximately \$21
12 million, a 29 percent or \$144 per household
13 per year. And the ALJs have recommended a
14 reduced increase but still a significant
15 increase of approximately \$11 million or 15
16 percent, \$111 a year, increasing the average
17 user's bill to either \$881 or \$847 dollars
18 respectively.

19 And then it is additive that in a
20 separate case United Water is seeking another
21 rate increase of approximately \$60 million to
22 help recoup -- or rather \$60 a year to help
23 recoup the \$50 million it has invested in the
24 proposed desal -- desalination plant in
25 Haverstraw Bay, which Clearwater opposes as

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2 unnecessary, extremely energy intensive,
3 which is contradictory to state energy goals,
4 potentially severely damaging to the aquatic
5 ecosystem of Haverstraw Bay, and a misuse of
6 the service United Water of New York has been
7 entrusted to provide.

8 United Water's purpose is not just
9 to provide potable water to those Rockland
10 County residents and businesses who depend on
11 municipal water, but to sell the extra water
12 to New Jersey, profiting on an investment
13 paid for by Rockland water customers. In
14 an -- as has been mentioned before, in an
15 area that is rich in fresh water, sound
16 watershed management and expanding the
17 existing reservoirs for Rockland County's use
18 is a much more sustainable solution.

19 Recently, the Rockland County
20 executive, Ed Day, announced that the county
21 attorney general had filed a legal brief
22 calling on the New York State Public Service
23 Commission to correct an unfair
24 sixty-year-old water agreement which defines
25 how the operating costs for Lake Deforest

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2 reservoir would be shared by New York and the
3 parent company in New Jersey. Historically,
4 the amount of water available from Lake
5 DeForest is much greater than Rockland uses,
6 and the balance has been sold into the United
7 Water of New Jersey system to benefit the
8 company, not the ratepayers of Rockland
9 County.

10 We believe that privatization of
11 an essential commodity such as Rockland
12 County's municipal water has proven a mistake
13 and should be reconsidered. United Water of
14 New York has failed to take advantage of
15 economic obsolescence, adjustments to lower
16 property taxes, while increasing dividends to
17 shareholders by 50 percent, from \$4 million
18 to \$6 million.

19 Independent study by the Utility
20 Intervention Unit, UIU, shows that United
21 Water -- shows United Water is claiming
22 questionable expenses, including double digit
23 management fees and dubious reimbursements.
24 They failed to create an action plan to
25 reduce the 21 percent water leak rate as is

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2 required by New York state if it exceeds 18
3 percent. And they have failed to resolve low
4 flow issues in a timely way. And they
5 haven't done cost-benefit analyses to
6 evaluate capital projects.

7 Numerous complaints of poor
8 service have been voiced. The UIU concludes
9 that given the questionable conduct discussed
10 herein, the UIU does not believe that
11 management can be expected to provide basic
12 water services at just and reasonable rates.
13 It recommends a prudence investigation into
14 United Water's failure to file for EO awards,
15 an audit of expenses charged by United Water
16 of New York as recoverable from ratepayers,
17 and a comprehensive management and operations
18 audit of United Water of New York and its
19 affiliated management services company.

20 In conclusion, United Water of New
21 York has not demonstrated that the proposed
22 rate increase is just or reasonable.
23 Rockland ratepayers should not have to pay
24 for United Water's mismanagement or excessive
25 profits.

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2 Please contact me if you have any
3 other questions. Thank you.

4 ALJ EPSTEIN: Thank you, Ms.
5 Greene.

6 (Applause)

7 ALJ EPSTEIN: Mr. Klein.

8 MR. KLEIN: Good afternoon. So
9 when somebody sees that their water bill is
10 going to go up potentially close to 30
11 percent, I guess especially now, one has to
12 wonder, what is United Water willing to do
13 without? Because for a lot of people in this
14 room, if your water bill is going to go up 30
15 percent, a lot of people are going to go
16 without. Little things. Maybe going out to
17 dinner one less time a month. Maybe not
18 going to a movie. Little things. While, you
19 know, we don't get to see the books. We
20 don't get to see the books. We don't get to
21 see corporate bonuses. We don't get to
22 see -- we're not privy to that information.

