

PUBLIC HEARING ON A FULL TARIFF REVIEW

PROCEEDING INVOLVING THE BELIZE WATER

SERVICES LIMITED (BWS) AND THE PUBLIC

UTILITIES COMMISSION

Meeting starts at 7:00 p.m.

MS. MYVETT:

The Chairman of the Public Utilities, Dr. Gilbert Canton, Board of Commissioners, Chief Executive Officer of the Belize Water Services Limited, Mr. Martin Greenhalgh, Management of the Belize Water Services Limited, Presiding Officer, Mr. Eric Fairweather, interested parties present here tonight, radio listeners, good night and welcome. The Public Utilities Commission (The Commission) was established in August of 1999 through the enactment of the Public Utilities Commission Act, No. 29. The Commission was established as part of Government's program to put in place an independent Regulatory body as the necessary and vital part of the effort to fully privatize the utility sectors.

The Commission, as established, has a Primary responsibility to regulate the tariffs and rates charged and the quality of service standards employed by a utility. The Commission also has a quasi-judicial role in proceedings to resolve complaints.

In 2001 the Belize Water Services Limited (BWS) was privatized and is the only water utility company licensed to provide water and sewerage services in Belize. Water and Sewerage Tariffs Bylaws were enacted by the Commission in 2002 when the Commission signed into law Statutory Instrument No. 67. The Water and Sewerage Tariffs Bylaws amongst other things lays out the rate making principles and the process for a full tariff review proceedings. The process calls upon the Commission to hold a public meeting where the BWS Ashall@, and interested parties Amay@ participate. Tonight's event fulfils that legal mandate and is a historic event, a historic event in that it marks for the Commission, consumers and the wider public the first formal opportunity for interested parties to give their comments in a forum such as this during a process that leads to the decision on a critical issue such as tariffs.

The presence of the Public Utilities Commission is changing the environment in which utilities operates and the Commission is committed to a continuance of change.

Ladies and gentlemen, presiding over tonight's meeting is Mr. Eric Fairweather who I now call upon to formally commence the session. Mr. Fairweather.

MR. FAIRWEATHER: Thank you very much. Ladies and gentlemen, it is indeed a very great honour and privilege for me to serve as presiding officer and welcome all of you to this public hearing on a full tariff review proceeding involving the Belize

Water Services Limited, (BWS) and the Public Utilities Commission, (The PUC).

This is the review proceedings held prior to each full tariff period during which the PUC reviews, amends if necessary, and if acceptable, approves the business plan proposed by the Belize Water Services. This public hearing is being held in accordance with Section 17 of Statutory Instrument No. 67 of 2002 to allow the licensee, that is BWS and other interested parties and the public in general to participate and make their views known. The Belize Water Services have submitted to the PUC a business plan for the next five year tariff period which will commence on the 1st of April, 2,004. This plan has been made available to the public. Following this hearing a report including recommendations will be submitted by me to the Public Utilities Commission for their consideration.

I turn now to the format for the conducting of this hearing. You will have noted that arrangements have been made for interested groups, organizations and the general public who wish to make their views known to register themselves in advance at the commencement of this hearing and I shall call on those persons to speak in the order in which they have been registered. For groups and organizations, a period of 10 minutes will be allowed for a spokesperson to address the hearing on behalf of his or her organization. Individual members of the public will be allowed five minutes in which to make their presentation. I must point out at this stage that any

organization or individual members of the public who wish to make longer presentations should at this stage present these recommendations or comments in a summarized form here tonight to this hearing and if they so wish to submit their full comments to me in care of The Public Utilities Commission by the 30th of November, 2003. Speakers are asked to avoid repetitious or irrelevant comments. Personal attacks will not be allowed. Unruly behavior such as booing or hissing or harassing remarks is prohibited. I am sure that all persons here will adhere to these guidelines in order that we may have an orderly and productive hearing. If all persons or organization who have registered cannot be heard tonight by the allotted hour of 9:00 p.m. this hearing will continue if possible tomorrow, 11th November, 2003 at 7:00 p.m. at this same venue also if this is possible when all registered parties will be given an opportunity to be heard. If all registered persons are heard tonight and if time permits, I will then allow other interested persons who had not registered to have an opportunity to make their views known. Please remember that all comments or submissions must be made to the Chair, that is to me, as preceding officer. In closing, let me assure you all present here tonight, that it is my intention to give full and fair consideration to each and every submission made whether orally or in writing. I believe my explanation on the format is understood by all. Thank you. At this stage to commence the hearing, I

will require a representative from BWS to make their presentation to me following which I will then call upon those persons who have been registered to step forward and make their comments.

You will note that there are two microphones set up in the center aisle. Persons who are called to speak can speak from either of those microphones. Now, could the representative from BWS please step forward.

MR. HAYNES: Good evening. Dr. Canton, President of the PUC, Presiding Officer, Eric Fairweather, on behalf of the Belize Water Services I would like to make a presentation in the form of a Power Point presentation, a series of slides which I will talk through and comment on as I go along. This will be displayed on the screen in front. I believe the light is sufficient that everyone seated in the room should be able to see it. BWS has presented its first full business plan report to the PUC and this presentation will basically cover key issues and highlights of what was included in this full business plan report. Some key issues facing BWS at start up. As most of you are aware, BWS was vested with the assets of the Water and Sewerage Authority on 23rd March, 2001. At this point the management of BWS conducted various exercises to analyze the assets and the operations of the business. Several things came to light during the course of subsequent months, which we will go into in detail in some of the subsequent slides. Overall the company had a massive debt burden, poor cash flow and large losses, outdated systems for accounting and

billing, old meters installed in the field which were resulting in meter under-registration, general poor asset condition, Belize City was at this time undergoing daily water rationing, most of you will recall the times when we couldn't shower after 10:00 or 11 o'clock at night. Non-revenue water, the water losses for the company were high, there were and are major incidences of illegal connection to the water system and the legislative system was found to be weak in trying to enforce corrective action. Finally, the new company is faced with a dividend obligation to its shareholders, which it has not yet been able to meet or to commence meeting.

The condition of the assets of the company. Various assets were in disrepair or had suffered from lack of maintenance. Starting from the top left, we see photographs of old water mains which needed to be replaced, a collapsed wall of a dosing unit with Dangriga Water Treatment Plant, an example of yard-to-yard connection on the bottom right where there is PVC pipes running from one property along drains and into another property and finally bottom left a photograph of the Wilson Street storage tank where the wall on the street side wall had ruptured about a year and some months ago.

