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ST. GEORGE ISLAND UTILITY COMPANY, LTD.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
REGARDING THE APPLICATION FOR INCREASED RATES FOR
ST. GEORGE ISLAND UTILITY COMPANY, LTD.**

**IN FRANKLIN COUNTY
DOCKET NO. 940 [REDACTED]**

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **REGARDING THE APPLICATION FOR INCREASED RATES FOR**
3 **ST. GEORGE ISLAND UTILITY COMPANY, LTD.**
4 **IN FRANKLIN COUNTY**
5 **DOCKET NO. 940109-WU**
6 **REBUTTAL TESTIMONY OF**
7 **SANDRA M. CHASE**

8
9 **Q. Please state your name, profession and address.**

10 A. My name is Sandra M. Chase. I am employed by Gene
11 D. Brown, P. A. and St. George Island Utility
12 Company, Ltd.

13
14 **Q. How long have you been associated with the utility**
15 **company?**

16 A. Since 1981. Mr. Brown hired me to work as a legal
17 secretary in January of 1981. From the
18 commencement of my employment to the present time
19 I have worked for St. George Island Utility
20 Company.

21
22 **Q. Did the utility company pay your salary beginning**
23 **in 1981?**

24 A. No. Mr. Brown paid me for several years. In 1992,
25 the utility began paying a portion of my salary.

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Q. Do you consider the salary paid by St. George Island Utility Company over the years to be a fair allocation for your work?

A. No. There has always been a great deal of work associated with the operation of St. George Island Utility. Until December 1, 1993, the allocation benefited the utility company in that Mr. Brown paid most of my salary when in fact a great deal of the work I performed was for the utility company.

Q. Why do you think it is now properly allocated?

A. December 1, 1993, Mr. Brown made an adjustment to allocate my salary 1/3 to Gene D. Brown, P.A. and 2/3 to St. George Island Utility Company. That is approximately a fair allocation of my salary, although I spend well over 2/3 of my time working on utility company matters.

Q. How many hours per week do you work?

A. Approximately 45 hours per week. Since just before the rate case was filed late last summer, I have averaged approximately 50 hours per week.

1 **Q. What are your duties and responsibilities as an**
2 **employee of St. George Island Utility?**

3 A. I am responsible for administering the cross
4 connection control program. I am also the
5 corresponding secretary for all utility personnel.
6 I assist all employees when an extraordinary
7 problem arises. I type and transmit all
8 correspondence to regulatory agencies. I handle
9 all special projects and most customer complaints.
10

11 **Q. How do you administer the cross connection control**
12 **program?**

13 A. When a customer is identified by the utility's
14 field personnel with a potential hazard, I write a
15 certified letter to the customer giving a deadline
16 for compliance with our program. If the customer
17 complies, a certification is received by the
18 utility and details including the date of
19 installation and testing are recorded in my
20 records. I have a master list with each customer
21 and two books that contain detailed information on
22 each customer in our program. Since customers are
23 required to have their devices tested annually, I
24 send a certified letter to each customer
25 approximately one month before their due date. If

1 a customer does not comply, I issue a work order
2 for the field personnel to lock the meter. There
3 are approximately 80 customers presently in our
4 program and we are continuously identifying new
5 customers.

6

7 **Q. Have all hazards been identified?**

8 A. No. The utility has three degrees of hazard, low,
9 medium and high. We think we have identified all
10 high hazards and we are now trying to identify
11 medium hazards. Since our customers are not
12 required to report hazards to us such as a well
13 installation, we have to search out each and every
14 hazard. All customers present some degree of
15 hazard. Accordingly, our goal should be to have
16 100% of our customers install a cross connection
17 device.

18

19 **Q. How much of your time does the cross connection**
20 **control program now take?**

21 A. To administer the program correctly, with the
22 current number of customers and with a reasonable
23 ongoing effort to identify new hazards, it takes
24 approximately 30 hours per week.

25

1 Q. How much of your time will the program require in
2 the future?

3 A. When fully implemented, the administration of the
4 program will require all of my time or the time of
5 another full time employee. This does not include
6 the time required by field personnel to identify
7 hazards and enforce compliance.

8
9 Q. What type of special projects do you handle?

10 A. Anything that comes up. For example, in 1993, I
11 applied for and coordinated the approval of a
12 grant from Tri-County Community Council and the
13 Florida Energy Efficient Water Project. It took a
14 year to get the grant approved. In addition to
15 providing funds of \$7,372 to replace a motor,
16 upgrade a motor and replace a check valve, this
17 grant provided an energy audit. Another example
18 is a customer survey conducted in August of 1992.
19 We sent questionnaires to our customers asking
20 them to rate us and identify specific problems or
21 complaints. The responses of 339 customers told
22 us that 82% of our customers were generally happy
23 with our service. We also identified three basic
24 customer concerns and have resolved the problems
25 in favor of the customers.

1 **Q. Where do you work?**

2 A. I have an office upstairs in Mr. Brown's law

3 office.

4

5 **Q. Who provides the office space and equipment for**

6 **you to do your job?**

7 A. Armada Bay Company provides office space through

8 its lease with the utility company, and the

9 equipment with the exception of the phone which is

10 provided by Mr. Brown's law office.