23 So first we're told we're going to
24 have this desalination plant that's being
25 foisted upon us. And there's nothing to

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2 control the elimination of pretty active
3 radioactive -- active radioactive isotopes
4 from entering the water system. Now, a
5 couple of months later, we're shown that --
6 we're told -- and it's interesting, because
7 the proposal, it looks like we're going to be
8 stuck with a 15 percent increase, and plenty
9 of people in this room are going to have to
10 do with a 15 percent increase. So maybe
11 another question is, is the rate increase a
12 smokescreen for an end run on the desal
13 plant. These are just questions that I think
14 a lot of people are asking themselves due to
15 just a general level of one-sidedness that
16 seems dramatically unfair. And I think that
17 if something like this also came to a
18 referendum, I highly doubt that anybody would
19 vote for a 29 percent increase in their water
20 bills.

21 Thank you.

22 (Applause)

23 ALJ EPSTEIN: Thank you,

24 Mr. Klein.

25 Did anybody else sign up to speak?

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2 PSC STAFF MEMBER: No, your Honor,
3 that was the last one.

4 ALJ EPSTEIN: Is there anybody
5 else who didn't sign up to speak but who
6 would like to speak anyway? Yes.

7 MS. WOOTERS: I have another
8 question.

9 ALJ EPSTEIN: We'll need your --

10 MS. WOOTERS: Can I give it to you
11 now?

12 ALJ EPSTEIN: Yeah.

13 MS. WOOTERS: My name is Patsy
14 Wooters, and I'm the chair of the Torne
15 Valley Preservation Association. And others
16 have studied this more closely than I have
17 and are wiser than I am, and I feel a lot of
18 points have been made, but this is a point
19 that I just personally would like to make.

20 It appears to me that the setup
21 for public utilities and the situation that
22 United Water is in is a kind of cost plus
23 arrangement. And to me it's like corporate
24 welfare. And I think that it leaves us, the
25 ratepayers, in a trap, because we are so

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2 powerless in comparison. We don't have the
3 technical expertise, we don't have the inside
4 information. And so we are at your mercy,
5 Public Service Commission.

6 Now, years ago I had a
7 conversation with Michael Quontine
8 (phonetic), who is the vice president for
9 Rockland County. I was under the impression
10 that a wastewater treatment in Rockland would
11 cost \$140 million and that a desal plant
12 would also cost \$140 million. And I couldn't
13 understand why a wastewater treatment plant
14 had a fifth the output of desal, I couldn't
15 understand those numbers, and I may have had
16 them wrong, I don't know. But his response
17 was that United Water has fiscal -- there is
18 fiscal oversight for United Water. And when
19 I last spoke before the Public Service
20 Commission here at a previous hearing, I
21 asked for the Public Service Commission to
22 exercise its due diligence in terms of fiscal
23 oversight. And the impression that I got was
24 that the Commissioners were surprised that I
25 was asking for that. I hope it's not a

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2 surprise. I hope you take it extremely
3 seriously. It cannot be that this is a
4 corporate commission. It needs to be a
5 commission that is serving the public
6 interest. And I would hate to think that all
7 the decisions are broken up into little
8 pieces and nobody is looking at the big
9 picture.

10 Thank you.

11 ALJ EPSTEIN: Thank you.

12 (Applause)

13 ALJ EPSTEIN: Mr. Weinberger.

14 MR. WEINBERGER: Yes. Good
15 afternoon.

16 I am an actively retired attorney,
17 and I've been just sitting here listening to
18 all the comments and reading the local
19 newspapers and trying to keep up with what is
20 going on. I have only one request, I
21 respectfully request it. It is my
22 understanding that the administrative law
23 judge panel that was dealing with the subject
24 made a recommendation to grant an increase of
25 approximately 15 percent or so. I don't know

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2 the specific facts. And, your Honor Epstein,
3 I think you were on that particular panel.
4 Is there any way that you might address
5 the -- represent the people here today and
6 explain what considerations the
7 administrative judges took into account to
8 make that recommendation in light of all the
9 commentary and criticisms that are being
10 expressed by many of the people living here
11 in Rockland County? Can we ask you to make
12 such a presentation this afternoon?