Continuing with assets, photograph on the right shows the Orange Walk elevated water tank prior to its demolition some time ago. The inset at the top shows the corrosion on the uprights of the structure. Bottom left a photograph of very rusty and corroded electrical

panels at San Pedro. The emphasis here is that all of these assets need to be replaced and of course this cost money. The company has undertaken some major investments and has committed to some further investments up to March, 2004 which is the end of the current fiscal year. In particular, in terms of water solutions there is the Double Run Water Treatment Plant, which has cost some 16 million dollars. This was partly undertaken and incomplete at the time of the vesting. Some 300,000 feet of the pipe has been laid. This is approximately 56 miles of pipe at a cost of over 12 million dollars. We have to replace and have planned to replace many of the storage tanks, as we have seen from the photographs before, several are damaged. In San Pedro we have replaced the elevated tank and done major repairs to the sewer system for some 1.7 million dollars. In Belize City another 1.1 million dollars has been spent on the sewer system and in Belmopan again 1.1 million dollars on the sewer system and refurbishment of the water system. Dangriga, quarter million dollars on the water treatment plant to resolve major problems in the Dangriga water system, non-revenue water, we have managed to reduce non-revenue water from 55 percent in the last three years of WASA=s operation to 43 percent and this has required about 450 thousand dollars of investment.

Meter Replacements. Of the approximately 38 thousand meters installed at the time of vesting, we have now replaced about 10,000 meters for a cost of about \$800,000.

We have also looked at the systems in terms of accounting, billing, etc., and we have implemented new systems and technology for almost one million dollars. This includes computer hardware and network equipment and staff training as well.

In overview the company has invested approximately 40 million dollars using loans to finance these projects. There is still such to do and these loans must also be repaid by BWS. We also foresee future investment required over the next five years at approximately 33.5 million dollars.

The company during the first three years of operations, the financial outlook has been as follows: In terms of cash flow, we have had to borrow 22 million dollars in order to operate and negate the negative cash position that the company found itself in after its first year of operation. We have implemented efficiencies and cost control and managed to reduce losses significantly, however, the company is still losing money and there remains the need as we have seen in the previous slide to invest. We need to continue to repay debts and we need to maintain ongoing operations. Loans and debt servicing has been one of the major burdens of the company. By March, 2004 the loans will be at about 73 million dollars. There will be 9 million dollars in debt repayments alone for the upcoming year. Despite all this, the company still has the obligation to shareholders where it is obliged to deliver a 12 percent real return to shareholders, who I might say have been waiting quite patiently during

the interim period.

To sum up, simply put, BWS does not have sufficient cash to meet its existing and future obligations. The banks will not lend any further moneys to BWS unless they foresee that we will be able to repay it. Investors will not invest, whether its debentures or otherwise unless they can again foresee possible returns. BWS has been surviving on debt alone. Obviously this is not sustainable. We have mentioned in our overview slide, weaknesses in the legislative system, the legislative environment under which we operate. What has been much talked about by us is the illegal connections partly because they account for a major component of the non-revenue water, which are losses in the company. Practically BWS cannot prosecute individuals criminally for illegal connections. This is simply because when we discover illegal connections on a premise we can prove that an illegal connection is there but according to the law we cannot prove who has installed that illegal connection and therefore we cannot charge anyone with the crime.

The other option of civil suits, civil action can be taken but will not be cost effective as we have discovered simply because we cannot recover legal fees in such a suit and in most cases the legal fees will actually be far more than the amounts we are trying to recover. Unless legislation is changed, the honest paying customers will pay the price of these illegal connections. BWS wants to change the legislation to make it fair and to reduce illegal connections.

One other item on the legislative slate is leakage rebate. The law says that BWS must give discount for leakage to first-time customers providing that the customer can prove that they have not been negligent in causing this leak. Yet to date this year for the first six months ending September, BWS has discounted bills to the amount of 82 thousand dollars. BWS fully supports this policy. But everyone must accept that there is a cost for this service. This then, becomes one of the cost to the business. And the big question is who should pay for these services and costs in order to be fair to all customers.

Further on the legislative issues, there is the matter of infrastructure charges.

When a customer applies for connection with BWS there are three possibilities.

One is that the customer is within our existing system, there is a main in front of the house in which case the customer will simply be charged a connection fee of 50 dollars. Option two is that the customer is within the area that is designated as BWS=s or in its expansion area in which it has plant in which case an infrastructure charge of \$150.00 is currently charged along with the connection fee. The third case is that the property is outside of the planned development area in which case it is treated as a developer deal and a net present value analysis is done. Essentially, this analysis looks at what it will cost to install the lines to this property or these properties, looks at the potential payback over 25 years, and request that the developer, the

person requesting the connection pays the difference. It should be noted that in many cases this developer is expected to be someone developing multiple lots and therefore the cost included in the individual lots that are resold.

All options mentioned above are provided for by the law and BWS follows this. However, there is a cost because in many cases the infrastructure charges are an insignificant percent of the cost it takes to actually install the infrastructure.

The PUC has copied all correspondence regarding these charges and developer deals for verification. BWS's position is that we believe that those who benefit from the service should pay for the service.

What we would like to highlight regarding these matters on legislative weaknesses is that it is often said that BWS should pay for this themselves. But in effect if BWS pays for these things then it becomes part of the cost of the company and we all have to pay. All customers have to pay in terms their overall tariffs. Should honest customers pay for illegal connections? Should every customer pay for leaks of a few customers? These questions often raise eyebrows within and without the company.

BWS supports and will continue to follow the law. But there is a price to be paid for these services and costs. On these and other matter matters, BWS is keen to finalize the codes of practice but awaits finalization with the PUC.

Turning to the income and profitability of the company, the figures on the slide presented, year one and year two figures

are actuals, year three which is the current fiscal year is projected. You will note that there is a projected income increase of from 19 million to 21.5 million. Operating costs have reduced significantly and we have benefited from other operating inefficiencies. But other costs are increasing particularly due to the increase debt servicing, that is interest costs. Now with the systematic improvement and efficiencies that we have achieved, we have managed to reduce losses from 3.6 million in year one to a projected 846 thousand dollars in year three. The year three figures on profitability are included in the report being reviewed by the PUC and as mentioned previously these are presently only projected figures.

Whilst profitability has improved, cash requirements remain the key and are the main driver for the business plan review.

Looking at cash flow. In year two the company was in overdraft to the extent of 2.7 million dollars and it was only with the utilization of the Alliance Bank loan did the company manage to come out of overdraft. It should be noted that the much talked about 22 million dollars Alliance loan was not a single draw down loan but rather is being drawn down over a period of one and a half years. Without this loan, BWS would have run out of cash, in effect BWS would already have been bankrupt.

Debt servicing, which is one of our main concerns, BWS inherited 61 million dollars in debt from WASA. 43 million dollars of which was also drawn down.

Interest costs have been increasing from year to year on an average of 12 percent. In this year, BWS will be paying over 9 million dollars in interest and principal repayment and this will continue into subsequent years. Simply put, the company cannot borrow any more.

