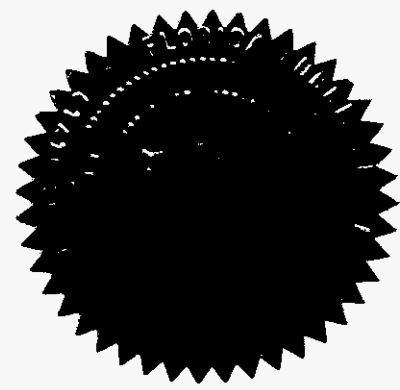


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of	:	DOCKET NO. 950495-WS
	:	
Application for rate increase	:	
and increase in service	:	
availability charges by SOUTHERN	:	
STATES UTILITIES, INC. for	:	
Orange-Osceola Utilities, Inc.	:	
in Osceola County, and in	:	
Bradford, Brevard, Charlotte,	:	
Citrus, Clay, Collier, Duval,	:	
Hernando, Highlands,	:	
Hillsborough, Lake, Lee, Marion	:	
Martin, Nassau, Orange, Osceola,	:	
Pasco, Polk, Putnam, Seminole,	:	
St. Johns, St. Lucie, Volusia and:	:	
Washington Counties.	:	



PROCEEDINGS:	SUNNY HILLS SERVICE HEARING
BEFORE:	COMMISSIONER J. TERRY DEASON COMMISSIONER DIANE K. KIESLING COMMISSIONER JOE GARCIA
DATE:	Thursday, September 15, 1995
TIME:	Commenced at 10:00 a.m. Concluded at 11:45 a.m.
PLACE:	Sunny Hills Community Center 101 Sunny Hills Boulevard Sunny Hills, Florida 32428
REPORTED BY:	ROWENA NASH HACKNEY Official Commission Reporter

681
DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 9454 SEP 25 1995

FPSC-RECORDS/REPORTING

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4 Suite 420, Tallahassee, Florida 32302-0551, Telephone No.
5 (904) 681-6788, appearing on behalf of **Southern States**
6 **Utilities, Inc.**

7 **MICHAEL B. TWOMEY**, Route 28, Box 1264, Tallahassee,
8 Florida 32310, Telephone No. (904) 421-3586, appearing on
9 behalf of **Sugarmill Woods Civic Association, Inc., Spring Hill**
10 **Civic Association, Inc., and Marco Island Civic Association.**

11 **JACK SHREVE**, Public Counsel, and **CHARLES J. BECK**,
12 Associate Public Counsel, Office of Public Counsel, 111 West
13 Madison Street, Room 812, Tallahassee, Florida 32399-1400,
14 Telephone No. (904) 488-9330, appearing on behalf of the
15 **Citizens of the State of Florida.**

16 **SCOTT EDMONDS**, Florida Public Service Commission,
17 Division of Legal Services, 2540 Shumard Oak Boulevard,
18 Tallahassee, Florida 32399-0870, Telephone No. (904) 413-6199,
19 appearing on behalf of the **Commission Staff.**

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I N D E X

MISCELLANEOUS

3	ITEM	PAGE NO.
4	CERTIFICATE OF REPORTER	68

WITNESSES

7	NAME	PAGE NO.
8	DONALD SPIKER	
9	Direct Statement	37
10	VIC BELECKAS	
11	Direct Statement	40
12	JOE DEALY	
13	Direct Statement	42
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15	Direct Statement	45
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EXHIBITS

20	NUMBER	IDENTIFIED	ADMITTED
21	1	(SSU) Copy of notice of service hearing in Washington County News and an affidavit of publication	11
22			
23			
24	2	(SSU) Letter of 6/28/95 from SSU to Customers	66
25			

P R O C E E D I N G S

(Hearing convened at 10:00 a.m.)

COMMISSIONER DEASON: Call the hearing to order. We will begin with having the notice read.

MR. EDMONDS: Pursuant to notice, this time and place has been set for a customer service hearing in Docket No. 950495-WS, application for a rate increase and increase in service availability charges by Southern States Utilities, Inc., for Orange/Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Hernando, Highlands, Hillsborough, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Polk, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties.

COMMISSIONER DEASON: Thank you. We'll take appearances.

MR. HOFFMAN: Commissioners, my name is Ken Hoffman. I'm with the firm of Rutledge, Ecenia, Underwood, Purnell and Hoffman in Tallahassee, Florida. I'm appearing here today on behalf of Southern States Utilities, Inc. And I'll also mention for the record, that with me today from the Company is Karla Teasley and Judy Sweat, who are also here to field service complaints to the extent they may exist or if there are any other service questions concerning our service here. Thank you.

1 MR. SHREVE: Jack Shreve and Charlie Beck, Public
2 Counsel's Office, Claude Pepper Building, Tallahassee,
3 Florida, appearing on behalf of the customers in this area and
4 all over the state.

5 MR. EDMONDS: Scott Edmonds on behalf of Commission
6 Staff, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

7 COMMISSIONER DEASON: Thank you. Let me begin by
8 first welcoming you here to this public hearing and
9 apologizing for the slight delay that we've had in beginning
10 the hearing; but as I'm sure you can tell, that we were having
11 a discussion concerning the notice for this particular
12 hearing.

13 Before I get into a discussion of that and the
14 reason that we're here, first, let me introduce myself. My
15 name is Terry Deason. I am a Commissioner on the Public
16 Service Commission, and I'll be chairing this particular
17 hearing for today. To my right is Commissioner Diane
18 Kiesling, and to my left is Commissioner Joe Garcia.

19 We have a number of Staff personnel that are with
20 us. Mr. Scott Edmonds is the attorney representing the Staff
21 at the Public Service Commission, and at the table with him is
22 Mr. Bob Crouch, who is with the Staff of the Commission. He's
23 an engineer on our Staff, and Mr. Marshall Willis.

24 I've also been informed that Mr. Crouch is going to
25 be around for some time this afternoon. If you have any

1 particular service problems which you would like to discuss
2 with a Staff engineer, Mr. Crouch will be available for that.

3 We also have a number of representatives from the
4 Commission who are seated in the back of the room. And I just
5 ask for those that are with the Commission, please raise your
6 hand. If you have any questions, any of these Staff persons
7 would be glad to take your questions, answer them for you. If
8 they can't answer your question right at the moment, they will
9 do whatever is necessary to get an answer to your question.

10 To the table to my right is seated Mr. Jack Shreve,
11 the Public Counsel. He's representing the customers in this
12 hearing. Sitting beside him is Mr. Ken Hoffman. He is the
13 attorney for Southern States Utilities Company. And seated to
14 the left of Mr. Shreve is Mr. Charlie Beck. He is an
15 assistant to Mr. Shreve in the Public Counsel's office.

16 Also, to the table to my right is a court reporter
17 who will be taking down this entire proceeding. That is
18 necessary for the evidence that is going to be taken today to
19 become part of the official record in this proceeding and
20 available to the Commission to make a decision in this case.

21 Let me begin with just a little bit of background
22 information before we proceed further. On June the 28th of
23 this year, Southern States filed an application with the
24 Florida Commission for increased water and wastewater rates.
25 Southern States in this application is requesting a two-tier

1 uniform rate along with a uniform wastewater rate. The actual
2 structure of the rates which -- or will be the result of this
3 proceeding are in question at this point. That was part of
4 the discussion that we were having here earlier with
5 representatives from the Company and Public Counsel's office.

6 When this filing was originally made with the
7 Commission, the Commission deemed it to be deficient and the
8 Company was ordered to refile the application with inclusion
9 of information concerning three other counties over which the
10 Commission made a decision that the Commission did have
11 jurisdiction. This additional information was filed with the
12 Commission on August the 2nd of this year, and that was the
13 official filing date which initiated this rate proceeding.

14 The Commission has set 14 service hearings
15 throughout the service territory of Southern States Utilities.
16 This is the first of those 14 hearings which we will be
17 having. The Commission has also set aside nine days of
18 hearings in Tallahassee, which will begin on January the 29th
19 of 1996. These days will be set aside to hear the technical
20 portion of the hearing. The technical portion will consist of
21 expert witnesses on various subject matters including
22 accounting, finance, engineering, environmental rate
23 structures, and things of that nature.

24 The Commission at this point is scheduled to make a
25 final decision in this case, as far as the revenue increase is

1 concerned, on April the 29th and is scheduled to make a final
2 decision on the rate structure in this case on May the 6th of
3 1996.

4 On an overall basis, the Company is requesting a
5 final rate increase of up to 45.95% for water and up to 30.21%
6 for wastewater. The Company is also requesting an interim
7 rate increase. There's not been any decision yet made on the
8 interim rate increase. A decision is currently scheduled for
9 October. I believe the first week of October.

10 That pretty well summarizes where we are at this
11 point. In just a moment, we will be allowing parties to make
12 opening statements. At this point I'm not sure exactly what's
13 going to be covered in those opening statements. I would
14 anticipate there will be some discussion of the controversy in
15 this case concerning the rate structure, that being a uniform
16 rate structure which is being requested by the Company versus
17 some type of stand-alone rate structure, which is based upon
18 the individual costs and revenues of a particular system.

19 There was a recent decision made by the District
20 Court of Appeal, which overturned a Commission's prior
21 decision to implement uniform rates. And last Tuesday of this
22 week, the Commission made a decision to accept that decision
23 from the court. We have not yet decided, though, the
24 particular structure of the rates, which is going to have to
25 deviate from the uniform rates which were approved earlier.

1 It's premature at this point to try to even tell you what your
2 rates will be before this rate case is decided, because that
3 decision has not yet been made and is scheduled to be made, I
4 believe, the last part of September, approximately two weeks
5 from now.

6 That pretty well summarizes where we are at this
7 point. I'm going to allow Mr. Hoffman to make an opening
8 statement, and perhaps he can amplify a little bit concerning
9 the nature of the Company's request and the controversy
10 concerning the rate structure. I'm also going to allow
11 Mr. Shreve the same opportunity to present an overview of his
12 position on this case, and if he has anything to add
13 concerning the question of the rate structure -- and he
14 obviously will have that opportunity as well.

15 After we receive the opening statements from the
16 parties, I'm going to ask all of those individuals from the
17 public who do wish to testify today to stand and to be sworn
18 in. This is a necessity. I don't want you to be intimidated
19 by it, but your testimony is being recorded by the court
20 reporter and will become part of the record in this proceeding
21 so it is required.

22 After all witnesses are sworn in, Mr. Shreve will be
23 calling people from the public. He will be calling from a
24 list of names that he has had, and I believe you've been asked
25 to sign in. When your name is called, if you'll just please

1 come forward and give us your name and your address. If you
2 believe it would be helpful to the court reporter, you may
3 wish to spell your name. Then you may proceed to give us your
4 statement.

5 We are not imposing any time limits on your
6 statements; we only ask that you be courteous and be mindful,
7 other people are waiting to make their statement as well. And
8 after you give your statement to the Commission, we ask that
9 you wait for a moment because there may be some questions,
10 some clarifying questions, as concerning your testimony.

11 So at this point if there are no other preliminary
12 matters, I'm going to ask Mr. Hoffman to proceed with his
13 opening statement, and then Mr. Shreve will be permitted to
14 give his opening statement. Mr. Hoffman?

15 MR. HOFFMAN: Thank you, Commissioner Deason. If I
16 may, a couple of housekeeping matters first. I would also
17 like to introduce Mr. Harold Register, who is also here on
18 behalf of the Company today, to respond to any quality of
19 service issues.

20 Secondly, I would ask that what I have handed out as
21 Composite Exhibit 1 be admitted into the record, and that
22 consists of a copy of the notice of this service hearing in
23 the Washington County News and an affidavit of publication, as
24 well as a copy of the notice to customers of this service
25 hearing together with an affidavit from Southern States

1 confirming the mailing of that customer notice to all of the
2 Sunny Hills' customers. And I would ask that that be marked
3 and admitted as Composite Exhibit 1.

4 MR. BECK: Commissioner, we have an objection at the
5 appropriate time.

6 COMMISSIONER DEASON: Okay. We'll take that up in
7 just a moment. First, has this Composite Exhibit No. 1 -- and
8 we are going to identify this document as Composite Exhibit
9 No. 1 -- has it been provided to the court reporter?

10 MR. HOFFMAN: Yes, sir.

11 COMMISSIONER DEASON: All right. It has been
12 identified. I will entertain any objections at this point
13 concerning that exhibit.

14 (Exhibit No. 1 marked for identification.)

15 MR. BECK: Commissioner, we object to the notice
16 that's been provided by the Company because it fails to tell
17 customers the extent to which their interest or their
18 substantial interest may be affected by this proceeding.
19 There is no notice whatsoever about the rates that the Company
20 has asked for or that the customers may be charged. In fact,
21 all it is, is a bare notice giving a time and place, but it
22 doesn't tell customers the extent to which their interests are
23 adversely affected by the Company's request for a rate
24 increase. So we object to the notice for that failure.

25 MR. HOFFMAN: May I respond, Commissioner?

1 COMMISSIONER DEASON: Yes, Mr. Hoffman, you may
2 respond.

3 MR. HOFFMAN: Thank you. This notice complies with
4 the Commission rules and was approved by the Staff. This is
5 the notice set forth in the Commission's rules which has to be
6 sent out 14 days before the particular customer service
7 hearing. There is no requirement in the Commission rules that
8 the Company's proposed rates be included in the notice. We
9 had a discussion of this matter beforehand, and there's no
10 requirement that the proposed rates be included.

11 Those proposed rates are required to be included and
12 will be included in a more comprehensive customer notice
13 required under the Commission rules which is due 50 days after
14 the official date of filing, which I believe then would be due
15 by September 22nd. So I believe that the notice that we have
16 identified as part of Composite Exhibit 1 has not only been
17 approved by Staff, but complies with Commission rules and is
18 not deficient.

19 COMMISSIONER DEASON: Staff, do you have any
20 comments on the notice and the objection to the notice?

21 MR. EDMONDS: We'll just mention that we agree that
22 this was preapproved by Staff.

23 COMMISSIONER DEASON: All right. Mr. Twomey, I
24 notice that you have entered the room. Do you wish to make an
25 appearance?

1 MR. TWOMEY: Yes, sir, Mr. Chairman. I apologize
2 for coming in late, but I had some business I had to conclude
3 before I could leave Tallahassee.

4 I'm Michael B. Twomey, Route 28, Box 1264,
5 Tallahassee, Florida 32310. I'm appearing today on behalf of
6 the Sugarmill Woods Civic Association, Inc., the Spring Hill
7 Civic Association, Inc. in Hernando County; and the Marco
8 Island Civic Association of Marco Island.

9 I, too, would join, if I may -- join Public
10 Counsels' objection to the notice. Irrespective of whether
11 the Staff approved of this notice or not, isn't determinative
12 of whether it gives these people notice of what you all are
13 about to consider and more importantly what the utility is
14 asking you all to approve and impose upon these people. To
15 give this hearing any real meaning, these individuals have to
16 know what the rates are that will be charged them, and so I
17 think the notice is deficient for that reason.

18 COMMISSIONER DEASON: Okay. Thank you. I would
19 note for the record that the basis of the objection is
20 concerning the adequacy of the information contained in the
21 notice. I've heard no objections about the information that's
22 contained therein being inappropriate, only that apparently
23 there's not enough information in the notice.

24 MR. BECK: That's correct. Commissioner, let me be
25 specific. My objection's grounded on the Administrative

1 Procedures Act that it's not adequate notice of the extent to
2 which the customers' substantial interest are affected by this
3 proceeding. So regardless of whether Staff preapproved it or
4 otherwise, it must comply with Administrative Procedures Acts.
5 And that's the basis for our objection.