13 ALJ EPSTEIN: You can certainly
14 ask, and I'll try to give you at least a
15 partly satisfactory answer, which is this.
16 It would be -- if you've ever dealt with any
17 course -- I'm sure you know that it would be
18 unusual and inappropriate, let me just leave
19 it at that, for me to try to make a case for
20 the decision. If the decision is written
21 decently, it should speak for itself.
22 However, I would be very happy if people
23 would go on that Department of Public Service
24 Web site, which I was kind of harping on
25 earlier. And one thing that they will find

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2 there is the Recommended Decision, and it's
3 about 125 pages of discussion of really
4 dozens of individual issues, at the end of
5 which there's a table which was prepared by
6 accountants who kind of tabulated the results
7 of how the judges were recommending each one
8 of those many discrete issues to be resolved.
9 And in some instances the company did not get
10 their way. In other instances the other
11 parties did not get their way. And we tried
12 to reach the decision on every piece of it.
13 But I can't say anything more general than
14 that because it really does break down to
15 distinct individual issues. It's not as if
16 two judges got together and said well, 15
17 percent sounds good. We didn't even know we
18 were getting 15 percent, we were just focused
19 on the various pieces of it.

20 To the extent the Recommended
21 Decision was wrong, after Monday, well,
22 Tuesday probably, you can also go back on
23 that Web site and see briefs, which will
24 definitely tell you why the Recommended
25 Decision was wrong, and hopefully they'll

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2 have something nice to say about us also.

3 I really, beyond that I don't
4 really want to make a case for any particular
5 conclusions that are stated in the -- I mean
6 everything is stated, some people might say
7 ad nauseam in that RD, in that Recommended
8 Decision.

9 MR. WEINBERGER: So it's on the
10 Web site of the Public Service Commission?

11 ALJ EPSTEIN: Yeah. I have a
12 couple of printouts also if --

13 MR. WEINBERGER: Could I have a
14 copy?

15 ALJ EPSTEIN: Sure. I just want
16 to -- the ones that I brought unfortunately
17 did not have page numbers and did not have
18 the calculations. There's an appendix with
19 the calculations which show how the
20 recommendations translate into dollars. But
21 for a better version --

22 MR. WEINBERGER: Thank you very
23 much.

24 ALJ EPSTEIN: -- you'll find it on
25 the Web site.

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2 MR. WEINBERGER: Thank you.

3 (Applause)

4 ALJ EPSTEIN: Mr. Stead.

5 MR. STEAD: Thank you. Good
6 afternoon. I already spoke, some of you know
7 who I am.

8 I just want to -- I was a little
9 inspired by both Patsy and Mr. Klein's
10 comments. I was thinking about transparency
11 when you were talking about not knowing
12 really what this was going to and what's
13 affording and what's not affording. Dorisio
14 and I often talk about corporations and what
15 they do and not do and what do we know about
16 it, even though it's your money.

17 I just want to make a couple of
18 remarks about my experience with United
19 Water's profile and its close relationships.
20 I don't think it's ever met a corporate --
21 potential corporate partner it didn't like.
22 Some of you, a lot of you were here during
23 the battle with Site Power, American National
24 Power Industries, back in the late nineties,
25 early two thousands. United Water was so

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2 quiet about that subject at the time. And it
3 was because there had been very confidential
4 dialogue between those industries that wanted
5 to come in and access resources. Gee, I
6 wonder who could have benefited from that
7 one.

8 But what I really want to do is
9 take you back further. I've been working
10 with the town on the Ford remediation. And
11 our first remediation site, which is
12 successful, it's been -- last year we
13 completed a site, it's called unit one, and
14 it's the full completion of the Ramapo well
15 field, the wells, United Water's
16 infrastructure.

17 Since 1994, Jeff Welch from Ramapo
18 River Committee and myself and a number of
19 other inspired advocates have been pushing to
20 get United Water involved in demanding the
21 well fields be cleaned up. No more better or
22 permeable surface than a well field. And we
23 had, in the end, the total was 40,000 tons of
24 contamination sitting on the top of that well
25 field. All that percolating potential

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2 migration of materials and so forth. So go
3 back to 1994, and we were like annoying, we
4 kept insisting United Water come up with some
5 sort of response to this. And well, you
6 know, the material's benign, it was the Ford
7 response, the material's benign, don't worry
8 about it, it will go away, so forth.

9 Finally, in the year 2007, I had
10 the -- as we got closer to the time when we
11 were going to negotiate a cleanup with Ford,
12 I had the opportunity to sit in on a
13 stakeholders meeting. I'm letting the cat
14 out of the bag here, because the only way I
15 had that opportunity was agreeing that
16 nothing that happened during those two hours
17 would be reported outside the meeting. Oh,
18 well.