MR. FAIRWEATHER: Let me just interrupt. You have been speaking for 20 minutes. BWS is the main protagonist in this hearing, I will allow you a few more minutes if you can get a final summing-up within that period. I do not want to limit your presentation, but I am quite sure that other members of the public are eager to let their views be known. Thank you.

MR. HAYNES: Operational activities of the company. In 2002, BWS commissioned the Double Run water treatment plant which enabled it to overcome the water rationing problems in Belize City and basically improve the standard of service to over 50 percent of its customers country wide. The pressures were doubled in Belize City offering a much improved water system. By controlling this new system production losses in year three have been reduced and yet the sales have been maintained. The graph on the chart above shows the jump at the commissioning of Double Run and shows some how the production has been controlled in this current year.

Non-revenue Water. Losses. One thing that Double Run led to initially was an increased volume of production and therefore an

increased volume of losses. It also increased the pressures and as was somewhat expected, more leaks sprang in the system. The number of leaks increased by 200 percent which costs the total repair cost of the company to double. The poor asset condition that we have spoken about means that the company has to invest millions of dollars to rectify it. Illegal connections, yet another one of our problems when it comes to non-revenue water and there have been an increasing number of these. The company has adopted a policy to remove all illegal connections found. By our estimates illegal connections have resulted in lost revenue of about one million dollars per year and as mentioned the current of legislation is somewhat impractical in terms of controlling this. Overall, its been much talked about that the company has a 43 percent non-revenue water position, that water losses are 43 percent. It should be understood that illegal connections are estimated to be 10 to 12 percent of the overall losses. The industry standard worldwide for losses is somewhere between 20 and 25 percent. By our estimates, if we could curb illegal connections totally, we would be somewhere around 30 percent. Customer connections and disconnections. The company also has a history of multiple disconnections to the extent that in the three years we have made

40,000 plus disconnections which amounts to 113 percent of the customer base. Of these, approximately 32,000 have reconnected and new connections have offset this difference but has resulted in very little growth in the customer base. Observations on this: the same customers are being disconnected multiple times, about 15 percent of disconnected customers make illegal connections and others reconnect as new customers under different names. Quickly on this slide, shots of the two different accounts side by side showing repeated disconnections within the same year. The dates on that slide are year first, then month, then date. Although these are two exaggerated examples, because these are two customers that have disconnected several times in one year, this goes to show that this does happen within the system.

We have spoken about illegal connections and the multitudes of them, the numbers found have increased by 200 percent. We estimate that we are losing seven 7 million gallons of water per month.

About one million dollars in lost revenue per year.

The meter replacement program. The company has undertaken to replace 80 percent of the existing meters simply because they are over 10 years old. Most of these meters were suffering from poor condition and therefore from under-

registration. It has also been spoken of about Imperial meter gallons in the system and customers getting a tariff increase because of the change over. It should be noted there were only about one thousand imperial gallons out of 38 thousand and all of these meters were estimated to be over 15 or 20 years old. It should also be noted that our tariffs are clearly in U. S. gallons.

Let's look at the tariff increase proposed. What does it really mean? For most of our customers and for an estimated 87 percent of the population served, this increase will be less than three dollars. This three dollar equates to approximately 1 beer per month, one pack of cigarettes per month, or one gallon of bottled water per month. And that is the end of my presentation. Thank you.

MR. FAIRWEATHER: Thank you very much. I will now turn to those persons who have registered and I would wish to call on the spokesperson from an organized group or an organization who would be prepared to make their presentation. I have before me two registration cards involving the National Trade Union Congress. I don't know which of those two persons wish to make the presentation on behalf of the Congress. Either Steve Bermudez or Mr. Randolph Johnson. Just give your name when you come to the microphone so that members of the public knows who is speaking.

MR. JOHNSON:

Good evening. I am Randolph Johnson representing the Trade Union Congress. I do not have a presentation to make tonight as we feel that the short space of time did not give us the opportunity to make the presentation that we would like to. I would like to make a few comments at this time is that the Trade Union Congress of Belize for which I speak on behalf of tonight is saying that we have briefly reviewed the document, we have looked at it briefly but as I said we were not given enough time to make intelligent remarks or indebt remarks so what we are saying is that we will be making a full presentation before the end of the month as stipulated by the regulation. But we want to say here that at first glance we are not in support of any tariff or whatever.

As I look at the last slide there it looks as though they are telling us that we must decide between beer and cigarettes, I don't know if Belize is a beer and cigarette smokers and drinkers. I am not sure that - - to me that is an insult. But on behalf of the workers of Belize, we look at it as another sign of increase because once you increase water, water is an every day activity for every one of us. I don=t know of any one in the world who can live without water. And that is why we from the very beginning were always opposed to the privatization of this commodity. Of course there are

times when you can=t, you make your noise but in the end now it has happened but we will still say our piece. So we are looking to the PUC and indeed the Government of Belize to protect the workers and indeed all the people of Belize from what may become an unbearable rope around our necks because we are not sure what is happening. We hear these beautiful words but for us the workers we are not prepared.

As I say we are not prepared again and we are going to put these in details and we are going to forward it to you and we are looking forward to the support of the PUVIC and indeed the Government of Belize to support our cause because the workers of Belize need to be respected. Thank you.

MR. FAIRWEATHER: Thank you very much, Mr. Johnson. I will now call on individuals in the order in which they have registered. I call on Mr. John Avery.

MR. AVERY: I would like to say good night to every one. I have a number of issues which I would have preferred to address at this forum but given the five minutes that I have been allotted I don't know that I can really give justice to all those but to begin let me just say that I believe that a rate increase in water rates is necessary. The entire economics of the sale of WASA was not a good one, the Government sold a company at the time generating less than 20 million dollars in revenues for a

total of 60 million dollars and the passed legislation that guarantee a 12 percent rate of return average to the investors. This says to me on an average we should be paying 7.2 million dollars in dividends to the shareholders. At the time of the sale WASA revenue could not support that and so even with the expansion of the sewer system and increase in sales it is inevitable that a rate increase would be forthcoming. My concern is that the rate increase should be for only what is necessary and nothing else.

I would like to dispel the notion that BWS continue to insist that we are a country of thieves. They continue to blame illegal connections for their high non-revenue water and I have some simple figures here to suggest otherwise. In the year 2000 during the summer, Belize City customers were averaging 3900 gallons per customer in Belize City. In San Pedro it was 3945 gallons per customer. In Orange Walk it was 2761 gallons per customer. This was in 2000. Now, San Pedro and Orange Walk are systems that historically lose less than 15 percent and 20 percent of the water they produce historically. In Belize at that time under the current situation, Belize per customer, the average is over 4200 gallons per month and what I am saying, San Pedro in all other utilities the per capita

consumption is almost equal or higher than Belize. And what this figure is showing is that in the case of BWS the consumption per customer in Belize is higher than San Pedro San Pedro. And to me that does not give any evidence that we have a major problem with the theft of water.