6 COMMISSIONER DEASON: And that is duly noted. My
7 concern is that this exhibit is being presented; it's being
8 asked to be accepted into evidence, the evidence that this was
9 the notice that was issued. By accepting that as an exhibit
10 into this proceeding, I'm not making any ruling concerning the
11 adequacy of that notice, only that this is the notice that was
12 sent. And I believe if you're going to object to that notice,
13 the notice that was sent is going to have to be an exhibit in
14 this proceeding so you can have something to base your
15 objections upon concerning the adequacy of the notice.

16 MR. BECK: We have no objection to the authenticity
17 or the fact this was the notice that was sent to customers.

18 COMMISSIONER DEASON: Very well. I am going to
19 allow exhibit -- what has been identified as Composite Exhibit
20 No. 1 to be admitted into the proceeding with the
21 understanding that that is not a ruling upon the adequacy of
22 that notice. And I would anticipate there probably will be
23 some type of a motion filed concerning the adequacy of that
24 notice, and that will be handled by the Commission in due
25 process.

1 Having disposed of those matters, I'm going to ask
2 Mr. Hoffman then to proceed with his opening statements.

3 MR. HOFFMAN: Commissioner, if I may, I've just been
4 handed a document from Ms. Teasley, which is another notice,
5 which is not the notice that is required under Commission
6 rules, that was sent out by the Company. The Company was
7 under no obligation to do so. And this notice does, in fact,
8 contain the proposed -- excuse me, the present bill, the
9 proposed interim increase, the interim bill, the proposed
10 final increase and the final bill.

11 COMMISSIONER DEASON: Mr. Hoffman, I'm not taking
12 argument at this time concerning the sufficiency of the
13 notice. I mean, you've presented to us what you said is your
14 notice, and you've sent it out, and we've accepted that as an
15 exhibit. I'm a little concerned at this point that we are
16 arguing the objection, which I've just stated will be a
17 subject for a future time.

18 MR. HOFFMAN: The only thing, Commissioner, that I
19 was getting to was to request that we be permitted to make
20 copies of this notice and submit it as Late-Filed Exhibit 2
21 because I think that it establishes -- even though, as I said
22 before, I think we've complied with all applicable Commission
23 rules with respect to the notice of this hearing, this is
24 further evidence that we went beyond that and that the
25 customers did have notice of the proposed increase.

1 COMMISSIONER DEASON: Mr. Shreve?

2 MR. SHREVE: I'm not sure what we are talking about.
3 Is this a notice, or is this a letter from the Company to the
4 customers?

5 COMMISSIONER DEASON: I'm not sure, but what I'm
6 going to propose at this point is give you an opportunity to
7 review that, Mr. Twomey an opportunity to review it; perhaps
8 our Staff would take a look at it. Before we conclude the
9 hearing today, Mr. Hoffman, after all parties have had
10 opportunity to actually review what it is you're discussing,
11 we'll then entertain as to whether it should be identified as
12 an exhibit and what the disposition of that exhibit will be.

13 MR. HOFFMAN: Thank you, Commissioner.

14 MR. TWOMEY: Mr. Chairman?

15 COMMISSIONER DEASON: Yes.

16 MR. TWOMEY: Again, I apologize for getting here
17 late, but let me inquire. Have you taken up my motion to
18 disqualify Commissioner Kiesling before I arrived?

19 COMMISSIONER DEASON: No. There was no mention of
20 that whatsoever before you arrived, Mr. Twomey.

21 MR. TWOMEY: Well, would you entertain that motion?
22 Or what was your -- I'm sure you're aware of the motion that
23 we've asked that Commissioner Kiesling recuse herself.

24 COMMISSIONER KIESLING: My name is Kiesling.

25 MR. TWOMEY: I'm sorry. I'm sorry. I apologize for

1 mispronouncing it. That Commissioner Kiesling recuse herself.
2 And if it's appropriate, I'd like to ask that she address it,
3 since the motion goes to her initially.

4 COMMISSIONER DEASON: Well, I think you have
5 characterized it correctly, is that the motion is for her to
6 dispose of. And if Commissioner Kiesling has anything to
7 announce concerning that, I will give her that opportunity.
8 But that is -- basically, it's something that is pending
9 before her at this point and not the Commission as a whole;
10 therefore, there's been no discussion of it prior to your
11 arrival.

12 MR. TWOMEY: I see.

13 COMMISSIONER DEASON: If there's anything you wish
14 to add, Commissioner Kiesling --

15 COMMISSIONER KIESLING: I haven't even seen the
16 motion yet; so I'll rule on it in due course.

17 MR. TWOMEY: Okay.

18 COMMISSIONER DEASON: Mr. Hoffman, you may proceed.

19 MR. HOFFMAN: Excuse me. I would just point out for
20 the record that I believe the Company has the right to respond
21 to any motion filed by a party in this case including the
22 motion that Mr. Twomey just described.

23 COMMISSIONER DEASON: Here again, that's something
24 the parties need to conduct before Commissioner Kiesling. And
25 how she wishes to proceed will be her decision.

1 MR. HOFFMAN: Thank you, Commissioner.

2 Let me begin by thanking our customers for appearing
3 here this morning. I'm going to give you a brief background
4 on the case.

5 The Company filed an application to increase its
6 water and wastewater rates by filing an application with a
7 wealth of information that's known as the minimum filing
8 requirements on June 28th of 1995.

9 In response to certain deficiencies in the original
10 information that the Company filed, on August 2nd, the Company
11 filed an amended application and submitted additional
12 information. That information was determined by the
13 Commission to satisfy the minimum filing requirements, and
14 August 2 of 1995 has been established as the official date of
15 filing.

16 The Company's application requests that the
17 Commission increase water and wastewater rates which SSU is
18 authorized to charge in 152 service areas throughout this
19 state, and that consists of 104 water service areas and 48
20 wastewater service areas.

21 There are currently legal issues, which
22 Commissioner Deason briefly mentioned, concerning the
23 Commission's authority to regulate Southern States in three
24 counties, and those legal issues are currently pending before
25 the First District Court of Appeal. So it is not known to us

1 at this point today whether the Commission will have the
2 authority to establish rates for Southern States in those
3 three counties, and that's Hernando County, Hillsborough
4 County and Polk County. There is another set of legal issues
5 affecting rates and the rate structure which
6 Commissioner Deason mentioned, and that affects the uniform
7 rates.

8 As you may recall, the Company was authorized and
9 ordered by the Commission to implement statewide uniform rates
10 for the 127 service areas in its last major rate case. And
11 that decision of the Commission was appealed, and it was
12 reversed by the First District Court of Appeal. And without
13 getting into all details of that opinion, essentially, what
14 the First District Court of Appeal said was, with respect to
15 those 127 service areas, you can't have a uniform rate unless
16 the Company shows that all of those service areas are
17 functionally related.

18 Now, what happened after that, the court essentially
19 remanded the case back to the Public Service Commission. And
20 the Public Service Commission set about to make a decision for
21 what a new rate structure should be for this Company. That
22 decision has not been made as of this date.

23 Now, there was a discussion concerning parameters
24 for an appropriate rate structure at the Commission's agenda
25 conference two days ago. But at least theoretically, the

1 Commission could come out with a decision which would be
2 anywhere from a stand-alone rate to some type of modified CAT
3 stand-alone rate.

4 While I don't have all the facts and figures and
5 numbers, I think it is fair to say that whatever decision the
6 Commission makes is likely to impose an increase on your rates
7 when compared to your current uniform rates. That rate
8 structure decision, I believe, will be made by the Commission
9 in the next few weeks.

10 Nonetheless, I need to emphasize to you that in the
11 application that the Company filed in this case, the Company
12 is still requesting uniform rates. And we are requesting
13 uniform rates for all of our water and wastewater service
14 areas.

15 And what we've done is we've essentially asked the
16 Commission to break the uniform rates into two classifications
17 for water. The first classification is essentially
18 conventional treatment. And the second classification would
19 be a uniform rate for our Marco Island system in Collier
20 County and our Burnt Store system in Charlotte and Lee
21 Counties which use an advanced treatment technology known as
22 reverse osmosis. But with respect to wastewater, the
23 Company's proposal is that there be only one uniform rate.

24 We believe that we have submitted a wealth of
25 evidence which supports the uniform rates. And I should

1 emphasize to you that we think the evidence that we've
2 submitted satisfies the court of appeal's new legal test that
3 sets out a precondition for imposing uniform rates.

4 Now, we've also proposed that the Commission
5 authorize the Company to implement a monthly weather
6 normalization clause adjustment. Now, this mechanism provides
7 for monthly adjustments to the gallonage charge, up or down,
8 to reflect variations in customer consumption. The Company
9 maintains that Commission approval of the weather
10 normalization clause will materially reduce the business and
11 financial risk to which the Company is exposed -- and I'm
12 talking primarily here about rainfall -- thereby reducing the
13 Company's cost of debt and equity, stabilizing revenues, and
14 reducing the frequency of rate relief requests that are
15 associated with weather and other factors beyond the Company's
16 control.

17 During the technical hearing, the Company will
18 produce an expert on water conservation and water conserving
19 rate structures, who will testify that the Company's proposed
20 rate structure and the weather normalization clause will
21 foster and encourage water conservation in the areas where we
22 provide service. Based on the year ended December 31 of 1994
23 and under our present rates, the Company calculates that it
24 earned a return of only 2.94% on its water operations and only
25 2.34% on its wastewater operations. Based on the

1 Commission-approved interim test year, which is the calendar
2 year 1995, and again if you apply current rates, the Company
3 calculates that it will not earn any return on its investment
4 in its utility facilities. Similarly for the year ended 1996,
5 which is the Commission approved projected test year for final
6 rates, the Company projects negative returns on both water and
7 wastewater operations.

8 We believe that a rate increase is necessary because
9 our existing rates are insufficient to provide the funds that
10 are necessary to operate our facilities in the 152 service
11 areas at issue and are insufficient to allow the Company the
12 opportunity to earn a fair rate of return. I should also
13 point out to you that the Company has or will have placed an
14 additional approximate \$116 million dollars of plant in
15 service during the period from January 1, 1992 through
16 December 31, of 1996. In addition, the Company will also
17 continue to incur additional costs to comply with regulatory
18 mandates, and there I'm talking about, specifically,
19 environmental requirements.

20 I'll conclude by saying that your input in this case
21 is an important ingredient that the Commission desires. The
22 quality of our service, the responsiveness of our management,
23 and the history of our operations are all relevant to this
24 rate case; and the Commission is here today to hear from you.

25 And I thank you for your attention. Thank you,

1 Commissioners.

2 COMMISSIONER DEASON: Thank you, Mr. Hoffman.

3 Mr. Shreve?

4 MR. SHREVE: Was Mr. Twomey going to make an opening
5 statement or an argument?

6 MR. TWOMEY: Why don't you go first.

7 MR. SHREVE: Okay. The biggest concern I have right
8 now about this situation that we are in, is that I do not
9 believe the customers understand what they are at risk from
10 Southern States. I don't want to belabor the notices, but
11 that's why you came here. And there was no information in
12 there, except they said they were going to spend \$100 million
13 on investment. They didn't say what the cost to you was going
14 to be, and that's across the entire system.

15 I'm going to go back in history a little bit.
16 Deltona had a rate case in here before Washington County
17 turned this over to the Public Service Commission. The County
18 Commission turned that rate case down; Daytona appealed it;
19 and in their appeal received the entire rate increase they
20 asked for, every penny of it. The Public Service Commission
21 didn't have a chance to trim it down, contest, anything.
22 Deltona received the entire request. Nothing could be done
23 because then the jurisdiction was transferred over, and there
24 was no way to handle that. At that time your bill would have
25 been \$40.51 under the Deltona rates.

1 There's been so much confusion about uniform rates
2 and stand-alone rates that people begin to look at it as to
3 exactly what it's going to cost them. And I think that's good
4 and to be of interest, but you have to also look at what is
5 the Company charging the customers of the State of Florida,
6 and specifically Sunny Hills, for themselves. They don't
7 discuss the fact -- they don't disagree about who's going to
8 pay it. The overall picture means Southern States gets the
9 money from somewhere.

10 Now, they are asking in this case -- and we had to
11 calculate these figures ourselves because they are not in
12 their filing. The money that they want you as customers to be
13 responsible for, where Deltona had \$40.51 which everyone was
14 upset about, their request today, if put on approximately the
15 same grounds with the same gallonage, should be \$156.51 that
16 this community is responsible for. Under uniform rates, they
17 would still get the money, but they would get part of it from
18 someone else. If it turns around and you have to pay it
19 yourself, that will be your responsibility; and that's kind of
20 the direction this has been going.

21 Now, that's not a fight I've been in on, but the
22 court said the rates that are in effect are really illegal.
23 If uniform rates are maintained in this case, then you will
24 have lower rates. If they are not maintained, Southern States
25 still wants the money and it would come from you.

1 The difference in the revenue produced for water
2 rates under the Deltona rates was \$53,341. Immediately -- not
3 immediately, but the first case after that that would have
4 changed the rates, Southern States came in asking for
5 \$267,000. Remember that '92 case where they came in, the
6 rates were going sky high and scared everybody to death. For
7 water, the change would have been from 48,371 produced by the
8 Deltona rates to \$192,000 that they were going to put on you
9 in the '92 case -- I mean, in the '90 case. The '90 case that
10 we got thrown out; that's what they were asking for.

11 Tremendous increases after Deltona's entire rate
12 base and entire expenses were given to them. Why the big
13 change? Can we really afford this great management from
14 Minnesota Power that's going to increase rates by that much?
15 The rates would have gone from 40.51 to what they are
16 requesting today of approximately 156.51 for the
17 responsibility for this system no matter who it's paid for.

18 The weather normalization they've talked about, what
19 they are really saying is, if the weather changes and you
20 don't need us, don't use as much water, you pay more for it.
21 You pay more per gallon. That's the safety factor for them.

22 I am very, very concerned that Sunny Hills and the
23 other communities around this state are not getting the true
24 picture of what Southern States is asking for from the
25 customers for themselves, that at some point is going to be

1 the responsibility of the group of customers whether it's
2 spread over somebody else or whether it's not. They're the
3 ones that are walking away with the money.

4 The court case came down, said the rates were
5 illegal. The Public Service Commission said there will be a
6 refund to the customers that did the subsidizing. You were
7 being subsidized under that.

8 The Public Service Commission, in their wisdom, I
9 think they did exactly the right thing, said that refund will
10 come from Southern States; they were the ones that asked for
11 it to be set up that way, so they are responsible. Southern
12 States wanted to take the money from you to give back to the
13 other customers now because the last two years of what you've
14 been paying.

15 The Public Service Commission denied that. The
16 Public Service Commission denied that and said, "No, you are
17 responsible for it." The rates have not been set so we do not
18 know what the refund will be at this point. But that, I
19 believe, is the factual situation. I am very concerned.

20 I guess they've had a lot of meetings with public
21 relations, and what I've seen about most of the letters and
22 things that have come out, not approved by the PSC, and I
23 think this is just a letter, they talk about this interim bill
24 and going up a certain amount, but they don't tell you what
25 the real exposure is if this rate case does not go through the

1 way it is. They get the money; they just don't know who's
2 going to pay it yet. And I think we better all start looking
3 at why are they getting as much money as they are out of your
4 system no matter where it comes from. And that's the same
5 thing all around the state. There's no excuse for raising the
6 rates they have.

7 In the '90 case, they had a projected case, and they
8 projected that they were going to have about \$700,000 put in
9 out here in investment. And in 1991 they did not put that in.
10 They finally put it in in '92.