19 There were a lot of folks there, a
20 lot of people had lawyers. I didn't. But at
21 one point, when United Water had the
22 opportunity to speak, they said quite
23 honestly and quite forthrightly, facing
24 forward, we're sitting on a time bomb here,
25 it's just a matter of time. If that stuff is

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2 not remediated, that may access our drinking
3 water. And if that should happen, we're
4 going to be shutting down wells. And I just
5 about dropped my eye teeth, because I'd been
6 hearing the opposite from our good corporate
7 sponsor here. And I wanted to respond to
8 that. But it was, you know, we're being
9 polite, we were just all speaking openly.

10 And at the end of the meeting,
11 Ford had walked away saying this is pretty
12 much it, I don't think you're going to see us
13 back here again. That didn't happen, as you
14 know, Ford did come back. And United Water
15 came back, and they needed it cleaned up
16 because they were starting to get a little
17 concerned about it.

18 But from 1994 to 2007, that's not
19 the message that I heard. Perhaps I'd grown
20 up a little bit, developed a little
21 credentials, was allowed to sit in on a
22 meeting, perhaps I had developed something of
23 a conservative profile, I don't think so, but
24 perhaps I got accepted for that reason, and
25 what I heard was distinctly different, just

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2 as the way I've played it out for you now.

3 Mr. Klein, that's what we are
4 talking about, transparency. If we are going
5 to have somebody owning our resources, then
6 transparency is the primary concern that I
7 have.

8 (Applause)

9 MR. STEAD: Thank you.

10 ALJ EPSTEIN: Thank you.

11 Has anybody else signed up to
12 speak?

13 (No response)

14 ALJ EPSTEIN: No? Does anybody
15 else want to speak?

16 (No response)

17 ALJ EPSTEIN: All right. Does
18 anybody who's already spoken want to, does
19 anybody want to speak?

20 (Laughter)

21 ALJ EPSTEIN: Did I see a hand
22 back there? No. Okay, does anybody have
23 anything further to say? If not, we are
24 going to adjourn until seven o'clock. But I
25 see a hand, yes.

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2 MS. VENDURA: I'm sorry, but there
3 were three things that I forgot to address.

4 United Water has a summer rate and
5 a winter rate. They raise rates in the
6 summer. I don't understand the reasoning
7 behind that, because more people do use more
8 water in the summer, so that means they'd be
9 making more money. I mean, you know.

10 They're the only ones that I know
11 of that do their billing every three months.
12 Had they not done their billing every three
13 months, I would have found out much, much
14 sooner that I had a leak, and it wouldn't
15 have cost me over a thousand dollars. So I
16 think their monthly billing -- their billing
17 should be monthly, like every other utility.

18 And I'm also thinking, by
19 listening to everybody else here, that maybe
20 they need competition. They need another
21 entity to come in and say hey, we can do a
22 better job, and then maybe, maybe they'll
23 wise up, or maybe the new entity would
24 service us better.

25 Okay, that's it. Thank you.

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2 (Applause)

3 ALJ EPSTEIN: Okay, thank you.

4 Now, that was Ms. Vendura again.

5 MS. DRECHSLER: It's Jackie

6 Drechsler again, last time.

7 So in today's Journal News, right
8 across from the article about last night's
9 hearing, was a big page ad on the summer
10 rates and why they're necessary from United
11 Water. So I just find it so interesting that
12 their advertising is just always so huge, and
13 basically we're the ones that pay for it.

14 I also wanted to say two things.
15 The lady over here had mentioned kind of
16 supervision of recommendations, and that is a
17 really important issue.

18 I needed to say, as other people
19 have, that these things are so
20 interconnected. If you look at United
21 Water's logo, they've got three bubbles, and
22 those bubbles all connect. And that's what
23 we need to do in looking at the situation.

24 Thank you again.

25 (Applause)

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ALJ EPSTEIN: Anyone else?

(No response)

ALJ EPSTEIN: Okay. Hearing none,
we are adjourned until seven o'clock, and
we'll reconvene right here at that time.
Thank you very much for taking the time and
making the effort to come out.

(Applause)

(Time noted: 5:30 p.m.)

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C E R T I F I C A T E

STATE OF NEW YORK)
) SS:
COUNTY OF ORANGE)

I, KARI L. REED, a Registered Professional Reporter (Stenotype) and Notary Public with and for the State of New York, do hereby certify:

I reported the proceedings in the within-entitled matter and that the within transcript is a true record of such proceedings.

I further certify that I am not related, by blood or marriage, to any of the parties in this matter and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of April, 2014.

KARI L. REED, RPR