On the other hand, what we have a problem with is leaking and whereas BWS claims that they have done significant improvement in this area, I have some figures here that suggests otherwise. I will need to go back. Here I am dealing basically with Belize City. Belize City accounts or more than auto percent of the total losses. In November of >98, WASA produced 108 million gallons of water, they sold 44 million gallons. In November of >99, WASA produced 102 million gallons of water, they sold 49 1/2 million gallons. In November of 2000, WASA produced 99 million gallons of the water and they sold 59 million gallons. That was a loss of only 40.6 percent. The losses in gallons was 40.3 million gallons. In November >01 under BWS the consumption went up back from 99 million to 107 million and they sold 52 million down from 59 million the year before. Losses increased was 40million to 54 million gallons, 51.3 percent. After the plant was completed and they could get more water to Belize City for the period June to September, 2002, they average 159

million gallons in production and sold 671/2 million gallons. The losses were 91.3 million gallons. That is almost 40 million gallons per month more than in November, 01 and over 50 gallons per month more than November of 2000. Contrary to what BWS claim that they have done a lot to reduce our losses, the evidence is not here. Granted this information is a year old for the performance under BWS, however, I was informed by a member of the PUC that their current figures have been deem to be confidential information and so this is the best figures we have to work with.

Now let's look at the ramifications of this. Every gallon lost is a gallon that has to be treated and pumped. BWS has increased its production by roughly 60 percent compared to 2000 the year they took over. That should suggest that electricity cost for this production and chemical cost have also increased 60 percent. That is a cost that due to their inefficiencies they are now looking to recover from us.

Now, let's look at some key financial results for WASA/BWS. In 97/98 WASA realized a profit of 1.5 million dollars. In 98/99 WASA realized a profit of 2.1 million dollars. In 2000, WASA suffered a lost of 1.3 million dollars and in 2001 they had a lost of half a million dollars. Now , anybody who knew will tell you that the performance in the last two years

before BWS was formed was a direct result of the actions of the senior management of that company. In other words just by changing the senior management of that company that company should have become immediately profitable. Instead, BWS has gone on to lose over four million dollars in the two years that they have taken over and these figures come directly from their annual reports.

Now, let us look at some of the reasons for these losses. In 2001, the last year before BWS was formed, WASA had a total salary of 5.1 million dollars of which six hundred thousand was for over time.

In 2002 BWS proceeded to cut over time to almost zero. They terminated at least a third of the staff. Instead of seeing a reduction in salaries, salaries increased to 5.6 million dollars under the first year of BWS. Now, in 2003, there was a reduction from 5.6 million to 4.2 million dollars in salaries. However, they introduced a management cost of 1.16 million dollars for a grand total of 5.3 million dollars. If we were to do some simple calculations, it would then appear than on an average over 2002/2003 the additional salaries definitely had to be incurred as a result of BWS's management team and this costs us two million dollars per year. This is a cost that they are now looking to recover from us again.

Some other figures. Since taking over, I have already shown that over the two years they have cost us roughly 4.2 million dollars in unexplainable salary and management costs, but in addition to this, in their annual report they also have a group management charges which total 625 thousand dollars over the two year. BWS has incurred costs of 175 thousand dollars in meeting costs, a previously unheard cost before under WASA. In travel, they have incurred 546 thousand dollars in costs. Then there is an item in their annual reports that they call transition costs. There they have spent thus far 1.8 million dollars. And now in their new annual report there is a long-term loan for 1.66 million dollars. Later in that report under related party transactions they claim that these costs arise out of Cascad assisting the management of BWS. So, what we have here is that over the two years some nine million dollars of additional expenses have been added to BWS cost structure which are totally related to the ownership of the company. These are costs which before did not exist or they are costs which after laying offer or terminating so many employees we should have had a reduction in salaries but instead we had a serious increase in salaries.

MR. FAIRWEATHER:

Just let me interrupt one second. I have allowed you to proceed far beyond the allotted time so I will

just give you a break to rap up. We need to turn to others but you have been making some very important points that is why I did not interrupt. I wish to inform members of the public that at this meeting I intend to keep and proceed with in an orderly fashion.

I am speaking to the speaker and I do not wish for anybody to be disturbing the speaker or myself when we are speaking to each other.

You may proceed.

MR. AVERY:

I am running out of time so I will rap up. The point is that since taking over this company these people have cost us over 15 million dollars if you consider everything. I do not have the time to go through everything. In addition there are several key issues in which costs are hidden or where costs are already paid for like for example this new property developments. These people collect money from people for these systems then they capitalize these systems, they proceed to depreciate it over a number of years and they recover back that depreciation again through the rates. In other words they are paid twice for new property developments. These and many other issues exists and my intension is that I will put them all in writing and forward them to the PUC and I am hoping that the PUC will give us the representation that we all deserve. Thank you.

MR. FAIRWEATHER:

Thank you, Mr. Avery. We will now continue by calling on the Honourable Patrick Faber who was the person who registered next.

MR. FABER.

Good evening, Mr. Chair, ladies and gentlemen. I want to start off first by putting on record my disappointment if you will. I understand that it is not regular that a politician will express his disappointment in the people but certainly the turn out tonight is a very poor reflection of concern individuals for something like this when it comes to utility rates.

I also want to recommend to the PUC that - - and I understand the Chairman well when he said that this is the final hearing unless everybody does not get in their input tonight it will continue right here tomorrow. But these are charges that will take place nation wide if the tariff is allowed to raise and there are people in Belmopan, for example, there are people in San Pedro, for example, who are always referred to in the business plan who are not here tonight because of geographical locations and so if the PUC was truly interested in getting the voice or the opinions of people they would have considered moving this hearing around a little but to get given opinions. It seems to me that as the presentation was made from BWS that a lot of what the tariffs need to be raised for is because of the legislative mishaps

or the lack of proper legislation to facilitate BWS. I think then that maybe it would be in the best interest of BWS then to lobby with the legislators to try to get the legislation changed instead of trying to pressure the Belizean consumers. I can tell you that as a legislator myself this is the very first time that I have heard of BWS cries for change in legislation. I don't know if they only lobby to the Government side but if that is the case then certainly those of us on the opposition side have never heard concerns about the changes that need to be made in legislation. It would seem to me then that a lot of the changes that they are asking for in the legislation arise out of the fact that when BWS purchased the water company or when it became BWS it was because they indeed bought a Apuss in the bag@ from the Government of Belize. That is what it seems to me to be causing all of these problems. At the time the deal was made it looked so sweet that in fact anybody would have jumped on it and this foreign company jumped on it and then later on found out that there were many many problems, some of the problems that they could not handle and in fact rather than trying to address these problems now, they are trying to push them on the Belizean consumer. I would like to make this comment to the PUC which is the Government=s arm in regulation in

these matters of public utilities and remind them of the Government's manifesto promise of 1998 to reduce utility bills in this country. It is as simple as that. It is very simple. The Government has a mandate to reduce utilities in this country. I will also bring to light to the public that even though the PUP made that promise in 1998 it was not repeated in 2003. So you know they took us for a ride along side the Love Fest and the Caliente dancers. Politics does have a hand in everything and in fact it is politics that has us in this position today when a sweet heart deal was made with BWS as I - -

MR. FAIRWEATHER:

May I just interrupt, Mr. Faber. I would appreciate if you do not respond to comments made by members of the public. I believe you might be tempted to answer a question which was made just now which you did. Do not fall into that trap, lets keep the meeting as orderly as possible.