11 In the '90 case, they asked for a certain amount of
12 money from you. It actually went down when they filed the
13 next case with a historic test year with facts rather than
14 their projections.

15 In this case we are dealing with many, many
16 projections that, I think, have to be tested and tested
17 against their activities in the past. When they finally did
18 put in about 700,000 in investments, it was for mains and
19 distribution lines. And I think that's because they forecast
20 this huge increase out here which gives you about an extra 20
21 customers in 1996. There's not any growth out here, so what
22 did you need the \$700,000 in for mains and distribution lines?
23 They're asking for that money from you.

24 Thank you very much.

25 COMMISSIONER DEASON: Thank you, Mr. Shreve.

1 Mr. Twomey?

2 MR. TWOMEY: Ladies and gentlemen, Mr. Shreve is
3 always a hard advocate to follow. But let me try and correct
4 something I think he said; and Mr. Hoffman, I think, was
5 disagreeing with him. And that is that SSU wanted to try and
6 get back from you the money that the Public Service Commission
7 forced them to take from my clients. My clients, the people I
8 mentioned earlier, were the bulk of the people that the
9 uniform rates illegally took money from over and above the
10 cost to serve them, okay, for the last two years.

11 And I was here last year. And I think most of you
12 people, if you were here, the majority of you that testified
13 were against uniform rates then, even though you benefited
14 from it. Because many of you said you thought it was going to
15 turn around eventually and would have you paying for someone
16 in Dade County or someplace in South Florida. Well, you're
17 right there. Because under this proposal they have right now,
18 it's already flipped for a bunch of people. That is to say,
19 people that were getting money under the uniform rates a year
20 ago, two years ago will start paying now under their new plan.
21 Okay? So the same thing could happen to you.

22 But my point was going to be that my clients had
23 over the last two years somewhere in the neighborhood of --
24 and other people that were losing money -- about \$7.7 million
25 from them illegally through these uniform rates, which this

1 company didn't ask for it. To their credit. His client
2 didn't ask for it. The Public Service Commission Staff
3 recommended it after the hearing and made them take it. And
4 none of these Commissioners, fortunately, were on the panel
5 that approved it. It was Commissioner Clark -- Chairman Clark
6 and Commissioner Beard.

7 Now, we won the case against these people. It was
8 the Staff that recommended this thing based on no evidence,
9 and so forth; we beat them on the appeal. We're going to take
10 the money from the utility with the help of these good
11 Commissioners along with interest.

12 I think Mr. Shreve was wrong. It wasn't Mr. Hoffman
13 and SSU that asked that they get the money to pay my clients
14 from you; it was the PSC Staff. It was the PSC Staff that
15 said just two days ago, "Take it from the other people if you
16 are going to do it that way."

17 Now, this business of the uniform rates, ladies and
18 gentlemen, which that Staff of this Public Service Commission
19 forced down your throats and forced down SSU's throat two
20 years ago, has a lot of bad aspects about it. But the worst
21 aspect, period, is that it pits customers against customers.
22 It pits my clients against you. It tries to take money
23 illegally from my clients and give it to you. And in most
24 cases, you don't want it; you didn't ask for it; and most
25 importantly, you don't deserve it under the law.

1 It came out of them, Staff, the PSC Staff, which has
2 demonstrated the greatest bias I have ever seen in a Public
3 Service Commission case in 17 years, in being in favor of a
4 utility and opposed to the consumers and the customers of this
5 state 100%. It is the worst case of it I have seen in 17
6 years of practicing utility law in this state.

7 Now, Mr. Shreve says you've got to keep your eye on
8 the ball here. Okay? These people, notwithstanding that
9 they lost the case in the First District Court of Appeals and
10 it's going to cost their shareholders a bunch of money, based
11 upon them pushing on them, they're back here asking for
12 uniform rates again. It doesn't figure to me. They want to
13 lose some more money, and we're going to take it from them if
14 they do it.

15 If the Commission pushes it, if the Staff pushes it,
16 if they ask for it, we're going to beat them again. We're
17 going to beat them, and we're going to beat them until they
18 get it right.

19 Now, what they are trying to take from you this time
20 is they came in a couple months ago and they said, "We want
21 \$18.1 million more," okay? \$18.1 million. The PSC Staff in
22 their infinite wisdom over there said, "That ain't enough.
23 That ain't enough. We think you ought to force these three
24 good counties down in the central part of the state," who want
25 nothing to do with the Public Service Commission, "you ought

1 to force them to come in and make this company include in this
2 rate case additional water and sewer companies down there,"
3 that the counties want to regulate so they can have hands on
4 and protect their constituents, not have it done from
5 Tallahassee.

6 Well, the Commission took their advice; the Staff
7 pushed that case. Mr. Hoffman, to his credit, said, "Time
8 out. We don't want this. We don't think it's right. It's on
9 appeal. It's going to cause more trouble." And he is right.
10 It's going to cause a lot more trouble.

11 They got their way. And you know what it did? It
12 increased the revenue requirement these people say they need,
13 they're entitled to, from \$18.1 million to \$18.6. It bumped
14 it up another half a million bucks. Mr. Shreve gave you a lot
15 of different reasons why they are not entitled to it. Okay?

16 Now, what they're asking for, ladies and gentlemen,
17 if I get it correct, is 75% or 76% increase in the revenues
18 that they want for water from what they were given just two
19 years ago. Okay? 75%. The sewer increase is in the
20 neighborhood of 33%. Now, I don't know how many of you folks
21 are retired; but if you are retired, your COLA, whatever your
22 COLAs were, your cost of living didn't go up 76%. It didn't
23 go up 33%. I think it was more in the neighborhood of 2 to 3
24 to 4. Whatever it was, it's not even in the ball park. Okay?

25 Now, They spent half a million dollars or something

1 like that. They spent a couple million dollars, I believe.
2 If I'm wrong, he can tell what the big amount is -- it's large
3 anyways -- fighting this uniform rate thing which the Public
4 Service Commission Staff and the PSC made them take. Okay.

5 They've got a nice big headquarters in Orlando.
6 They're going to build a new -- they're going to spend
7 \$5 million, I think it is, to have an environmental water
8 testing facility so they can send your water all the way down
9 there, I guess, instead of sending it to Panama City
10 someplace. It's going to give them \$5 million more of
11 investment that they can take a return on. And they're going
12 to have employees, and those are going to be expenses
13 associated there.

14 Now, there is -- my clients say, along with
15 Mr. Shreve, there is no justification for any of this rate
16 increase in the dollars, none of it. They're not entitled to
17 any of it, let alone 76% and 33%.

18 The weather normalization thing that Mr. Hoffman
19 told you about, like Mr. Shreve says, what it means is, is
20 that you use less water; it costs you more. Okay? He said
21 this is a good deal. Why is it a good deal? Because it takes
22 the business risk, the business risk, off of them.

23 Anybody here believe in free lunches? Right. Where
24 do you think they are going to put the business risk when they
25 take it off of them? They are going to put it on your backs,

1 ladies and gentlemen. And I'll tell you what. With the way
2 this Staff over here has demonstrated total bias for this
3 utility, they will get it, unless we fight them and fight them
4 hard on it.

5 Now, they are going to take the business risk off
6 their backs and put it on you and he'll tell you -- he did
7 tell you. He said the benefit you are going to receive is it
8 will lower the cost of equity capital and the cost of debt,
9 and that will help you. It will make your rates lower.
10 Right?

11 Well, let me tell you something. They are a
12 subsidiary of Minnesota Power and Light up there in wherever
13 in Minnesota, wholly owned by these people. Now, their
14 president of Minnesota Power and Light filed testimony in this
15 case, a Mr. Sandbolt or something like that; and he very
16 stupidly put in his testimony, in my opinion, some exhibits
17 from Wall Street showing that Wall Street had lowered their
18 bond rating.

19 Okay. Now, those of you who understand that,
20 lowering the bond rate by Standard & Poors and so forth, means
21 that the cost goes up. Okay? Now, his purpose was to show
22 that Wall Street lowered it because the Public Service
23 Commission wasn't giving them enough of your money down here.
24 He was saying, "Give us more money down here, and we'll be
25 better up there in Wall Street."

1 What he failed to take into consideration, and ought
2 to be fired for it, I think, is he showed evidence that the
3 main reason that Wall Street was knocking their bond rating
4 down was because Minnesota Power and Light is trying to corner
5 the market on used car auctions in the United States. Here's
6 a power company trying to get into the paper manufacturing and
7 all this kind of stuff. My point is to you is they've got
8 enough problems on their own keeping their bond ratings up
9 without blaming it on you and increase the normalization
10 thing.

11 Now, I want to explain to you about the uniform rate
12 thing. I've told you quite a bit. This company didn't ask
13 for uniform rates two years ago. Okay? It was hatched up.
14 It was a scheme. It was a blind-sided effort on the part of
15 the Public Service Commission Staff, one of whom jumped ship
16 and went to work for SSU. Mr. Matt Feil, a lawyer, jumped
17 ship before the order was even written in the case two years
18 ago. But anyway, it was the scheme of the Public Service
19 Commission Staff that puts -- divides the customers and
20 attempts to put these costs across so they can charge higher
21 rates and not have anybody scream about it.

22 Now, they are going to lose the uniform rate thing.
23 Now, what they actually asked for two years ago was a system
24 whereby we had stand-alone rates, which means that you good
25 people would pay your own costs. And your own costs aren't

1 that bad once we strip out all the fat these people are
2 seeking. Once we get rid of all the excess, the stuff they
3 don't deserve, your own costs aren't that bad. But to the
4 extent that they are a little bit too high, what Southern
5 States proposed two years ago, based upon the testimony of a
6 highly respected former PSC Commissioner and former Chairman,
7 was a concept whereby you would pay your own costs and the
8 other people, like my clients, might chip in up to 5% above
9 their costs to help keep your rates down a little bit. Okay?

10 Now, my clients are willing to accept that. My
11 clients are willing to accept what they asked for two years
12 ago. It would help you folks out a little bit, but it
13 wouldn't take the huge sums of money from my clients that have
14 occurred in the last two years. Over \$2.2 million a year from
15 the Spring Hill people, over 660,000 a year from the people I
16 represent in Sugarmill Woods in Citrus County, and well in
17 excess of 1.1 and 1.2 million on a proposed basis for the
18 people at Marco Island.

19 So I want to close by thanking you for your time,
20 and I want to urge you to follow Mr. Shreve's advice. He
21 suggests that you don't know what you're getting into here
22 because you haven't gotten the proper notice and everything.
23 We're going to try and stop the interim rates. Mr. Shreve's
24 already filed motions to try and stop the interim rates. I'm
25 going to join him in that soon.

1 I would encourage you folks to keep in close contact
2 with Mr. Shreve, who is your lawyer in this case, and keep on
3 the Commission Staff. Watch what's happening to you. And if
4 you don't like what you see happening, protest it and protest
5 it loudly. Not only to the Commission, to Mr. Shreve, but to
6 your legislature as well. Thank you very much. (Applause)

7 COMMISSIONER DEASON: Thank you, Mr. Twomey. We are
8 at the stage of the hearing now where we are going to proceed
9 to the main purpose of today's hearing, and that is to hear
10 from the customers.

11 Earlier I indicated to you all that there were no
12 time limits, but that I asked you to be courteous. I should
13 have asked the attorneys to do the same thing. I apologize
14 that we're well into this hearing and we have yet to hear the
15 first public witness, but we are about to do that. But before
16 we can, I'm going to ask all members of the public who do wish
17 to testify, make a statement before the Commission, to please
18 stand and raise your right hand.

19 (Witnesses sworn collectively.)

20 COMMISSIONER DEASON: Thank you. Please be seated.
21 Mr. Shreve?

22 MR. SHREVE: Yes, sir, Mr. Chairman. Mr. Spiker?

23

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24

DONALD SPIKER

25 was called as a witness on behalf of the Citizens of the State

1 of Florida and, having been duly sworn, testified as follows:

2 WITNESS SPIKER: My name is Donald Spiker. I live
3 at 808 Quintera Court here in Sunny Hills. I've been here
4 since early 1972.

5 When I first came here, all they had was the model
6 houses and about six other homes. I've been through every one
7 of the rate things. We started out with sewer of 7.50 a
8 month. Water was 60 cents a thousand no matter how much you
9 used.

10 After about seven years, they put in a modest sewer
11 increase of 10.50. And then very shortly after that, they
12 decided that they needed to be greedy, and they hit us with
13 double rates of what we'd had before. At that time we were
14 under the County Commission and they refused completely. So
15 it was turned over to district court which we had D.D.
16 Costello as judge. She did not have any intention of hearing
17 that case whatsoever. She wouldn't allow anybody to speak,
18 and she gave them every penny that they wanted. Okay, fine.
19 That doubled our rates.

20 Then we go along, we get another increase. Now,
21 I've followed every one of these. I've spoken both here and
22 in Tallahassee on these rate increases. I've worked out
23 figures and everything to show you. And I say, right now for
24 the basic rates, as soon as they read the meter, now you owe
25 them \$17.80 just because they've got a damn meter on your

1 waterline for that and a sewer.

2 Now, if they get the interim rates, it will go to
3 22.32. I ask you not to increase this interim rate
4 whatsoever. Wait until you've made your decision. Do not,
5 please, give them this interim rate increase whatsoever. They
6 don't deserve it.

7 As we go farther down the line, I'm quite concerned
8 about the fact that our sewer plant is licensed at 50,000
9 gallons; and I'm quite sure if your engineers had the ability
10 or the incentive to check this plant out, one look at it would
11 tell you that it can take twice or more of this amount. The
12 reason they can't do anything about it is because originally
13 Deltona got a certificate for 50,000 gallons. They've never
14 increased it whatsoever.

15 This plant is fully capable of much more than that.
16 We've got over 800 homesites, not homes, but homesites, that
17 are on the sewer line, and not any homes there, so there's no
18 income from that. But I maintain that if those 800 homes were
19 built, they wouldn't have to increase that sewer one iota.
20 All they would have to do is get an increase in the amount
21 they can use. But that plant is fully capable of it. And I'm
22 sure your engineers could check this out.

23 And I think it should be capable of doing that. Any
24 wastewater engineer can take a look at this plant up here and
25 tell you that this plant is far capable of more than what they

1 are doing. Now, they do not want to put any capital outlay in
2 for the sewer lines; and for that reason, we've got homes
3 being built up here on Gap Lake with septic tanks at their
4 waterline, which is going to pollute that lake. I don't care
5 what the environmentalists are doing about it. It's going to
6 pollute it eventually. There should be a sewer line run all
7 the way up to the golf course and most of them people on there
8 would hook on to the sewer, but they won't put any capital
9 outlay in that whatsoever. The reason? They won't get an
10 immediate return on it. So, in the meantime, we can go ahead
11 pollute Gap Lake.

12 Now, I've got a complaint on the water. In some
13 areas of Sunny Hills if you try to use the water early in the
14 morning, you get just about pure chlorine coming out of it.
15 Now, the reason for that is the water is dead ending. It goes
16 to the end of the streets; there's no return line; and it
17 builds up there. They have to add enough chlorine in so that
18 they can get that 1.-something-or-other reading at the
19 farthest point.

20 Now, if you can't circulate the water, the ones
21 living closer to the sewer plant -- to the water maintenance
22 plant down here are going to get more chlorine than the ones
23 farther out. I maintain they should be required to put in
24 return lines so they can circulate this water. If they did,
25 we'd have a better quality of water.