11

12 **Q. Is there room for you to work downstairs in the**

13 **space rented by St. George Island Utility?**

14 A. No. There are three full time employees

15 downstairs and one consultant who works part time.

16 In addition, there is only one phone line with

17 call waiting.

18

19 **Q. Do you use your law office phone line for utility**

20 **company matters?**

21 A. Yes, I always use 668-6103 for utility company

22 business. In addition, the utility company

23 employees use Mr. Brown's law office line when the

24 utility company line is not available, which is

25 very often with two full time and one part time

1 person downstairs. I also give the law office
2 number to customers, consultants and other people
3 Mr. Brown and I communicate with so we can keep
4 the utility company line open for calls from
5 customers.

6

7 **Q. Do you have a cellular phone that is used for**
8 **utility company purposes?**

9 **A. Yes.** I have often used it for utility purposes.
10 All of the utility company personnel have the
11 number and have called me during my lunch break,
12 while I am running office errands, after hours and
13 on weekends.

14

15 **Q. Does the utility pay for your cellular phone?**

16 **A. No.** It is paid by me personally.

17

18 **Q. Does St. George Island Utility Company pay you for**
19 **travel?**

20 **A. Yes.** I get a fixed amount of \$50 per week.

21

22 **Q. How did Mr. Brown arrive at \$50 per week?**

23 **A. It is based on \$.29 per mile x approximately 173**
24 **miles.**

25

1 **Q. How often do you use your automobile for the**
2 **utility?**

3 **A. Almost daily. I regularly make trips to DEP,**
4 **Baskerville-Donovan, Wayne Coloney's office, post**
5 **office, PSC, office supply companies, Capital City**
6 **Bank, Florida Rural Water Association, IDS**
7 **Financial Services, printers, etc. In addition, I**
8 **have made at least four trips to the island in the**
9 **past few months. Because of the time I have**
10 **devoted to the rate case, I have not been able to**
11 **go to the island as frequently as I should. The**
12 **cross connection program needs more attention and**
13 **as soon as the rate case is over I expect to make**
14 **more trips to the island. There are many other**
15 **errands that are run occasionally.**

16
17 **Q. Do you think the travel allowance is adequate?**

18 **A. Yes.**

19
20 **Q. Does St. George Island Utility require you to keep**
21 **a travel log?**

22 **A. No. However, when Nancy Gaffney from the PSC**
23 **auditing staff came in to perform the audit for**
24 **the rate case, she made allegations about the**
25 **allocation of my work between the utility and Gene**

1 D. Brown. Since that time (approximately 12/3/93)
2 I have been recording a general description of my
3 daily work. The schedule includes many references
4 to errands on behalf of the utility. It was
5 provided to OPC as a late filed exhibit to my
6 deposition.

7
8 **Q. What is your opinion of Mr. Brown's management of**
9 **St. George Island Utility Company?**

10 **A.** As I stated earlier, I have been working with Mr.
11 Brown since 1981 and I have participated in most
12 aspects of the utility company operation. When I
13 was hired the utility had approximately 400
14 customers and only one homeowners' association on
15 the Island. Now there are approximately 1,200
16 customers and at least five homeowners'
17 associations. He has personally negotiated,
18 contracted and supervised all improvements to the
19 system to keep up with the island growth. During
20 that time, Mr. Brown has hired numerous managers
21 who failed to "manage" the utility. Mr. Brown
22 allowed each manager an opportunity to work
23 independently. Never did any of the managers
24 fully perform without having to consult or involve
25 Mr. Brown. Mr. Brown has made himself available

1 day and night for utility company purposes. When
2 the operations manager was on vacation in Texas
3 during December 1989 an unexpected cold front
4 froze several meters and some pipes. Mr. Brown
5 took control until he could fly the operation's
6 manager back to the island. There have been
7 numerous emergencies and crises over the years
8 that Mr. Brown has handled dutifully. Instead of
9 criticism, he should be complimented for using his
10 resourcefulness to keep the system in tact under
11 difficult circumstances. Instead of focusing on
12 several managers who did not work out, the focus
13 should be on the three or four employees dedicated
14 who have worked with the utility throughout the
15 years. This should also be an expression of Mr.
16 Brown's competence as a manager. My opinion is
17 that the company would have failed but for Mr.
18 Brown's management. He is being blamed for
19 problems that arose under other general managers
20 prior to the fall of 1991 when he took over as
21 manager. Instead of criticism, he should receive
22 credit for solving the problems after he took over
23 the direct management.
24
25

1 **Q. If Gene Brown is removed as manager, would you**
2 **continue to work for the company?**

3 **A. No. I have discussed this possibility with other**
4 **employees of the company and they are in**
5 **agreement. To say the least, it is disturbing to**
6 **me and other employees to be involved in the**
7 **unfair and outrageous attacks on Mr. Brown's**
8 **management of St. George Island Utility. It**
9 **constitutes a personal attack of our integrity**
10 **because we are part of the "team." If Mr. Brown**
11 **made any imprudent decisions regarding the water**
12 **company over the past few years, they were to**
13 **contribute money from his affiliates to make up**
14 **the operating deficit.**

15

16 **Q. Does that conclude your testimony?**

17 **A. Yes.**

18

19

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