MR. FABER:

With all due respect I am just making my presentation. Again, I would like to highlight then that it is that the problems that were highlighted by BWS that needs to be fixed are those that have come about because of this sweet heart deal. There are problems which can be addressed in other ways for example the leakages and the illegal connections can be addressed as they themselves have pointed out by proper legislation and I urge them to go to the

legislators, to go to the Government, to go to the opposition side and to make such claims and to try to get the legislation changed so that these problems can be fixed instead of coming to the Belizean people with these ridiculous rates and I urge again in repetition that the PUC and the Government to truly serve the Belizean people I noted as the presentation was made as well they talked about repeated disconnection. People are repeatedly disconnected because they can't afford the water rates. That is the reason. Nobody, I think, wants their water disconnected because they need to take showers, they need to wash, they need to do various different thing so nobody wants their water to be disconnected. So when you see people repeatedly being disconnected it is because they can't afford it and certainly the reconnection rate and the deposit that was put in place by BWS just a while ago and will continue to happen under the new business plan will continue to hurt the Belizean poor people and in fact far more disconnections will come if in fact these tariff rates are allowed to proceed. I thank you.

MR. FAIRWEATHER:

MR. LOUIS:

I will now call on Mr. Louis

Good night. My name is Louis. The reason I am here is to ask the group Cascal if when they came to Belize to buy WASA I believe they are a very big company with very long experience in water treatment

plants. And the reason is why did you not do the research properly as you are suppose to? When you bought the company you need what you were buying. They were not a company just buying the company, first water company. Cascal it is a company that have a lot of experience, many years in buying, treating water and dealing with water. I have a few other questions and comments to make. How, is it possible a water bill that goes from \$32.00/\$40.00 a month go to \$100.00 dollars a month? That is not a pack of cigarette. That is not a beer. It is amazing the increase they have brought onto us. Complaints are made, I made three complaints, nobody ever came to the house to check the meter. One more time, why, why Cascal, BWS bought the company? They knew what they were buying. They did not buy a Apuss in the bag@. They knew what they were buying, they knew what they were getting into. Now they have you having to buy it, now they have you having to live with. That is the comment that I have to make here. Thanks very much.

MR. FAIRWEATHER:

Thank you very much, sir. I would now like to call on Ms. Lois Young.
MS. YOUNG: Thank you, Mr. Chairman. First of all, I have never heard of anybody spending 60 million dollars which is what I heard this water system cost and not performing their due diligence. BWS must have known, Mr. Chairman,

that they had a massive debt burden when they bought the company. They must have known that they had an outdated accounting system, they must have known that they had old metres, they must have known that they had poor assets, they must have known above all else what the legislation in Belize was in regard to water services.

So I want to ask the PUC to look very carefully at this submission that was made here tonight and the business plan. The PUC approved the transitional business plan, Mr. Chairman, the transitional business plan is the business plan that this company started with in March of 2001 and which will expire in March of 2003 and that is why we are here tonight because now they have a new business plan. It is inconceivable to me that they presented a transitional business plan to the PUC and that the PUC approved that plan on a false basis. In the transitional business plan they projected that they would spend X amount of dollars and that they would get X amount of revenue. Now they are crying here tonight and saying that the transitional business plan was wrong. I understand that the transitional business plan was done by this Cascal group, the same group that is getting this lot of money in management fees that I just heard about. In my opinion, Mr. Chairman, their remedy is to go back to the people who advised them

and seek redress from them for all these losses. The second thing that I want to point out is that everybody that I have spoken to, which is not like a thousand people, but quite a few have said that their water bills have gone up sometimes by a hundred percent, sometimes by 70 - -mine personally went up by 70 percent. I heard this talk about imperial gallon and US gallon so I checked the law. I don't know who authorize this company to measure our water in U. S. gallons but the law of Belize, which I have a copy of here, that is the Weights and Measures Act tells you very clearly that the standard imperial measures of capacity as well for liquids as for dry goods shall be the imperial gallon now used in Great Britain. The Imperial gallon, I am made to understand has five quarts and the US gallon has four quarts. So that, I think, accounts for the fact that our water bills have gone up.

The question about illegal connections that they are bleating about here tonight, crying to us about illegal connections as though we are a nation of thieves as the other person said, there will be illegal connections but they say in their proposed business plan that they have 37000 and odd subscribers. They need to get up out there and do their work and correct those illegal connections and stop bleating to us about it

and trying to get more money out of us telling us that good should pay for bad and all that nonsense. Get out there and do your work and cut your costs.

So overall I am asking the PUC not - - I mean this is an indictment of the PUC because they are telling the PUC you all didn't know what you were doing when you approved the transitional business plan so now you are forced to approve this one. I believe the PUC knew exactly what it was doing and that is why I the legislation that sets the tariff, Mr. Chairman, which is S.I. No. 67 of 2002 the PUC was the one who made those regulations because they are made by the Public Utilities Commission was able from what came in front of them and their own due diligence to be able to set a rate of return of 12 percent. They could not have passed legislation saying that the rate of the return shall be 12 percent unless they knew that there was a sound basis for saying that. Thank you, Mr. Chairman.

MR. FAIRWEATHER:
MS. NUNEZ:

I will now call on Ms. Rhenae Nunez. Good night ladies and gentlemen, good night PUC. Rhenae Nunez and I represent customers, consumers. I think coming to us about some tariff hike is rather callous. We are speaking not of telephones, not of electricity, we are talking about water. And earlier I heard Mr. Haynes mention about the improvement in billing

and I could tell you that there has been no improvement because recently I had an experience that I would to go to BWS and raise hell and I would want to ask right now, BWS, who can I go to concerning a days wage that I lost because I had to wait for you to come and reconnect water that I didn=t owe you and still you have not explained to me yet what that bill was about that you gave me when I got there that the bill was three times what I had on the bill that you sent me that I did not owe you at the time you came and disconnect my water. Imagine in the middle of the night somebody falls ill or somebody faints, one of the first thing we rush for is water. It is a vital thing to life. You do not just go and disconnect water and this is what I want to table here tonight as food for thought for all of us. This practice of because you noh pay your water bill that BWS can just come and disconnect your water bill or they noh like you like me, I figure they never like me, they could come before 8:00 in the morning and disconnect you water. I don=t think that you should be disconnecting water from people. You will continue to have illegal connections because if you look at what is happening in our country today where some 40/44 percent of our people are living below the poverty lines, go do the maths. But I am not supportive of your coming to us at this time

asking or suggesting to us that you raise your tariff by some 32 percent. It is ridiculous, it is callous. Thank you.