1 That's all I have to say. Thank you. (Applause)

2 MR. SHREVE: Thank you, Mr. Spiker.

3 COMMISSIONER DEASON: Thank you. Are there any
4 questions? No questions. Thank you, sir.

5 Mr. Shreve?

6 MR. SHREVE: Mr. Beleckas?

7 - - - - -

8 VIC BELECKAS

9 was called as a witness on behalf of the Citizens of the State
10 of Florida and, having been duly sworn, testified as follows:

11 WITNESS BELECKAS: I'm Vic Beleckas,
12 B-E-L-E-C-K-A-S. I live 540 Ambassador Court, Sunny Hills.
13 I'm a resident for 17 years in Sunny Hills, and I was working
14 with Deltona Marketing in Sunny Hills. I personally brought
15 in 144-something homes that were built, and I had my own
16 subdivision that I was in charge or filled that we used it,
17 Deltona Utility's water. Maybe only place that they're making
18 money because we paid for the -- putting in waterlines for
19 \$70,000 and donated for future usage.

20 The attorneys that came in here, I think they gave a
21 lecture to us. As much I know from real estate from the
22 utilities, no way Sunny Hills could survive and show utilities
23 that they're making money on us, unless we stay in uniform
24 rate, because Deltona put in -- this much I know -- for 2000
25 hookups sewage plant, that later never exposed it. And if

1 anybody could prove it, that you could make a profit when you
2 have only 170, 180 hookups, that would be really unbelievable.

3 Only one thing that Commission may be overlooked it,
4 they did terrific job to protect us where they did it in last
5 hearings here. Individual person, doesn't matter where he
6 lives in United States, he doesn't want to get increase for
7 taxes, he don't want to get increase for anything. But
8 company that supplies it -- I'm not for Deltona; Deltona lost
9 over \$500 million already through their communities. I was
10 fighting them. Get as much I could for people that we brought
11 into Sunny Hills.

12 Right now, the utilities, even county here,
13 Commissioners and so on, don't help us to get more people in
14 here. Their impact fees raised up so high that everybody in
15 this area knocking us down and says, "You can't go to Sunny
16 Hills to build a home; you got to pay just as much for hookup
17 fees, impact fees, like would cost you to drill a well." You
18 know, everybody looks like putting brakes on us that Sunny
19 Hills would grow. If Sunny Hills don't grow, the utility's
20 never going to make a dime out of here. That's why I would
21 ask Commission to make sure that it will drop our impact fees
22 here for less.

23 Now, don't blame this thing against Deltona because
24 they made this mess and plan, they sold it wrong, and all
25 these things; but that doesn't help us, nothing here today,

1 because Deltona's only name left. They're worthless right
2 now.

3 I would ask on behalf of all Sunny Hills that
4 Commission would enforce them to drop them, like fee, so low
5 to attract the people coming to build. Right now, Deltona
6 opened up resale office. They were selling the same product
7 that we sold, let's say, for 10; we're offering under the sale
8 for 2. No way Sunny Hills will grow; no way utility's going
9 to make money. And if you take us out of uniform, we really
10 going to be punished.

11 Thank you for Commission that you did terrific job.

12 (Applause)

13 COMMISSIONER DEASON: Thank you.

14 Mr. Shreve?

15 MR. SHREVE: Thank you, Mr. Chairman. Mr. Dealy?

16 - - - - -

17 JOE DEALY

18 was called as a witness on behalf of the Citizens of the State
19 of Florida and, having been duly sworn, testified as follows:

20 MR. DEALY: Good morning, everybody. My name is
21 Joseph Dealy, D-E-A-L-Y. I live at 804 Sunny Hills Boulevard.
22 It's my dear little wife and I; we're retired.

23 I feel like there's two firing lines here. After
24 listening to this testimony over here; there's two firing
25 lines. I'm in the middle. I feel like I can't win. But if I

1 can't, I'll go down fighting.

2 This water that we argue about comes from wells;
3 wells created by God. Everybody wants to capitalize on it.
4 We live in a society that is hungry. I remember when -- I'm
5 76 -- I remember when you could buy a Chevrolet for \$600 with
6 steel in it. Okay? I see some old cars around even today.

7 But the world we live in, hungry, hungry, hungry.
8 At least the automobile industry, when you buy a new car
9 today, you get some new features. What are we getting?
10 Nothing. The water, we don't know if it's clean. All you can
11 could do is take the word of the person who we presume tested
12 this water.

13 Don Spiker talked about the water with the extra
14 chlorine in it. Does anybody here know whether that's healthy
15 or not? We are victims of what we have to take. That doesn't
16 sound like America.

17 You are pushing water on us; God knows what's in it
18 or isn't in it; and we have to take it. And the water's
19 coming from the earth. Nobody is bringing the water in. It's
20 God's water. Why do we fight about this, and why do we look
21 to get to be rich and wealthy over it? It's uncalled for.

22 We have a small community here. Unless you do
23 something about this community, it's going to get smaller and
24 smaller. They'll be a sign out front and it will say, "That
25 used to be Sunny Hills." And the powers that be here that are

1 hungry are going to cause those signs to go up there, because
2 they're hungry for the dollar bill.

3 Has our water improved over the last year? I don't
4 know; nobody's told me anything. What is our water today; is
5 it safe? Is it published where we can look and see the
6 quality of the water we drink? Of course it isn't published.
7 It's a secret.

8 There's a number of people here living in Sunny
9 Hills who have water purifying systems. At least they have
10 got a little edge over me; I can't afford one. We shouldn't
11 have to have a water purifying system to see that it's good or
12 to filter this out or filter that out. That should be done
13 for us. These people looking for more money -- not him, he's
14 only doing his job -- what do they want more money for? For
15 what?

16 I remember last year when we were here, they were
17 talking about we should pay more money because so-and-so
18 county is down the road in Florida, are paying more. Well,
19 that's their problem. They're going to deal with their
20 problems. Maybe they have less problems than we do. They're
21 just bunching everybody together? That's what it sounds like.

22 We deserve good water.

23 I thank you for standing up for us. Thank you.

24 (Applause)

25 COMMISSIONER DEASON: Thank you, sir.

1 MR. SHREVE: Thank you, sir.

2 COMMISSIONER DEASON: Mr. Shreve?

3 MR. SHREVE: Yes, sir, Mr. Chairman. Mr. Upmanis?

4 - - - - -

5 JURIS M. UPMANIS

6 was called as a witness on behalf of the Citizens of the State
7 of Florida and, having been duly sworn, testified as follows:

8 MR. UPMANIS: My name is Juris, J-U-R-I-S, Upmanis,
9 U-P-M-A-N-I-S. My wife and myself are new here in Sunny
10 Hills. Oh, the address, excuse me, 544 Hancock Court in
11 beautiful Sunny Hills.

12 My wife and myself are new here and still in
13 tremendous shock about SSU rates and charges. I've lived in
14 many cities before, but these are the highest ones I've come
15 across. I'm here to register my strong opposition to SSU rate
16 increase. I feel that we have been robbed blind by SSU in the
17 past by rates and some unlisted charges. We should not be
18 paying, also, for somebody else's mistakes in the past. Thank
19 you, gentlemen, ladies. (Applause)

20 COMMISSIONER DEASON: Thank you. Questions?

21 MR. SHREVE: Thank you, sir. That's all we have
22 right now.

23 COMMISSIONER DEASON: That's all of the individuals
24 who have signed up previous to the beginning of the hearing.
25 I'm going to ask if there's anyone who did not sign up who

1 wishes to testify at this time to please indicate it, and
2 you'll be welcome to come forward.

3 Let the record reflect that there are no other
4 individuals that wish to testify.

5 I believe there is a pending matter which we need to
6 resolve before we conclude the hearing today, that regarding
7 an exhibit which Mr. Hoffman wanted identified and admitted.

8 Before we get to that, are there any other matters
9 which need to be taken up at this time?

10 Mr. Shreve?

11 MR. SHREVE: On that one matter -- and I'm sure the
12 Company would be glad to comply with this -- Mr. Hoffman has
13 raised the point on this letter, I believe it is, he'd like to
14 have admitted, to show notice to, I guess, this group of
15 customers. I'm sure the county would be glad to do it since
16 they are bringing this up. I would like to have copies of all
17 the correspondence, such as this, that has been sent to my
18 clients, as well as copies of correspondence sent to
19 legislators giving their justification for the rate increases.
20 I'm sure they won't have any problem with this. Then,
21 perhaps, we can go ahead, and I certainly think, accept this
22 for identification, then we can argue out whether or not it
23 changes the notice or not because this is not a part of the
24 notice requirements. But I think we should have access to
25 that. I don't know if the Staff has that information or not,

1 but I think we should have it if we are going to be talking
2 about this type thing.

3 COMMISSIONER DEASON: Mr. Hoffman?

4 MR. HOFFMAN: Commissioner, if Mr. Shreve wants to
5 make another discovery request -- and his office has served
6 hundreds at this point -- he is free to do so, and we will
7 respond in kind.

8 They raise an objection to the customer notice for
9 this hearing. Our position is that customer notice fully
10 complies with the Commission rules. My only purpose for
11 asking that this letter from Karla Teasley, which I believe
12 was sent to all customers and sets out our proposed increases
13 for interim and final rate purposes, is because it's relevant
14 to their objection. And that was my only purpose for raising
15 it, and my only purpose for asking that it be admitted as
16 Late-Filed Exhibit 2.

17 COMMISSIONER GARCIA: Mr. Chairman, may I ask a
18 question?

19 COMMISSIONER DEASON: Surely.

20 COMMISSIONER GARCIA: And maybe Staff can answer or,
21 maybe, Diane, you have a better understanding. Is it required
22 to show what the rate increase that they are requesting will
23 be in the notice?

24 MR. EDMONDS: Not according to the Commission rules,
25 I believe.

1 MR. HOFFMAN: And that's our point, Commissioner.

2 COMMISSIONER DEASON: Mr. Shreve?

3 MR. SHREVE: I think we're talking about a little --
4 this is not the notice that came out from the Staff, and I am
5 astounded that Mr. Hoffman and the Company would not volunteer
6 to give us correspondence that they are trying to put in here
7 now to show that they have given some type of sufficient
8 notice, when I know the Company has sent one letter to one
9 customer group and one letter to a different customer group,
10 bussed in different customer groups while leaving out notice
11 and letters to other customer groups. If they are going to
12 say that -- we'll go through the discovery. I guess it will
13 take us a lot of time to get the stuff, but I am really
14 astounded that they don't even want me to see what they have
15 sent to my clients that I am trying to protect. (Applause)

16 COMMISSIONER DEASON: Mr. Hoffman -- I'm sorry.
17 Mr. Beck?

18 MR. BECK: I was going to make the objection to the
19 offer by Mr. Hoffman. It's not been authenticated. There's
20 been nothing showing by whom it's been sent and to whom it's
21 been sent, so there's a lack of foundation for offering it.
22 Moreover, if you do accept it over the objection to its
23 authenticity, we object to what -- the contents of the notice.
24 The notice that this gives customers does not accurately
25 reflect the extent to which these customers' rates may go up.

1 It lulls them into complacency where, in fact, they know, we
2 know, and you know that the rates to which they're subject are
3 higher than they're telling them in this notice. So we object
4 to the contents as well, as being misleading.

5 And I don't say that in a sense that the Company is
6 purposely or under some scheme, but it fails to give proper
7 notice so customers can judge whether they should be coming
8 out to the service hearing, whether they should be objecting
9 to this increase, because they're telling them one set of
10 numbers, and they know that the jeopardy is much higher.

11 COMMISSIONER GARCIA: Mr. Beck, are you talking
12 about -- is that relating to the decision that we made two
13 days ago, or are you speaking about this notice in terms of
14 what the Company is asking for, an increase in this particular
15 case?

16 MR. BECK: There's a number of things. We have
17 already filed a motion objecting to the alternative rates,
18 much like the Commission has in its folder where it says:
19 Here's one set of rates; here's another set of rates depending
20 on the three counties. So that's one objection. This notice
21 doesn't really give --

22 COMMISSIONER GARCIA: I'm sorry, you filed a -- I'm
23 sorry, I didn't hear what you said.

24 MR. BECK: We have a motion pending objecting to
25 that.

1 COMMISSIONER GARCIA: Okay.

2 MR. BECK: Now, on top of that, we do have the
3 matter that the Commission ruled on Tuesday. Obviously, the
4 Company didn't know what the Commission was going to rule on
5 this past Tuesday when they sent out this notice. That
6 doesn't make the notice adequate, though. They did know of
7 the court ruling. They knew that the uniform rate had been
8 overruled. They new there was jeopardy attached to their rate
9 proposal.

10 Now, regardless of reason, it's not accurate. And
11 the result of that is the customers here today think they are
12 under one set of jeopardy from the Company's rate increase
13 when, in fact, it's much higher. And the Company has sent
14 this notice to the customers. They believe this is the
15 highest their rates can go up, and it's simply not true. So
16 we object to the notice. It's not adequate to tell customers
17 what's going on. (Applause)

18 COMMISSIONER DEASON: Mr. Hoffman?

19 MR. HOFFMAN: Commissioner Deason, I want to try and
20 bring this back to where we were. The issue that we
21 originally discussed was the adequacy of the customer notice
22 that's part of Composite Exhibit 1. Mr. Shreve, the Public
23 Counsel's office, take the position it's inadequate. Our
24 position is that it's fully adequate because it was approved
25 by the Staff and it complied -- more importantly it complies

1 with the Commission rules.

2 Mr. Shreve's position is he would have liked to have
3 seen more than what's required in the Commission rules; i.e.,
4 proposed rates for proposed bills. The only purpose of my
5 offering this notice as a late-filed exhibit -- and the
6 Commission can read it, and it speaks for itself -- is to
7 respond, and it is relevant to Mr. Shreve's objection. And
8 that is the only purpose for which it would be offered.

9 COMMISSIONER GARCIA: Mr. Shreve, could you tell me
10 where the deficiency is according to our rules? I mean, I
11 understand what you are saying. Please, let's not try to rial
12 up the crowd. I understand precisely what you are saying, and
13 I have sympathy for that. But where is it deficient according
14 to the rules that are required for notices to customers?

15 COMMISSIONER KIESLING: Could I ask a question
16 before that?

17 COMMISSIONER GARCIA: Sure.

18 COMMISSIONER KIESLING: The whole question of the
19 adequacy of the notice was raised for the first time here
20 today, and it was raised initially before we began the
21 hearing. And I think this Commission acknowledged to you,
22 Mr. Shreve, that if the notice was inadequate, we would have
23 another notice that was adequate printed, and we would come
24 back.

25 At this point I don't understand why we are

1 continuing to beat this dead horse here because there is no --
2 there's nothing more to be gained from it, because we are
3 going to come back. If the notice was inadequate, we'll come
4 back. We want to hear what they say.

5 MR. SHREVE: Commissioner, when we had our little
6 discussion, we had not even seen the notice. The Staff had
7 seen the notice. If this notice complies with the intent of
8 the Commission rules, I am out of my mind. It says nothing,
9 absolutely nothing. And I'd like to go back and compare it to
10 the other notices that have gone out to other water and sewer
11 companies -- other water and sewer cases. I don't recall any
12 that don't give the rates.

13 The other part of this argument about this letter
14 that he is now trying to bring in, I think we're entitled to
15 see it. That went to my clients. I want to know what they
16 are being told. I want to know if they are being lulled into
17 some type of a --

18 COMMISSIONER KIESLING: Mr. Shreve --

19 MR. SHREVE: I think the Company also in this
20 notice -- but you might want to ask the Staff some of this.
21 If this complies in the same way or gives the same protection
22 to the customers in the way of notice that they have always
23 done in their other notices. I think the Company and the
24 Staff has a duty to tell these customers what their exposure
25 is and what they are trying to extract as revenue, as money,

1 justified by this community even if it doesn't come from this
2 community.

3 I think charging rates four times as much as they
4 did under the Deltona case is outrageous.

5 COMMISSIONER KIESLING: No one on the Commission is
6 disagreeing with that. All I'm saying is, you know, file
7 something that shows how it's inadequate, we'll be happy to
8 come back.

9 (Interruption from audience.)

10 COMMISSIONER DEASON: Hold on. Wait just a second.
11 Wait just a second. I'm not going to lose control of this
12 hearing.

13 UNIDENTIFIED SPEAKER: He's got something that we
14 haven't got.

15 COMMISSIONER DEASON: That's what we're discussing
16 here. If you'll hold on --

17 UNIDENTIFIED SPEAKER: That makes it invalid.

18 COMMISSIONER DEASON: Hold on. Let me make one
19 thing perfectly clear -- and I've tried to make it clear when
20 we talked about Composite Exhibit 1 -- we're making no
21 decision today whatsoever concerning the adequacy of the
22 notice. To the degree that there is a question concerning
23 that adequacy, it's a question which will come before the
24 Commission, and there will be a ruling concerning that
25 adequacy. It's premature today to make that ruling on matters

1 that some things have not even been seen yet. Okay?

2 The Commission has a concern, Commissioner Kiesling
3 has expressed it; Commissioner Garcia has expressed it, that
4 customers be fully informed of the ramifications of potential
5 actions within this rate case. We want you to have that
6 information. You deserve that information. You need that
7 information.

8 To the degree that you do not have that
9 information -- and that decision has not been made -- but if a
10 decision is made that you have not been given adequate
11 information, that will be rectified. When and exactly how,
12 it's premature for me to say sitting here today. But it is
13 something that will be looked at, and I want you to be assured
14 that you will get that information.

15 And Commissioner Kiesling has indicated to the
16 extent that it necessitates another hearing so the full
17 customer base of customers, the full customer base, can be
18 adequately informed, if that is required, that is something
19 the Commission will do. But we've not yet made that decision.

20 I don't want customers to leave here today thinking
21 that you are going to be left in the dark. Let me assure you
22 that is not what the Commission desires, and we are going to
23 do whatever we can to make sure you are fully and adequately
24 informed.

25 Now --

1 UNIDENTIFIED SPEAKER: Wait a minute. I want to say
2 something right now. You're not giving me a chance to. It's
3 all right.

4 COMMISSIONER DEASON: Sir, you're out of order.

5 UNIDENTIFIED SPEAKER: I know I am. I'm always out
6 of order.

7 COMMISSIONER DEASON: That's right, you're out of
8 order.

9 UNIDENTIFIED SPEAKER: This has nothing to do with
10 this. There's a meager crowd here.

11 COMMISSIONER DEASON: Sir, will you come up here and
12 get him. I will give you an opportunity to speak when the
13 time is right; it is not now.

14 I'm not going to loose order in this hearing.
15 Everything is going to be done by order.

16 Now, Mr. Twomey I indicated to you that you would
17 have an opportunity to address this question before anything
18 is done further. Now is your opportunity.

19 MR. TWOMEY: Thank you, Mr. Chairman, Commissioners.
20 I would like to make an observation; and that is that if you
21 come back here sometime later and have another one of these
22 hearings, that may be necessitated by the lack of knowledge we
23 all possess right now. And I think you are going to end up
24 doing that. I think it is a certainty.

25 I would suggest that instead of just worrying about

1 Mr. Shreve filing something or me filing something that -- not
2 that you're not doing this, but that you all think about this,
3 too, in the sense that you've got a series of another 15 or 16
4 hearings that Commissioner Kiesling has set as the prehearing
5 officer. And the one thing we know with an absolute certainty
6 that caused the problem here, as I see it, is that we don't
7 know. Nobody knows what the proper base is for the rates
8 these people are going to be charged.

9 What I'm suggesting to you is that Mr. Hoffman and
10 SSU, irrespective of what they told them in these notices,
11 which may have problems -- even if they comply with the rule,
12 you may want to wish to readdress the rule. But irrespective
13 of what they told him, what I'm going to suggest to you is
14 until you, the full Commission, make the decision on September
15 26th or whenever you rescheduled, the decision from this -- to
16 conclude this last Tuesday's agenda conference, we don't know
17 what the proper base of what the Company is going to try and
18 ask -- what they can legally ask for under interim rates. And
19 we don't know how the permanent rates are going to work out.

20 And I would suggest to you that not only could we
21 not tell that to these people, that we've missed the boat on
22 this, but we can't tell it to the people that you're scheduled
23 to visit in Jacksonville on the 20th or whatever the schedule
24 is that flows. So I just wanted to say that I think we all
25 need to put our heads together through filings or however we

1 do it and figure out how to get the pot right on this thing so
2 that you don't waste the precious resources of the Commission
3 as well as the public on holding a bunch of hearings that has
4 to be reheld. That's all I wanted to say.

5 COMMISSIONER DEASON: Thank you, Mr. Twomey.

6 Now, before we proceed any further, I'm going to
7 give an opportunity to anyone in the public to make a
8 statement to the Commission concerning this question of
9 notice. I don't want anyone to leave here today feeling
10 they've not been given an opportunity to make a statement to
11 the Commission. If you would just raise your hand and
12 indicate that you wish to say something, I'll give you that
13 opportunity.

14 There is a gentleman in the back, if you'll please
15 come forward to the microphone. And I apologize about being
16 abrupt with you, but this has got to be by order.

17 First of all, if you can give us your name and your
18 address and let me ask you: Were you previously sworn as a
19 witness?

20 WITNESS McDONOUGH: No.

21 COMMISSIONER DEASON: Okay. It's a necessity that
22 you be sworn. I'm going to ask you to raise your right hand.

23 - - - - -

24 JOHN M. McDONOUGH

25 appeared as a witness and, having been duly sworn, testified

1 as follows:

2 WITNESS McDONOUGH: My name is John M. McDonough,
3 and I live at 484 Hancock Court. I'm not going to talk
4 anything about the -- the only thing I wanted to do is talk to
5 the people of Sunny Hills, that they're great people, and
6 there's a meager crowd here today, and I want to explain it to
7 you.

8 A popular figure in this community died; and they
9 are all in church. Otherwise, this place would be full.
10 That's all I got to say.

11 I didn't want to bump into talking machines, and I
12 did. I'm sorry fellows. Thanks a lot.

13 COMMISSIONER DEASON: Thank you, sir.

14 You were previously sworn. If you will give us your
15 name again for the record, and then give us your supplemental
16 statement.

17 WITNESS SPIKER: My name is Donald Spiker, 808
18 Quintera Court in Sunny Hills. In regards to this notice, the
19 first notice that I have received in regards to the rate
20 increase was when the people at SSU came out, the public
21 relations people, and give us a talk. I think it's about a
22 week ago. And that was the first indication that we had of
23 the rate increase itself. And other than that, I don't think
24 there's any question about what they want. It's just --

25 COMMISSIONER GARCIA: I want you all to be aware

1 because I think Jack tried to do it and Mr. Twomey tried to do
2 it, and I want you to understand why Commissioner Kiesling,
3 myself and, of course, the Chairman are concerned here. There
4 was a decision of some consequence to this community made at
5 the Commission two days ago which affects everyone in this
6 community by the decision we will have to make on rates in two
7 weeks. And I think the Chairman also clarified this. And
8 that's why there's a sort of bickering going on here because
9 even we at the Commission are -- I don't want to say
10 surprised, but affected by this decision. And we all want to
11 make sure for whatever reason that all of you are aware of all
12 the possibilities. And now the possibilities are so wide,
13 that they weren't that way four days ago.

14 WITNESS SPIKER: Right.

15 COMMISSIONER GARCIA: That we want to make sure that
16 they're addressed. And I think the Chairman, Commissioner
17 Kiesling, and myself all feel that way. And I think even the
18 Company expressed reservations about this situation we find
19 ourselves in.

20 And further, I want you to understand that the
21 Company could not have done anything, at least as it pertains
22 to this hearing, to have corrected that. They couldn't have
23 sent all of you overnight packages saying the world has been
24 flipped over, your rates have. And so it's not that anything
25 underhanded is going on here, at least the way I perceive it,

1 to this notice. Mr. Shreve is making a further argument on
2 that and, clearly, that will be ruled on at some point.

3 WITNESS SPIKER: I see. The only thing that I had
4 on it was the fact that we were notified through their public
5 relations people. God knows they have enough public relations
6 people. They probably got enough public relations people in
7 this company to handle ten companies. And I think if they
8 took the money to pay them people and put it into utilities
9 itself, we'd all be better off. Thank you.

10 COMMISSIONER KIESLING: Let me add one thing, also.
11 Since we only knew two days ago that things were going to
12 change, we have an obligation to come to this hearing as well
13 as other ones that were noticed for next week because you all
14 received notice of those meetings. And if you show up and we
15 don't, that's not an acceptable situation.

16 We did not come here as your only opportunity to
17 speak to us because we know the situation has changed. We
18 have to sort out, you know, how it impacts you so that you can
19 get proper notice; and we will, if necessary, once we see how
20 that falls out, we will be back again for a hearing that will
21 have adequate notice of those changes.

22 If we hadn't showed up, you'd feel like you got a
23 notice of hearing and we were irresponsible. So we have to
24 show up. We can't just believe that somehow notice will get
25 to you that the hearing is cancelled.

1 So I want you to understand we're not saying this is
2 the only chance. We are doing the only responsible thing that
3 we can do when a hearing is noticed, and that's come to it.

4 COMMISSIONER DEASON: Thank you. I appreciate that,
5 and I think the customers understand that necessity as well.

6 Now, we do have a pending matter which needs to be
7 addressed before we terminate here.

8 MR. SHREVE: Mr. Chairman, I have a question of this
9 last witness, if I may?

10 COMMISSIONER DEASON: Oh, you did? Oh, I'm sorry.

11 MR. SHREVE: It's all right.

12 COMMISSIONER DEASON: Mr. Spiker, could you please
13 come back?

14 MR. SHREVE: We've talked over many years,
15 Mr. Spiker; and it's nice to see you again.

16 At this public relations meeting that they had down
17 here, which was leading into this meeting here, I guess, was
18 the tenor of that to convince the customers that Southern
19 States was right in their request for this increase?

20 WITNESS SPIKER: Right.

21 MR. SHREVE: That was the whole purpose of the
22 thing --

23 WITNESS SPIKER: That's right.

24 MR. SHREVE: -- to make you happy with where you
25 were?

1 WITNESS SPIKER: Right.

2 MR. SHREVE: Did they go into the fact with how much
3 they were trying to justify as the responsibility of this
4 community in increasing the rates from the earlier figures of
5 Deltona up to point they are now?

6 WITNESS SPIKER: No.

7 MR. SHREVE: Did they go into justification of how
8 they -- why this massive increase is necessary for your
9 community?

10 WITNESS SPIKER: No. They had slides, and they
11 showed what our present rates were and what they were
12 proposing. There was no indication of how much profit they
13 wanted or anything else.

14 MR. SHREVE: But they didn't tell you how much they
15 were justifying of their rate increase out of your system?

16 WITNESS SPIKER: No.

17 MR. SHREVE: Thanks a lot, Mr. Spiker.

18 MR. TWOMEY: I have a question.

19 COMMISSIONER DEASON: Mr. Twomey has a question.

20 MR. TWOMEY: Just briefly, sir. Did they talk to
21 you about the benefits of uniform rates?

22 WITNESS SPIKER: No, they did not.

23 MR. TWOMEY: Did they give you any literature, any
24 handout pamphlets?

25 WITNESS SPIKER: Not at this meeting. We've had --

1 from the public relations people, we've had all kinds of
2 things coming to us now and then on the benefits of uniform
3 rates, which I promptly throw in the trash can because I don't
4 believe in uniform rates as they stand today. If you have
5 uniform rates, that's uniform rates. It ain't a mad scramble
6 of odds and ends that they've got put together.

7 As it stands right now, I'd make them go plant by
8 plant. At least it would take several years for them to get
9 back to us, once they've had us once, if they had to go
10 through every plant. And I think that's the way to go.

11 MR. TWOMEY: Thank you, sir.

12 COMMISSIONER DEASON: Thank you.

13 MR. HOFFMAN: Commissioner?

14 COMMISSIONER DEASON: Mr. Hoffman, I've heard about
15 all I want to hear right now from this additional exhibit.
16 What I'm going to do is whatever it was that you wanted to be
17 identified, I'm going to identify. I'm going to make no
18 decision today as to whether it should or should not be
19 admitted into the record. I would suggest, and it's merely a
20 suggestion, that if there's similar type materials that you
21 think may be helpful in showing the notice that was sent, you
22 may want to put that together in a package and give it to all
23 the parties and let them be prepared when you do move this
24 exhibit into evidence at some future time. That's strictly up
25 to you.

1 But, nevertheless, there was something that was
2 discussed here today. For purposes of identification only so
3 the record is complete, I'm going to identify that document.
4 I'm going to give it a number, and I am going to allow you at
5 some future time to determine whether it should be -- to renew
6 your request to have it admitted. And there will be an ample
7 opportunity for there to be further objections. Right now I
8 think it's premature. I've not seen it. I think that Staff
9 probably has not seen it. It's premature at this point to
10 make a ruling of that magnitude.

11 So for identification purposes, please identify the
12 particular document or letter, whatever it is that you are
13 referring to; and I want you to at least give a copy of it to
14 the court reporter. And then subsequent to today's hearing,
15 you can make a copy of it and send it to all the parties.

16 So for purposes of the record, what exactly is the
17 document that you are referring to?

18 MR. HOFFMAN: Commissioner, it's a one-page letter
19 dated June 28 of 1995 on SSU stationery from Karla Olson
20 Teasley. The letter is directed to "Dear Customer." So it's
21 to the customers.

22 COMMISSIONER DEASON: Now, was this to customers of
23 this system only, or was it sent to all customers of Southern
24 States Utilities?

25 MR. HOFFMAN: Commissioner, I don't know since I

1 only saw this letter this morning. I think Ms. Teasley may
2 know.

3 COMMISSIONER DEASON: You've got to call her as a
4 witness and she'd have to be sworn and all of that, and we'll
5 just do that at some subsequent time. At least I do have it
6 identified as to what it is. And that's going to be
7 identified as Exhibit No. 2.

8 So that everyone is put on notice, there's no ruling
9 about its admissibility whatsoever. That will be done at a
10 future time.

11 MR. HOFFMAN: Commissioner, if I could -- and I'm
12 only raising this now because I think now is the time to do
13 it, but Mr. Beck raised the issue of authenticity; and in my
14 experience before the Commission that that's typically not an
15 objection for the admission of a late-filed exhibit. They're
16 typically admitted after the hearing. But in any event,
17 Ms. Teasley is here. To the extent Mr. Beck wants to ask her
18 if she prepared the letter or whether it was prepared under
19 her supervision, only because she's here now, I offer that up.

20 COMMISSIONER DEASON: Mr. Beck, what is your desire?

21 MR. BECK: Well, my objection is the lack of
22 foundation. It's the Company's burden to provide that
23 foundation. They haven't provided anybody to show to whom
24 this was sent.

25 COMMISSIONER DEASON: That's what I'm saying. We

1 are not making any ruling whatsoever about the admissibility.
2 I've merely identified it so that when this matter is taken up
3 again, we'll know what it is and so that this record is
4 complete so that we'll know what was being discussed for the
5 last 10 minutes.

6 (Exhibit No. 2 marked for identification.)