MR. FAIRWEATHER:

Thank you, Ms. Nunez. According to my schedule those are the persons or organization who had registered at the door. If there are other person who wish to make a presentation I will now call on those persons. Just say your name for the record.

MR. CRAIG:

My name is Roy Craig. I am street vibes for hard talk. I am from the street, I am very common and this is what its all about, a common system that is being instituted and that I can see it is misleading. Why I say it is misleading is because this water authority knew before that they come up with this country that is undeveloped and they want to manipulize (sic) our statistics of income or manipulize (sic) our deficits or manipulize (sic) our inflation. I want to first ask the government to please repossess this permit that the water group have because when they come in and applied to the PUC or the Government to privatize this water system they knew all along that this water system had problems that the problems would be alleviated if they spend a lot of money. I will say that the Government is not at fault here. This water authority through the PUC permits and I come

to support the PUC period. They are us and this water management is foreign. I want to support the PUC to actually revoke (sic) the possess of this water leading to this inflation of our country, period. It is not only this company, it is a variety of them. You have water, electricity, you have telephone, all of them come to rip us and I am not in the position to actually attend no compromisation (sic) with them. I see that when the water authority took over they had an imperial gallon. They didn't want to leave it as imperial. They come in with a strategy of technology and tricknology (sic) to gain. I could see when they change from imperial gallon to US gallon they gain 20.1 percent already. That one move make 20 percent, 20.1 percent gain from Belize economy and when you take this money out of Belize, we left without. We all Belizean should fight towards to economize our system to make it more liveable economically and if anyone comes in the way we should set them aside. Your company the BWS should actually come in with the advisory of our Public Utilities Commission, our Public Utility Commission should not look back or look side. Look forward to gain out of this company, any company that comes to Belize, the Belizean should gain, not the company. They knew that this country is undeveloped, do not have

anybody that we are producing and we need, that is why we ask you all to come in and invest in our privatization. We ask you to all to please help us. Instead you are telling me that you have water leak. We need more water leak mek you get broke because you do not want to understand. If you had come to help us you would ask questions, you would see how you could economize, you would see how to help us, but you did not ask any questions you come with your technology and your technicality and set in a US gallon right away. You set us back. You are giving us no choice. The illegal connections is something that will happen throughout the world. People are actually technical in not stealing, dishonesty. So a small country like this, way in the back area, way out of town, they will disconnect your set and put in theirs. This is not a compromization. What I am asking you is not to increase at this time. If you do not want we to oppose you and demonstrate continuously please don't increase. We cannot afford it. Our economy is inflated, every company, every statistics, every commodity has increased all of a sudden and this Government don't have no money to give no increase salary. How can we afford you increase. There is not such a thing. You will have to abide. If you don=t abide we will set you

aside. For instance, right now you complaining that you losing so much money and yet you want to withdraw three and a half million from Belize. Management fees, what are you going to do here? You are entrapping us and actually get hung like a dead company. Your company is losing that I could see 32 percent by not redistributing your service to the people. You find somebody is crooked, some house did not pay and you hold the whole house guilty. I do not understand that. It is not good for us, it is not good for your company and I wish my Government could see quick.

If my government don't see quick we will continue to demonstrate and we will actually have the Government flows like iceberg slim.

We will froze him. I love my Government, I happens to vote for them and I want them in office and I want to dictate to them what is our reason for putting them there. I want to give them more reasons to dictate to them of their manifestoes and their promise to us for the economy and bring this country out of the hole. I don't want them to bring people to this country that plans only to gain from it and not to support it. I am happy that this forum came up that we could negotiate with this BWS instead of kicking them around like a football we want to help them. How we could help them is to help them organize. At this time BWS, I ask you sir, please with all

justice and liberty, not to increase. Everybody will come at your door and stop your business. Right now we are facing telephone that is crazy. We are facing electricity that is crazy. We are facing water authority that is crazy. We are facing the Internets that is crazy. I want to tell you, sir, you see that water that you are using is from our Macal River. We will send you a bill. That water you are using from the Macal River all you did was put some connection to the river and put pumps to it and you come in to pump us up with increase. That is illegal. That is illegal connection. You have 45 percent leaks. How incompetent are you to have 45 percent leaks. How incompetent are your service. You will remember this word, don't increase. We are inflated, our country is broke. Right now if you go to the treasury with a voucher you will hear them say: Boy@, I noh know if I could cash that, you know.@ And you coming up with some big things at us. You know the Treasury right there don=t have no money. You know why, because we are not producing anything. Our production is nil. We are not gaining no money, sir. Please change your attitude. Yes, we are going to put you aside, we will put somebody else there. We don=t really need your water. I told everybody sir, if you want to cut me off go ahead but you can=t stop

the wind from blowing. What we want to do with you, Mr. BWS is to install our construction, install a vat in everybody=s yard.

MR. FAIRWEATHER:

Mr. Craig, I need for you to rap up.

MR. CRAIG:

I will wrap up. I don't want my Government to think that they will stop me from having a vat economically or they will stop me from having a bypass generator for our electricity. We want economising and we want it now and you cannot raise and if you raise we are going to demonstrate, demonstrate, demonstrate until you drop. Good bye, good night.

MR. FAIRWEATHER:

Thank you, Mr. Craig.

MR. PANTON:

Good evening, Herbert Panton here. With regards to the company BWS, right across from the office at the Belcan Bridge there I see a sign announcing the arrival of a new park. Apparently the company is going to build a park and I want to say to that company that we did not sell WASA to you for you to be building parks. We sold WASA because we were under the impression that you were a strategic investor, that was the term used at the time, you were to have brought in addition expertise, you were to have brought in additional capital and all we can see is 22 million dollars out of the domestic market that you borrowed from the Alliance Bank. There has been no infusion of new capital in that new company from its parent company, Cascad and

unlike BTL and BEL while those rates are high, at least those companies go out and find their monies. All this new company does is to burden the local economy and that is one of the main reason why we don't even have money in the system right now. If BWS alone has 22 million plus a 4 million dollar overdraft, is it any wonder why there is no liquidity in the system? With regards to the PUC, I would just like to quote from the Public Utilities Commission=s Act, the law government the Public Utilities Commission with regards to provision of rates. Every rate Amade, demanded or received by any public utility provider shall be fair and reasonable. That certainly is not the case. There is nothing fair and reasonable about a 32 percent increase. I will quote again from the PUC Act. A it shall be the duty of the Commission to ensure that the services rendered by a Public Utility undertaking operated by a public utility provider are satisfactory and the charges imposed in respect of those services are reasonable. Mr. Chairman of the PUC, other commissioners, there is nothing reasonable about 32 percent increase. Thank you.

MR. FAIRWEATHER:
SIR ANDIE:

Thank you very much, Mr. Panton.

Good evening. Hail the man, hail the lady. What I can't understand, you are trying to pass this thing on to we the customers which is unfair. I have a regular

water bill for \$9.00. Nobody is renting the place, the place is closed up. I get a bill for \$159.00. Somehow I pay it. Never argue. The next month I get a bill for \$1680 so I gone there and I start to negotiate what you will do about this bill here? The man say you have to pay it. I say men, this is impossible. For the last 50 years I have been around building so I must know when something di leak. While negotiating another month come up, I get a bill for \$480 and I have the thing them cut off. I have me thing cross way and the guy the tell me that I have to pay it. Now this is robbery, outright robbery, man. I mean how could you burn \$1600 water in a month time? I noh have a swimming pool weh I di full, empty, full and empty. Nothing di leak. And a toilet di leak whole month and it can't burn \$1600 water. Mr. BWS men, you got to do something about this, men, otherwise we will put you aside. Thank you.

MS. LIZAMA:

Good night. My name Is Tanya Lizama. There are a couple of points that I want to take up on. First of all on the slides that you presented, these are the primary reasons that I picked up on that you presented that are suppose to be the reasons for the rate increase. Poor asset condition, metre under-registration, outdated system, poor cash flow and larger losses, massive debt burden. None of these have nothing to do with

us, the consumers. I agree with three of the speakers that I believe have mentioned this very same point that I wanted to mention from the time it was brought up. We are paying for a service. You are providing the service. It is not as if we are begging you for water. You are providing the service, we are paying you for it and we are willing to pay under the circumstances that it is affordable. I see that you have in here in your brochure, and I am quoting this from - - it is about two pages from the last page. It says: AThe intent of this new tariff basket would be based on affordability across the social spectrum of the consumer bas in Belize. A The word that stands out there is Aaffordability.@ Now what I want to know is who determines the affordability for the consumers, you? Because if that is the case then it is a sad mistake. Wide spectrum of Belize. How can you, please tell me the mechanisms that you put in place to determine what we can afford. And then you say BWS does not have cash to meet its. Obligations. Again that is not one of our problems. I am saying this because you had to have known before you acquired WASA that you would have been acquiring a company that was in massive debts and I believe that if you couldn't have understood this from the beginning then that shows poor foresight on your behalf and I

don't want you to be offering me a service if that is the trend that it is going to take. If you can't project that you will have to increase and tell us this before hand or better yet determine your position beforehand then I don't want you to be offering services to me because I will be at the end of the stick, I will be taking up the expenses. And then you say BWS believes that those who benefit from the service should pay for the service. Directly, just a couple statements. We have benefited from the reduction in operation costs. We who? I am sure you are not talking about us the consumers. If you believe then that the entity that benefits from the services should pay for it then am I right to assume I should pay for it? Nonsense. You are the ones benefiting big time. And then you say if it were not for the loan from Alliance we would have already been bankrupt. Now, you are telling me that you are depending on loans from outside of the company so that you can sustain yourself? You are telling me that you did not come, take over the company with substantive mechanisms to run the company, so much that if you did not acquire this loan you would have been bankrupt? That shows poor management of funds on your behalf. So there was a flaw from the beginning when you acquired the company and then you go on to say that in raising the

rates you will be able to curb totally illegal connections. That is totally idealistic. We do not live in an organic society in which everything flows as it should. We live in Belize and if I can refer back to a couple history course the organic society was only a figment of our imagination, so that could never be achieved, curb total illegal connections, that could never be achieved. That is a false promise as politics would put it. And then last but not least you say, after presenting the two examples that you had there in your slide you said and it was totally unbelievable, these are two exaggerated examples. This opposes your own argument, BWS. Because if those are two exaggerated examples, then that is not a fair representation of the average consumer. That is not a fair representation. So you can't say that these two exaggerated examples@ is what is suppose to have us take on the burden of your expenses. I am sorry, but if this was a court case, your argument would be dismissed totally.

MR. FAIRWETHER:

Thank you very much.

MR. AVERY:

I would just like to continue along the lines of what I have been saying earlier. And I have some comments in regards to the presentation made by BWS. In addition to all the costs that BWS has incurred because of the management group of Cascad, there are many other issues. Let us look

at this company=s financial activities for 2003. This company in its annual report said that it borrowed roughly 12 million dollars in long-term debt. Of that 2.9 million dollars was used to pay a bank overdraft, 2.7 million, repayment of long-term loans. Of that 12 million they borrowed, they only actually invested 2.2 million dollars. A full 4 million dollars of that 12 million was used in their operations.

Now, another part of their cost structure which is totally out of hand. In 2000 - - I am a former employee of WASA BWS and so a lot of what I am saying is first hand knowledge. In 2000 even before this plant was completed, I personally advised these people that the two lines cannot be operated as one to feed Belize city and the Northern Highway. First of all the lines were designed, the whole system was designed for 12 million gallons production per day. We don't need that yet. Consequently the pumps that were installed were designed for that type of capacity and they reach maximum efficiency at about 100 Psi. Right now they are using these same pumps but because they don't need that capacity yet they are using these pumps and pumping at 50 Psi with these pumps. Now these pumps were designed to achieve maximum efficiency at 100 Psi. As it is, below 50 Psi or at 50 Psi these pumps are well below

50 percent efficiency. In other words that is just another big increase in electricity cost to keep on using these pumps. In my analysis they could have supplied Belize City and the Northern Highway with a 40 Hp and a 60 Hp pump and this analysis was given to them in writing. Right now they are using a 125 Hp pump and a 150 Hp pump. The net result is that they are spending more than \$40,000 a month on electricity bills more than they need to. That is more than half a million dollars a year.

They have been aware of this for over two years now, still nothing has been done. The overall estimate to do the changes that will allow them to operate the lines as was recommended would have been less than \$200,000. In five months time that debt would have been repaid. Instead they are continuing to pay over \$600,000 per year at the treatment plant in electricity costs alone.