7 COMMISSIONER GARCIA: Can I just ask a question?
8 Why are you putting -- why are you trying to get this into
9 evidence?

10 MR. HOFFMAN: I'm asking myself the same question
11 because I do not think it's necessary, but it is relevant to
12 the point that Mr. Shreve has raised, and that is the only
13 reason, Commissioner. Again, I mean, I think that our
14 customer notice for this hearing complies with commission
15 rules.

16 COMMISSIONER GARCIA: But I think you guys are
17 fighting over something that you -- if you feel your notice
18 was sufficient, this doesn't cure this in any way, shape, or
19 form.

20 COMMISSIONER DEASON: Mr. Shreve?

21 MR. SHREVE: Mr. Chairman, I won't belabor it and I
22 don't expect any ruling. I do want to renew my request. And
23 since Ms. Teasley is here, perhaps -- I think we can establish
24 who wrote the letter. We can take care of that. That won't
25 be any problem and we won't have to come back to the

1 Commission.

2 But I would like to request copies of all such
3 correspondence that went to my clients or the representatives
4 of my clients -- and, hopefully, we won't have to have any
5 ruling on that -- but I am renewing that request. And I don't
6 think it's an unreasonable one at all.

7 COMMISSIONER DEASON: Well, you've made that
8 request; the record reflects that, and Southern States can
9 respond as they deem appropriate. And if necessary, there may
10 need to be some type of formal discovery if it comes to that.
11 Perhaps it will not have to come that.

12 MR. SHREVE: I don't think so.

13 COMMISSIONER DEASON: Is there anything else to come
14 before the Commission at this time? Hearing nothing, thank
15 you all. This hearing is adjourned.

16 (Thereupon, the hearing concluded at 11:45 a.m.)

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STATE OF FLORIDA)
:
COUNTY OF LEON)

CERTIFICATE OF REPORTER

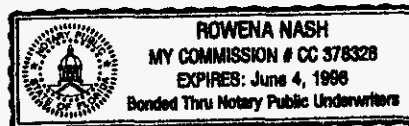
I, ROWENA NASH HACKNEY, Official Commission Reporter,

DO HEREBY CERTIFY that the Hearing in Docket No. 950495-WS was heard by the Florida Public Service Commission at the time and place herein stated; it is further

CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript, consisting of 67 pages, constitutes a true transcription of my notes of said proceedings.

DATED this 25th day of September, 1995.

Rowena Nash Hackney
ROWENA NASH HACKNEY
Official Commission Reporter
(904) 413-6736



WASHINGTON COUNTY NEWS

Published Bi-Weekly
Chipley, Washington County, Florida

STATE OF FLORIDA
COUNTY OF WASHINGTON:

Before the undersigned authority personally appeared Maurice Pujol,
who on oath says that he is Publisher of the Washington County News, a
bi-weekly newspaper published at Chipley in Washington County, Florida; that the
attached copy of the advertisement, being a true copy

in the matter of NOTICE OF SERVICE HEARING

in the _____ Court, was published in said newspaper
in the issue of August 24, 1995

Affiant further says that the Washington County News is a newspaper published at
Chipley, in said Washington County, Florida, each Monday and Thursday and has been
entered as second-class mail matter at the post office in Chipley, in said Washington
County, Florida, for a period of 1 year next preceding the first publication of the attached
copy of advertisement; and affiant further says that he has neither paid nor promised any
person, firm or corporation any discount, rebate, commission or refund for the purpose of
securing this advertisement for publication in the said newspaper.

Signature of Affiant

24 day of August, 19 95.

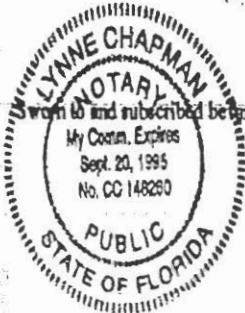
Signature of Notary Public

Lynne Chapman

Name of Notary typed, printed or stamped

Personally Known XX or Produced Identification _____

Type of Identification Produced _____



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION NOTICE OF SERVICE HEARING DOCKET NO. 950495-WS

Docket No. 950495-WS - Application by Southern States Utilities, Inc. for
rate increase and increase in service availability charges for Orange,
Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Citrus,
Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin,
Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie,
Volusia and Washington Counties.

Notice is hereby given that the Florida Public Service Commission will
conduct a service hearing to discuss the above application for a water
and wastewater rate increase and charges to service availability charges.
The service hearing for the utility's customers in Washington County
(ies) will be held at the following time and place:

September 14, 1995
10:00 CST

Sunny Hills Community Center
101 Sunny Hills Blvd.
Sunny Hills, FL 32428

All persons who wish to testify are urged to be present at the beginning
of the service hearing as the hearing may be adjourned early if no cus-
tomers are present. Any persons requiring some accommodation at the
hearing because of a physical impairment should call the Division of
Records and Reporting at (904) 413-8770 at least five calendar days
prior to the hearing. If you are hearing or speech impaired, please con-
tact the Florida Relay Service by using the following numbers: 1-800-
955-8770 (VOICE) or 1-800-955-8771 (TDD).

PURPOSE

The purpose of the service hearing is to allow customers and any sub-
stantially affected person an opportunity to present comments and infor-
mation to the Commission about the utility's quality of service, the pro-
posed rate increase, or other matters related to the rate case or this
utility. The utility is requesting that customers served water under con-
ventional treatment methods be classified as a separate and distinct ser-
vice classification from customers receiving water service from reverse
osmosis facilities. Under the utility's proposal, the base facility and gal-
lonage charges assessed to customers will be uniform within each ser-
vice classification. All wastewater customers are included in one ser-
vice classification and would be charged the same base facility and gallonage
charges. The utility's application indicates that the utility has or will have
placed nearly \$100 million of additional water and wastewater plant into
service since 1992 and through the period ending December 31, 1998.
The application also indicates that the majority of these plant additions
were required by environmental laws, rules or regulations. The utility is
requested service availability charges include charges for meter installa-
tion, main extension, service installation, plant capacity, and allowance
for funds prudently invested (AFPI). These charges will only be assessed
to new customers who connect after Commission approval of the charges.
Existing customers will not be assessed service availability charges.
Plant capacity and main extension charges for water treatment are dis-
tributed by conventional and reverse osmosis treatment methods. The utility
proposes plant capacity and main extension charges which are uni-
form within each water service classification. The utility proposes only
one service classification for wastewater service, and the plant capacity
and main extension charges proposed for wastewater are uniform.

CRIPPLE
NEWS PAPERS
DOCKET 950495-WS
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96-049227

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS
COMPANY: WS
WITNESS: _____
DATE: 9/14/95
EXHIBIT NO. 1

Secretary, Public Utilities and State Public



stant rapport with her new during "Meet Your Teacher" with Elementary School. The get-acquainted day with her

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF SERVICE HEARING
DOCKET NO. 950495-WS**

Docket No. 950495-WS - Application by Southern States Utilities, Inc. for rate increase and increase in service availability charges for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia and Washington Counties.

Notice is hereby given that the Florida Public Service Commission will conduct a service hearing to discuss the above application for a water and wastewater rate increase and changes to service availability charges. The service hearing for the utility's customers in Washington County (ies) will be held at the following time and place:

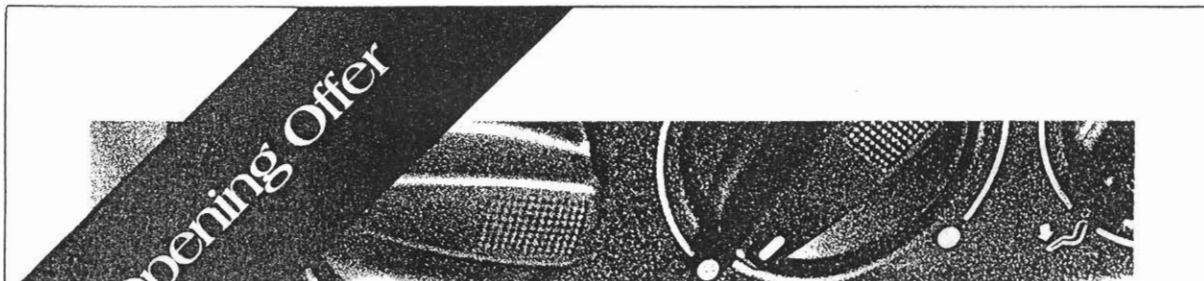
**September 14, 1995
10:00 CST**

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PURPOSE

The purpose of the service hearing is to allow customers and any substantially affected person an opportunity to present comments and information to the Commission about the utility's quality of service, the proposed rate increase, or other matters related to the rate case or the utility. The utility is requesting that customers served water under conventional treatment methods be classified as a separate and distinct service classification from customers receiving water service from reverse osmosis facilities. Under the utility's proposal, the base facility and gallonage charges assessed to customers will be uniform within each service classification. All wastewater customers are included in one service classification and would be charged the same base facility and gallonage charges. The utility's application indicates that the utility has or will have placed nearly \$100 million of additional water and wastewater plant into service since 1992 and through the period ending December 31, 1996. The application also indicates that the majority of these plant additions were required by environmental laws, rules or regulations. The utility's requested service availability charges include charges for meter installation, main extension, service installation, plant capacity, and allowance for funds prudently invested (AFPI). These charges will only be assessed to new customers who connect after Commission approval of the charges. Existing customers will not be assessed service availability charges. Plant capacity and main extension charges for water treatment are classified by conventional and reverse osmosis treatment methods. The utility proposes plant capacity and main extension charges which are uniform within each water service classification. The utility proposes only one service classification for wastewater service, and the plant capacity and main extension charges proposed for wastewater are uniform.



Water District The Center Of Gr

A NEWS-PRESS

✓ Sunday Special

State Efforts Fail To End Water Districts

By SCOTT DERKS
News-Press Staff Writer

Water control districts are often used as tools by developers who wish to drain land, rather than by isolated clusters of farmers for whom the 1913 law was written, a state official says.

Jim Tait, a staff member of the Governor's Commission on Local Government, said several attempts have been made to eliminate independent water districts in Florida or at least bring them under the control of the local government, but all efforts have failed.

"A water district is often used by a developer in effect to drain his land for development and to issue bonds and those types of things to finance his subdivision activities," Tait said.

"Historically a developer would finance the cost of drainage, but this gives him the power to do it a little cheaper."

A series of four legislative acts has given Lehigh Acres almost complete autonomy from county control over water use in the eastern sector of the county, by acting through the East County Water Control District.

The water district has the power to dig canals and drain land, control navigation and boats in its canals, and has sovereign immunity if its waters affect lands outside the district.

The Lee county commissioners cannot deny platting for Lehigh Acres on the basis of the water system, but the county does have the right to review all plats. But all reclamation plans must be reviewed by the state.

Rick Cantrell of the Department of Pollution Control said, "They might as well be a separate county, calling themselves East County."

Established by the courts in 1958, the legislature gave official birth to the East County Water Control District in 1962, created boundaries corresponding to lands owned by Lehigh Acres in 1965 and gave additional powers in 1967.

Under the 1967 local bill, the district gained the right to regulate the canals for navigational purposes, including the power to determine the size of boats and their hours of use.

Edward Shapiro, executive vice president for Lehigh Acres and a former member of the three-man water board, said the district requested the navigational rights.

"The law gives water districts the power to go beyond digging canals."

But Tait said, "The provision sounds more like a navigational district. That legislation gave them special power that is not totally normal."

The district requested the navigational right, Shapiro said, to prevent erosion in the canals, and there are no plans to allow boat traffic to reach coastal waters through the canal system.

The same 1967 act established that voting on board members and special projects would be done according to acreage owned, but taxpayers are assessed according to benefits.

A person owning less than an acre has one vote. Lehigh Development includes a total of 64,000 acres, some of which will not be developed for 200 years, Lehigh officials said.

Areas wishing to withdraw from the district must have the approval of all bond holders.

A 1970 act, authored by Rep. Ted Randell, D-Fort Myers, extended the powers of the district to platting, taking away the right of the county to prevent the filing of any plats because of the "failure of the landowner or developer to comply with drainage, flood control or navigation criteria or requirements adopted by the county. The water district has the right to these criteria, under the law."

Thus, when the district appeared before the Lee County Commission on Dec. 12, 1973, with plans for the extension of Able Canal from the Orange River, through Hickey's Creek to the Caloosahatchee River, the commission had to request the state Internal Improvement Trust Fund to withhold permits.

On Feb. 6 the commission rescinded the order and allowed the district to proceed with the application for permits, issuing a statement that "this board is not at this time requesting approval or disapproval of the project proposed by the East County Water Control District."

Since that time the Department of Pollution Control has denied the water district's request to dig the extensive canal system, fearing the possible future effects on water quality.

The county commissioners also have demanded that the Army Corps of Engineers request an environmental impact statement following a public hearing on the plan late this month.

Governor's aide Tait said he would like to see legislative action stripping independent taxing districts of their power. He favors dependent taxing districts that place the districts under local county and municipal control.

"These districts have been pretty tough, pretty independent and this is our major criticism, and with the acreage voting it gives them certain powers. In effect, it's an invisible government, and I would like to see it more responsible to local people."

Questions of conflict of interest with development executives serving on the water board would also be solved by moving control to local governments.

A conference on water management called in 1971 by the governor also urged repeal of the independent water districts.

Water Board member William Winegar said the district needs to retain its independent status. He fears the county would not properly serve the people of Lehigh.

All the district's reclamation plans must be reviewed by numerous state environmental agencies, and Winegar said this provides adequate protection to the people living outside the district.

Joel Kuperberg, executive director for the Internal Improvement Trust Fund, said he attempted to have special districts repealed in 1970 "because they create more problems than they solve."

But Rep. Randell of Fort Myers effectively halted any change in legislation, Kuperberg said.

"Water districts were probably a good thing when they were begun in 1913," Kuperberg said. But he added, "they have outlived their usefulness because they tend to deal with water without recognizing the regional impact of water. We need to repeal the act."

Four bills presented to the local legislative delegation would revise the method of voting, remove the sovereign immunity of the district and place reclamation plan approval in the hands of the county commissioners.

The four bills were drawn up by Jim English, president of the Eastern Lee County Improvement Association, which has been in the front of battles with Lehigh Acres over channelization of the Hickey's Creek area.

The Center Of Growing Controversy

From Page 1A

enviable record of water management. Since construction of levees, various arterial channels and control works in the early 1960's, it has provided freedom from floods in developed areas as construction was completed."

Water board member William Winegar said the district has "done a great deal to prevent flooding. The public is getting a tremendous public service."

He said it was "unfortunate the district is so little known by people inside and outside Lehigh."

But Rick Cantrell, of the Department of Pollution Control, maintains if the area is unsuitable for development, it should not be used. "Mother nature always bats last," he said. "It is asinine to want to drain off fresh water. You destroy the wetlands, and you are destroying Florida. It becomes like any other state."

The water district has recently come under the scrutiny of several state agencies.

• The Florida Department of Pollution Control, charged with protecting water quality, has denied the water district's plan to extend Able Canal from the Orange River, through Hickey's Creek and

into the Caloosahatchee River.

The state said it feared future development would affect the river water quality.

• Engineers from the Department of Natural Resources say the Sandstone aquifer has already been drawn down with only 3.2 per cent of the 64,000-acre area developed. By 1990, 40,000 are expected to live in Lehigh, compared to the current estimated population of 13,000.

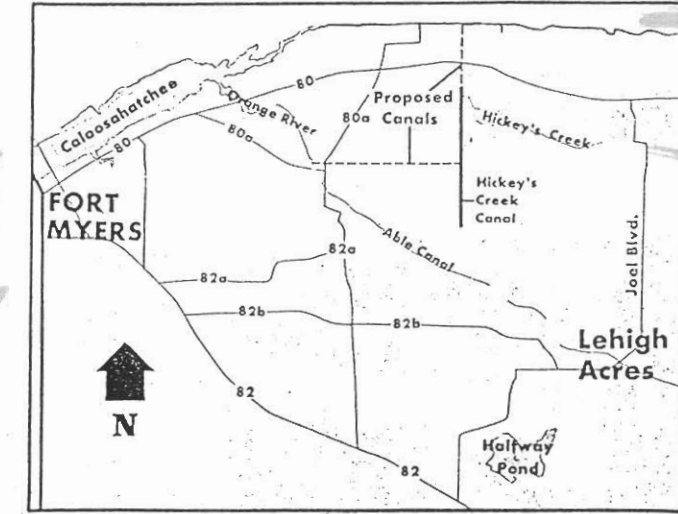
• Pollution Control attorney Vance W. Kidder has ordered a halt to construction of inland canals without first seeking a permit, fearing the water will eventually drain into and damage the Orange River.

• Joining the environmental protection agencies are the Trustees of the Internal Improvement Fund, who are being sued by Lehigh Acres over ownership of Halfway Pond.

The state claims that the lake is historically navigable and has been partly drained by the canal system in the area. The giant company contends it is a slough and should be developed.

"They might as well be a separate county, calling themselves East County," Cantrell said, describing the link between Lehigh and the water district.

Despite Cantrell's cri-



PROPOSED CANALS WOULD CONNECT ORANGE RIVER WITH HICKEY'S CREEK ... critics; developers question the value of new canals

ticism, the arrangement is legal. It is permitted by a series of four special legislative acts. Created by the courts in 1958, the legislature approved the court boundaries in 1963, extended boundaries in 1965 and added additional powers to the district in 1967 and 1970.

The independent district has taxing powers, collecting \$314,666 in taxes in 1973, assessing land from \$4.73 to

\$8.73 per acre, according to benefits received.

Four different rates are used by the county assessor's office, computed on the extent of work in each area. Lehigh Acres, which owns the majority of the land, carries the major part, but not all, of the costs.

As Lehigh has grown, the

water district has also expanded. All land within the water district either is owned or was developed by Lehigh. The boundaries of the water district are the boundaries of Lehigh Acres.

Two of three men on the East County Water Control District board of directors work for the developers of

Lehigh — William Winegar and James V. Farnsteadler. The third board member is Charles Walsh, a retired resident of Lehigh.

A former member of the water board, Lehigh Executive Vice President Edward Shapiro, said there is no conflict. "Lehigh has the right to petition its water and as long as it does not conflict with the needs of the district, it is granted," Shapiro said.

Control of what projects the district will undertake is under state law — based on acreage. Lehigh, which owns thousands of acres in the district, easily controls the outcome of any decision.

Rights-of-way for the drainage canals are deeded to the district by Lehigh. Dirt excavated during canal work is given to the company, under the agreement, and is then used for fill throughout Lehigh.

Last year when Lehigh modified its plans for developing its sprawling city of the future, the water district board met and quickly agreed to make a corresponding change in its reclamation plan.

The Dec. 14, 1973, minutes of the meeting record that a proposed canal was switched to a more appropriate site, "which would serve the purpose required for the new land use and land development plan."



News-Press Photo By ART HILL

NEW CANALS WOULD CONNECT SCLNIC HICKEY'S CREEK WITH THE ORANGE RIVER

... critics say this would destroy the beauty of Hickey's Creek

Water District The Center Of Brewing Controversy

By SCOTT DERKS
News-Press Staff Writer

Towering draglines daily dip their buckets into the sand of eastern Lee County biting into the barren scrub land of undeveloped areas of Lehigh Acres, stretching bit-by-bit a mammoth and controversial canal system into the Florida wilderness.

The draglines belong to the East County Water Control District, a little-known, but powerful agency — which is primarily controlled by the Lehigh Acres Development Corp.

The water control district digs the canals, draining the wilderness to prevent flooding and lower the water

• The East County Water District is currently embroiled in a battle with state and county officials and environmentalists over the expansion of a canal system in Lehigh Acres. The district says the expansion is needed and will not harm water supplies in the area. Opponents disagree. News-Press writers Scott Derks and Phil Keyes examine the controversy, the combatants and the areas involved on pages 6 and 7A.

table so septic tanks can be used on lots in the area.

Lehigh sells the lots.

The flat, sun-beaten land has already been sliced by a 150-mile network of drainage canals carved over the past 30 years.

The extent of the drainage is six jar



and is part of a continuing battle being waged by the water district and county and state officials.

State land and water management officials say the massive drainage project may harm the environment far beyond the reaches of the district's 64,000-acre domain.

The state's chief environmental watchdog, Joel Kuperberg, said he is concerned about the far-reaching impact of the water district. "I have a continuing concern we are looking at another Cape Coral, Port Charlotte, Golden Gate type of thing as to its impact on water resources and other natural systems."

He said that he and Department of Pollution Control officials believe that an environmental impact statement is a must.

But the district's chief consulting engineer, James A. Ruth of Gee and Jensen, said the drainage has brought only benefits to Lehigh and could eventually halt the periodic flooding of the Orange River. He said his reports show the aquifer has not been harmed by development.

"It is to be recognized that the East County Water Control District has an

Continued On Page 6-A

Halfway Pond

The Old Watering Hole Is Changing In Complexion

By PHIL KEYES
News-Press Staff Writer

Maybe one out of a hundred drivers knows when he gets to Halfway Pond. Probably fewer than that even think about it as they zip between Fort Myers and Immokalee.

A few years ago Halfway Pond was an oasis where a hot and weary traveler could get a drink of water, fill the radiator of the car and rest for a few minutes in the cool shade of an oak tree. Today Halfway Pond is dry and the oak tree is wilting.

Standing on its dry bed, Dr. Ernest Bostelman watched a thrifty-looking king snake crawl through the dust. Bostelman, a retired Fort Myers physician, has lived next to the pond for 40 years on the 82-acre Bostelman Ranch.

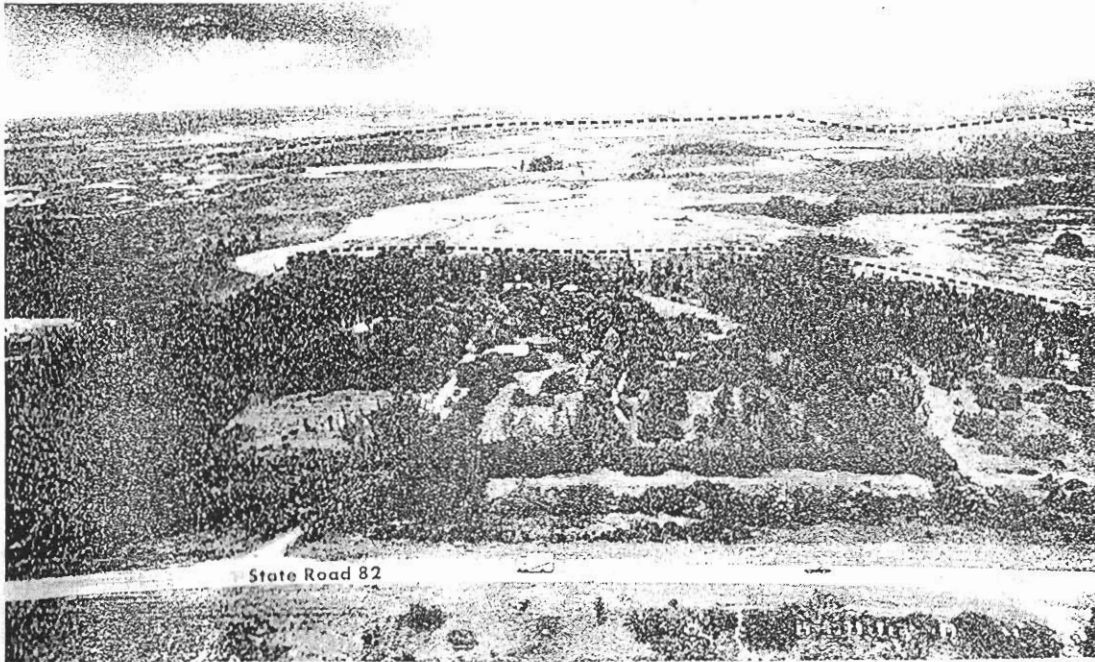
"The water level always dropped down during dry periods, but it was never anything like it has been for the last couple of years," he said. "I used to be able to crank up the old pump and keep water in a couple of ponds and a ditch I dug to keep the fish alive."

As he spoke, a stream of water about the size of a quarter was coming out of a flowing well. The water in the old swimming hole was about 10 feet below the top of the bank and was covered with a green blanket of algae.

"I offered the property to the state back in the late 1930s and again in the late 1940s but they turned me down both times," he said. "The land is a white elephant now because the water is gone. There isn't any water because it hasn't rained very much lately and because they are draining this country dry."

The name Halfway Pond is a natural. The oldtimers had to call it something and since the cattlemen would decide to meet halfway to Fort Myers on their cattle drives, the name took, and stuck. Bostelman said the cattlemen years ago fenced off a portion of the pond. The cattlemen would start their cattle moving toward Fort Myers, and when they drifted into the Halfway pond fence they would automatically turn toward Fort Myers.

"I have been told the Indians camped here, too, when they were traveling to Fort Myers to trade," he said. "A few years ago when I was digging a ditch to run water into a pond I uncovered a couple of human skeletons. Then we discovered an old Indian burial ground here."



State Road 82

Dotted Lines Show Outline Of Halfway Pond When Water Level Was Higher Several Years Ago

News-Press Photo By AL SPICER

The Courts Must Decide Ownership Of Pond

The courts must cool the firebrands generated over ownership of Halfway Pond.

Lehigh Acres Corp. and the state Internal Improvement Fund have been battling over the 82-acre area for almost a year with ownership of the lake bottom on the firing line.

The state agency contends the slough area is historically a navigable lake used for canoeing, fishing and swimming — giving the state jurisdiction over the land.

The giant developer maintains it has always been a seasonal slough area, claiming it owns the land and should be allowed to register the 2,165 lots sale in the proposed Mirror Lakes Subdivision.

A suit demanding that the state withdraw all claims to ownership and allow the land to be entered with the land sales board has been filed by Lehigh Acres. No date has been set for trial court suit.

Claims and claims of the Trustees regarding the area are unfounded and unlawful and have fully impaired the use and value of the land and have caused irreparable harm. There is no adequate remedy at law," the

Trustees said. The area is no longer navigable, reverting to a series of shallow ponds during the dry season.

But Ken Dertel, attorney for the state, contends that Halfway Pond historically is a navigable body of water and development in the area is partly responsible for drainage of the lake.

Dertel has aerial photos dating back 30 years, official maps and affidavits from longtime residents that the lake has been used over the years for water skiing, fishing and boating.

The lake is located midway between Fort Myers and Immokalee along the north side of State Road 82.

The state is investigating the possibility that a canal cut in the area, but not connecting directly to the lake, have helped drain the pond.

Donald Burgess of the United States Geological Survey said canals have lowered the water table near the pond, but he could not estimate its flow much.

The Department of Natural Resources and Department of Pollution Control have said they would like to see the area used to store water

during the wet season and release it during the dry to maintain ground water levels.

But the developers cite evidence, including staff reports of the Internal Improvement Fund, showing Halfway Pond is not navigable.

The pond is the largest of many water holes in the area and once was the largest on the north side of the Immokalee Road. It has a poorly defined shoreline, but is generally about halfway between Alabama Road and Lehigh's Mirror Lakes Country Club.

Elliott Messer, a Tallahassee attorney representing Lehigh Acres, says the decision by Joel Kuperberg, head of the Internal Improvement Fund, to continue blocking the registration puts Lehigh Acres in "an insoluble situation. We were led to believe your decision would be made on the basis of field studies and the advice of your general counsel, but you have overruled both," Messer said.

"You cannot take the law into your own hands without subjecting the state and yourself to liability," he told Kuperberg.

A 1999 court case on state-owned lands ruled

that "the fact that a lake goes dry is unimportant, if in its natural state it is in fact navigable."

The state contends that lake was navigable in its natural state, Lehigh Acres said the natural state is not known.

Sal Gerardi, clerk of the Lee County Circuit Court, has signed an affidavit which said he had been going to Halfway Pond since 1942. "I remember riding out into the pond and crossing one segment of the pond by horseback and water reached well up on the chest of the horse."

He said his children also had swam and fished and canoed about the pond.

Frank Green of Alva said he caught large bass and bream in the lake in the 1930s and said "my recollection is that some portions of the pond were quite deep and at times were over a man's head."

But Don Fink, director of planning project coordination for Lehigh Acres, said, "To my way of thinking Halfway Pond does not exist."

He said channelization in the area may have lowered the water table. "But everything you cut probably even effects Lake Erie somehow."

About 1918, workers improved the old Immokalee Trail and built a sand grade high enough to avoid flooding. Many of the travelers who used such roads in Southwest Florida called them "Wish-to-God Roads."

When they were driving their model T's on the grade and getting stuck in the sand or jarrred to pieces on the logs that were placed side by side as paving, they'd "wish to God" they were off the grade. When they were off the grade and got stuck in the swamp, they'd "wish to God" they were on the grade.

At the entrance to Bostelman's ranch, the original Immokalee Grade is visible.

The first permanent building at Halfway Pond was built by a former Lee County sheriff, Frank Tippins, in 1924. It was a four-room cottage built on pilings and covered with a palmetto thatch roof. Tippins used it as a hunting camp.

"Most of the buildings at the ranch today were built by a group of northern millionaires who bought 27 acres from Tippins in 1927 for a hunting and fishing camp. They leased an adjoining 50,000 acres between here and Esciro as a hunting preserve," Bostelman said.

"They hired men to ride the fence to keep other hunters off their hunting preserve. Those men were always in danger of getting shot because the people in the area didn't like the rich men taking up the hunting land."

The millionaires had their fun for only a few years. The depression years separated them from their fortunes, and they sold the 27 acres to their chief guide for \$1,500.

"Henderson Langford, the guide, was one of my patients," Bostelman said.

"He came to me to borrow the \$1,500 to buy the place. I held a first mortgage on it, and when Langford died in about 1934, I got the place."

Bostelman over the years bought adjacent lands and at one time owned most of four sections, including Halfway Pond which he calls "about 400 acres of swamp." A large portion of the adjoining lands he bought from Consolidated Naval Stores.

Lehigh Acres Development bought all but the remaining 82 acres in the early 1960s.

"Really it's sort of preposterous to say that the Halfway Pond was navigable just because we ran boats in the ditches and ponds I dug," Bostelman said. "The kids tried to water ski but the boat could never get going fast enough."

Hangling over a puddle of green, algae covered water in an old diving platform. Partly hidden under a nearby shed is an old rowboat. Both show signs of not being used for several years.

During World War II, what is now the Bostelman Ranch was the Pelican Club, a place for officers to relax and a place for them to have their liquor. The Army kept the property until 1946 when it closed Buckingham Field.

"The millionaires had wooden walkways built up between all the buildings so they wouldn't get their feet wet when the water level was up. After I got the property and dug a couple of ponds, the water didn't come up any more," he said.

Bostelman noted that if it weren't for the many trees, the grounds would be a dust bowl.

"I'm going to stay here and work on the land," Bostelman said. "I have a good time out here. I have no appointments and no responsibilities out here and the air is clean and fresh."