In their presentation and they have always used this excuse that they met this company with deteriorated assets. In fact in their first annual report they had a figure of 3.2 million dollars which they said would be used to bring these assets up to date. Up until now, up until the end of 2003, the fiscal year 2002/2003 of that 3.2 million dollars they have only spent \$980,000. Here this company is finding ways to waste over \$10M, they are saying that

their problem is that the assets are not well maintained and they refuse to spend any of the money that they have committed to this thing. Instead they waste the money on travel and all sorts of management cost which has nothing to do with providing water to us. Now, I would like to make a few comments about this actual business plan that they submitted. In this business plan they say that the rates should increase their overall income by 30 percent. There is nothing in this report that gives any evidence to that suggestion. This graduated rates that these people have at the back, the only way these people can convince us that this thing will result in a 30 percent increase in income is if they apply this rate to every single meter reading to every customer for at least an entire year for comparison to the actual figures under the old rates. If that is not done there is no way mathematically that these people can prove to us that these rates will actually result in a 30 percent increase. It could be higher, it could be lower. A next thing about these rates. There is a common practice in utilities to have a minimum charge to kind of make your revenue stream more consistent. With respect to water, though, there is an additional issue that must be considered. In the utilities setting a minimum rate normally is a financial thing.

With respect to water there is a public health issue involved. Many, many years ago it was determined that for our lifestyle in Belize, no household should use less than 1,000 gallon per month in order that we can could do the necessary cleaning and everything that we need to do. The rational behind a minimum charge is that if you pay for a thousand gallons you will have incentive to use that thousand gallons and practice good hygiene, good safety. These people now, based on a financial analysis are reducing this figure to 500 gallon per month. This figure was determined with the contributions of PAHO, WHO. These people are in no position to come now and change that and although it has nothing to do with rates, as I mentioned before it is a public health issue.

Other things about this presentation they made. In that presentation they said that they strongly believe that who benefit for a services should pay for it. Yet the rates that they are suggesting to us they admit that there is an amount of cross-subsidy in this rate. How on the one hand can you say I will charge somebody \$11,000 to get a service because who get the service should pay for it and on the other hand you are saying that certain classes of customers should subsidize other classes? To me you need to be consistent.

A next thing, is this leak rebate

policy. They mentioned that they lost 824,000 in rebating customers for leaks they may have had. Even though WASA charge on an average 1.3 cents per gallon used, actual production costs, chemicals and electricity to produce that water and distribute it to you is less than 1/50 of a cent. So when they say they are losing \$82,000 by rebating customers, actually the costs is 1/50 of that or maybe 1.6 thousand dollars because when they say \$82,000 that is at the rate they are charging people. That is not the cost for them to produce and distribute that water.

A next thing that these people say is that one of the big problems that they encounter in Belize is these yard to yard connections. I would like to invite everyone, especially those with cameras to walk right across the street when you leave from here, there is a new development taking place there with a new yard-to-yard service connection. The three quarter inch line is running right in the drain.

How can you say that is a problem and you are continuing that same trend?

I will rap up now before I say too much but I would just like to repeat again. BEL, BTL all the other utilities, we have not gotten good representation from the PUC and I am begging you, please, give us some good representation at least in this one case. Thank you. Thank you, Mr. Avery.

MR. FARIWEATHER:

Any other person wish to make their views known.

MS GULANCHE:

Good night. I am Karen Golanche, I am the lady that was sent a bill from WASA for \$10,000 to do a connection for pipes to my lot here in Belize City. I went to BWS and I had a talk with Mr. Brown but what I had forgotten to ask Mr. Brown because what the letter had said, the letter that said for me to when lot 2607 and 2608 - - I am 2607 so when 2608 and 2609 build their building then I would have gotten a refund of \$3600 and cents so from both of those other two lots. But what I realized afterwards was that BWS would have gained - -when I paid my \$10,000 which I didn't had they would have gotten an interest from my \$10,000 for all those years until those other two people decide to build so what would I have gotten? Thank you.

MR. FAIRWEATHER: Thank you very much, maám.

If there are no other persons who wish to have their views known - -

RUFUS X:

This was an occasion so important that I told myself I would not have been late tonight but I was about two minutes late and when I came in the first thing I asked one of my friend, have they sung the National anthem yet? No. They said any prayer to open the meeting? They said no. I said these are the exact atmosphere if we were around at that time just before they crucified Jesus Christ. These were the exact atmosphere that we would

have met. A venue as important as this have not even been opened with a prayer. And even though one speaker was disappointed in seeing the number of people here tonight, I must need to express my disappointment also because this is a very important venue and this venue should have continued with a grand march to each of these Chief Executive and CEO of BWS. They should have continued straight to their homes and let them know exactly how the Belizean people feel about their raise. Nevertheless, I did not come here tonight to hear about a raise. I am not concerned about their statistics. Salaries have been frozen in this country for many, many, many years and I was expecting to hear these people came out not giving charity but at least announcing to the Belizean public that they hope to freeze the rate of water for the next 25 years. I hear the person Mr. Alvan Haynes, the presenter for BWS talk about installing pipes to lots and compound and charge them, see if it would be feasible for them to pay it off within 25 years. So I am wondering why BWS do not take that same period of 25 years, hang in there and see if at the end of 25 years they are making a profit. Because I am of the opinion that we are paying the price of golden in this country and we have water all around us. Like my good friend Hard Talk says, they are the ones

who have an illegal connection. They are sucking up our water and selling us for high price. Thank you.

MR. FAIRWEATHER:

Thank you very much, Mr. Rufus X.

MR. SUPAUL:

Good night. I have not but statements to make but questions. My name is Alfred Supaul.

All I want to know, all I want to ask the people at BWS is that you said you got the company with poor assets conditions, metre under-construction, outdated system, poor cash flow and large losses. Then why did you buy? Next thing. All I want to know as well is that, when all is said and done you are telling the Belizean people that if these tariffs don't take place that we will and I want to know this, we will have a major water crisis in Belize. Is that what you are saying? That is all I want to know.

MR. RODRIQUEZ:

Good night everyone. My name is Norman Rodriquez and I have one thing to say to Belize Water Services. Do not raise water rates.

MR. TILLET:

Lennox Tillett. I was under the impression from BWS that we were suppose to be using US the US gallon and that change was inevitable and that was just something that came on stream. But I heard from Ms. Lois Young tonight that nowhere in the legislation were they suppose to be using the US gallon. It is the imperial gallon. So as far as I am concerned, they already got 20

percent raise and now they are asking for 32 more which gives us 52 percent raise. And I am looking very much that that was an illegal move on their part to go and raise that by 30 percent and now they are going to the PUC and asking for a further raise and so with that I think that the PUC would have to put a stay on BWS and as well looking to refunding the customers for that 20 percent that was illegally done. Thank you.

MR. FAIRWEATHER: If there is no other persons or organization who wants to make a presentation, let me once again remind you that if you have not made a presentation here tonight I am still opened to receiving those comments in writing by the end of November. So this hearing tonight is not the end of my involvement. You have until the end of November to submit your comments or recommendations in writing which I would appreciate very much. Let me close by thanking all of you who have taken time out from your important events to thank you for your attendance and to thank you also for the presentations, your very invaluable presentations which as I have mentioned before I will take into very serious consideration. And those comments made tonight will assist me greatly in preparing my report and recommendations to the PUC. Once again, thank you all very much. Meeting concludes at 9:00 p.m.