Remedy

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AGREEMENT

THIS AGREEMENT made this 22nd day of December, 1971, by and between LEHIGH ACRES DEVELOPMENT, INC., a corporation authorized to do business in Florida, hereinafter referred to as LEHIGH, and EAST COUNTY WATER CONTROL DISTRICT, a drainage district under the laws of Florida, hereinafter referred to as the DISTRICT;

WITNESSETH:

In consideration of the covenants and promises herein contained, LEHIGH and the DISTRICT agree as follows:

1. LEHIGH has in the past conveyed to the DISTRICT rights-of-way for canal, dike and other water control purposes as a donation and without cost to the DISTRICT with respect to lands in Lee and Hendry Counties, Florida.
2. It is anticipated that LEHIGH will in the future convey similar rights-of-way to the DISTRICT in said Counties for the same purposes.
3. In the execution of its various Plans of Reclamation, the DISTRICT has these rights-of-way excavated for canal, dike and other water control purposes resulting in excess spoil for which it has no use.
4. All those rights-of-way donated to the DISTRICT by LEHIGH, where excess spoil exists or will exist over and above the requirements of the DISTRICT for the construction of its dikes or levees, such excess spoil shall remain the property of LEHIGH for its use and benefit.
5. The removal of such excess spoil by LEHIGH shall be under the direction and supervision of the Engineer of the DISTRICT and subject to his decision as to the spoil which the DISTRICT does not require and therefore becomes excess spoil.

IN WITNESS WHEREOF, the parties have executed this Agreement, in duplicate, the day and year first above written.

LEHIGH ACRES DEVELOPMENT, INC.

By: Samuel Rogow
Vice President

Attest: [Signature]
Asst. Secretary

(Corporate Seal)

Edward Shapiro

EAST COUNTY WATER CONTROL DISTRICT

By: Samuel Rogow
President

Attest: Madeline F. Barrett
Secretary

(District Seal)



1995 General Rate Case Information

Water For Florida's Future

June 28, 1995 **DOCKET** 950495-115 Southern States Utilities, Inc., 1000 Color Place, Apopka, FL 32703

Dear Customer, **EXHIBIT NO.** 2
CASE NO. 96-04227

As Florida's largest privately owned water and wastewater utility, Southern States Utilities (SSU) has remained a leader in environmental stewardship while continuing to meet the ever-increasing demand for service. This performance is achieved through advances in treatment, testing, monitoring, and disposal technologies and methods. As a customer, you are the direct beneficiary of our commitment to the environment and excellence in service, yet the cost of providing these services continues to grow. That's what this letter is all about.

Since our last general rate increase, SSU has committed to more than \$95 million in plant improvements and expansions. The majority of these projects allow us to achieve governmentally mandated safety, environmental protection and water quality standards. We have reduced administrative and general expenses within our control by managing costs, streamlining operations, and centralizing services. Unfortunately, during the last several years the company's costs of materials, supplies, taxes, and other expenses beyond our control have risen dramatically. SSU must recover these costs if we are to continue to provide quality service.

Accordingly, the company has filed a request with the Florida Public Service Commission for a general rate increase for water and wastewater services. An interim rate increase could be authorized in September, with final rates effective during 1996. Residential rates are as follows:

WATER (Conventional Treatment) (8,500 gallons per month)

PRESENT BILL	PROPOSED INTERIM INCREASE	INTERIM BILL	PROPOSED FINAL INCREASE (mid-1996)	FINAL BILL
\$15.59	\$4.81	\$20.40	\$7.13	\$27.53

WASTEWATER (6,000 gallon cap)

PRESENT BILL	PROPOSED INTERIM INCREASE	INTERIM BILL	PROPOSED FINAL INCREASE (mid-1996)	FINAL BILL
\$34.63	\$9.66	\$44.29	\$1.74	\$46.03

Customers in certain communities not on uniform rates or requiring advanced reverse osmosis water treatment are expected to see similar increases in their bills beginning in September.

Over the next several months you will receive more information about the rate request. You will also have an opportunity to attend meetings and hearings in your area to voice your opinion. In the meantime, if you have questions we encourage you to call our toll-free number, 1-800-432-4501. If you are a member of a homeowners, civic or social organization, we will gladly arrange for an SSU representative to address your group. We appreciate your business and look forward to an opportunity to further discuss our rate proposal.

Sincerely,

Karla Olson Teasley
Karla Olson Teasley
Vice President, Customer Services

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-115 EXHIBIT NO. 2
COMPANY/ SSU
WITNESS: _____
DATE: 4/29/96

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK

Public Service Commission

Docket No. : 940880-TP

Docket Title: Investigation of statewide average message toll service rates of interexchange carriers and local exchange companies.

DN 05365-95: EXHIBIT 2- PLAT MAP OF MIRROR LAKES, A SUBDIVISION OF LEHIGH ACRES, LEE COUNTY, FLORIDA

[CLK NOTE: MAP PORTION OF TESTIMONY EXHIBIT CAN BE FOUND IN MAPS MICROFILM.]

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850

An Affirmative Action / Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

2

PLAT OF
 UNITS 1 THRU 73
MIRROR LAKES
 IN SECTIONS 16,17,18,19 & 20, TWP. 45 S, RGE. 27 E.
 A SUBDIVISION OF
LEHIGH ACRES
 LEE COUNTY, FLORIDA
 LEHIGH ACRES DEVELOPMENT INC.
 DEVELOPERS

PLAT BOOK 27 PAGE 23

DEDICATION

KNOW ALL MEN BY THESE PRESENTS, THAT LEHIGH ACRES DEVELOPMENT INC., A CORPORATION UNDER THE LAWS OF FLORIDA, BEING THE OWNER OF THE LAND DESCRIBED IN THE CAPTION HEREON HAS CAUSED THIS PLAT OF UNITS 1 THRU 73 - MIRROR LAKES, TOWNSHIP 45 SOUTH, RANGE 27 EAST, LEHIGH ACRES, FLORIDA, TO BE MADE AND DO HEREBY DEDICATE TO THE PERPETUAL USE OF THE PUBLIC, THE STREETS AS SHOWN ALL EASEMENTS AND RIGHTS OF WAY ARE HEREBY DEDICATED TO THE EAST COUNTY WATER CONTROL DISTRICT

IN WITNESS WHEREOF, HARRY C POWELL JR AND ARTHUR KESSLER, RESPECTIVELY, PRESIDENT AND ASSISTANT-SECRETARY, OF LEHIGH ACRES DEVELOPMENT INC. BY AND WITH THE AUTHORITY OF ITS BOARD OF DIRECTORS HAVE EXECUTED THESE PRESENTS FOR AND ON BEHALF OF SAID CORPORATION AND CAUSED ITS CORPORATE SEAL TO BE AFFIXED THIS 13th DAY OF JUNE, A.D. 1973

LEHIGH ACRES DEVELOPMENT INC.
 BY Harry C Powell Jr
 PRESIDENT
 ATTEST Arthur Kessler
 ASSISTANT-SECRETARY

ACKNOWLEDGMENT

STATE OF FLORIDA
 COUNTY OF LEE
 I HEREBY CERTIFY, THAT ON THIS DAY, BEFORE ME, AN OFFICER DULY AUTHORIZED TO TAKE ACKNOWLEDGMENTS, PERSONALLY APPEARED HARRY C POWELL JR AND ARTHUR KESSLER, RESPECTIVELY, PRESIDENT AND ASSISTANT-SECRETARY, OF LEHIGH ACRES DEVELOPMENT INC., TO ME KNOWN TO BE THE PERSONS DESCRIBED IN AND WHO EXECUTED THE FOREGOING DEDICATION AS PRESIDENT AND ASSISTANT-SECRETARY, OF LEHIGH ACRES DEVELOPMENT INC., FOR THE PURPOSES THEREIN SET FORTH.
 WITNESS MY HAND AND OFFICIAL SEAL AT FORT MYERS, SAID COUNTY AND STATE, THIS 13th DAY OF JUNE, A.D. 1973

Clayton C. [Signature]
 NOTARY PUBLIC STATE OF FLORIDA AT LARGE
 MY COMMISSION EXPIRES February 14, 1975

BEING FROM TRUE MERIDIAN BASED ON OBSERVATION OF POLARIS AT SOUTHWEST
 SECTION 30, TWP 45 S, RGE 27 E, LEE COUNTY, FLORIDA
 IN PRESENCE OF [Signature]
 Station Permanent Control Point

APPROVALS

THIS PLAT APPROVED THIS 13th DAY OF JUNE, A.D. 1973 IN OPEN MEETING OF THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA

APPROVED Doc J. [Signature] BY Ed [Signature]
 BY Lyons A. [Signature] COUNTY ATTORNEY BY Kelson D. [Signature] COUNTY ENGINEER

I HEREBY CERTIFY, THAT THIS PLAT OF UNITS 1 THRU 73 - MIRROR LAKES LEHIGH ACRES, HAS BEEN EXAMINED BY ME AND FROM BY EXAMINATION I FIND THAT SAID PLAT COMPLIES IN FORM WITH THE REQUIREMENTS OF SURVEY LAWS OF FLORIDA
 I FURTHER CERTIFY, THAT SAID PLAT WAS FILED FOR RECORD BY FORT MYERS THIS 13th DAY OF JUNE, A.D. 1973, AND ONLY RECORDED IN PLAT BOOK 27 ON PAGE 23-A OF PUBLIC RECORDS OF LEE COUNTY, FLORIDA 3:54 PM.

CERTIFICATE OF SURVEY

I HEREBY CERTIFY, THAT THIS PLAT COMPLIES WITH THE NEW FLORIDA STATUTES (CHAPTER 71-320) OF AN ACT RELATING TO MAPS AND PLATS APPROVED BY THE GOVERNOR, JUNE 27, 1971 AND EFFECTIVE SEPTEMBER 1, 1971 ALSO THAT IT IS A TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE UNDER MY DIRECTION, OF THE FOREGOING DESCRIBED PROPERTY, AND THAT SAID SURVEY IS ACCURATE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT PERMANENT REFERENCE MONUMENTS WILL BE PLACED AS REQUIRED BY LAW AND FURTHERMORE THAT PERMANENT CONTROL POINTS WILL BE SET IN ACCORDANCE WITH LAW AFTER CONSTRUCTION IS COMPLETE

Harold B. [Signature]
 REGISTERED LAND SURVEYOR
 FLORIDA CERTIFICATE NO. 4999

THE BOARD DOES HEREBY DEDICATE TO THE PERPETUAL USE OF THE EAST COUNTY WATER CONTROL DISTRICT THE CANAL RIGHTS OF WAY SHOWN HEREON AND ALL PRESENT AND FUTURE DORMS ONLY OR CONSTRUCTED WITHIN THESE RIGHTS OF WAY SHALL BE OWNED AND MAINTAINED BY SAID EAST COUNTY WATER CONTROL DISTRICT

UNITS 1 THRU 73

MIRROR LAKES

IN SECTIONS 16, 17, 18, 19 & 20, TWP. 45 S, RGE. 27 E.

A SUBDIVISION OF

LEHIGH ACRES

LEE COUNTY, FLORIDA
LEHIGH ACRES DEVELOPMENT INC.
DEVELOPERS

DESCRIPTION

A PARCEL OF LAND LYING AND BEING IN SECTION 16, 17, 18, 19 & 20, TOWNSHIP 45 SOUTH, RANGE 27 EAST, LEE COUNTY, FLORIDA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 18, SAID POINT BEING THE SOUTHWEST CORNER OF UNITS 1 THRU 34, SECTIONS 7 & 8, TOWNSHIP 45 S, RANGE 27 EAST, AS RECORDED IN PLAT BOOK 26, PAGES 59 THROUGH 95 INCLUSIVE, PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE N 89° 23' 34" E. ALONG THE SOUTH LINE OF UNITS 14, 15, 16 & 17, A DISTANCE OF 5332.70 FEET TO THE NORTHWEST CORNER OF SAID SECTION 17; THENCE N 89° 19' 08" E. ALONG THE SOUTH LINE OF UNITS 19 & 20, A DISTANCE OF 2665.03 FEET TO THE SOUTHEAST CORNER OF SAID SUBDIVISION AND THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SECTION 17; THENCE CONTINUE N 89° 19' 08" E. ALONG THE SAID NORTH LINE OF SECTION 17, A DISTANCE OF 2665.04 FEET TO THE NORTHWEST CORNER OF SAID SECTION 16; THENCE N 88° 27' 33" E. ALONG THE NORTH LINE OF SECTION 16, A DISTANCE OF 1244.56 FEET; THENCE S 00° 45' 52" E., A DISTANCE OF 4836.81 FEET; THENCE N 89° 14' 08" E. A DISTANCE OF 5370 FEET, THENCE S 00° 45' 52" E. A DISTANCE OF 5371.0 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 1909.86 FEET AND A CENTRAL ANGLE OF 40° 50' 17"; THENCE SOUTHERLY AND SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 1361.27 FEET; THENCE S 41° 56' 09" E. ALONG THE TANGENT TO SAID CURVE, A DISTANCE OF 622.85 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 1909.86 FEET AND A CENTRAL ANGLE OF 19° 01' 56"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 634.41 FEET; THENCE S 68° 37' 47" W. ALONG A LINE RADIAL TO THE LAST DESCRIBED CURVE, A DISTANCE OF 892.10 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 2822.78 FEET AND A CENTRAL ANGLE OF 20° 32' 16"; THENCE SOUTHWESTERLY AND WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 1022.55 FEET; THENCE S 89° 10' 03" W. ALONG THE TANGENT TO SAID CURVE, A DISTANCE OF 672.13 FEET TO THE WEST LINE OF SAID SECTION 16; THENCE S 00° 45' 32" E. ALONG SAID SECTION LINE, A DISTANCE OF 205 FEET TO THE NORTHEAST CORNER OF SECTION 20, SAID POINT BEING THE NORTHWEST CORNER OF THE PLAT OF SECTION 21, LEHIGH ACRES AS RECORDED IN PLAT BOOK 18, PAGES 53 THROUGH 69, INCLUSIVE, OF SAID PUBLIC RECORDS; THENCE S 00° 32' 12" E. ALONG THE WEST LINE OF UNITS 1, 5, 9 AND 13 OF SAID PLAT, A DISTANCE OF 5329.70 FEET TO THE SOUTHWEST CORNER OF SAID PLAT AND THE SOUTHEAST CORNER OF SAID SECTION 20; THENCE S 89° 34' 53" W. ALONG THE SOUTH LINE OF SAID SECTION 20, BEING THE NORTH LINE OF UNIT 1, SECTION 29 AS RECORDED IN PLAT BOOK 20 PAGE 65, A DISTANCE OF 1884.71 FEET TO THE NORTHEAST RIGHT OF WAY LINE OF STATE ROAD NO. 82; THENCE CONTINUE S 89° 34' 53" W. ALONG THE SOUTH LINE OF SAID SECTION 20, A DISTANCE OF 219.86 FEET TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF STATE ROAD 82; THENCE N 24° 57' 27" W. ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 1000 FEET; THENCE S 32° 18' 43" W., A DISTANCE OF 1081.37 FEET TO THE SOUTH LINE OF SAID SECTION 20; THENCE S 89° 34' 53" W. ALONG SAID SOUTH LINE, A DISTANCE OF 2255.07 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 19; THENCE S 89° 49' 18" W., A DISTANCE OF

5266.40 FEET TO THE SOUTHWEST CORNER OF SECTION 19; THENCE N 00° 58' 32" W., A DISTANCE OF 5291.49 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 18; THENCE N 00° 43' 31" W. ALONG THE WEST LINE OF SAID SECTION 18, A DISTANCE OF 1353.69 FEET TO THE CENTER LINE OF SAID STATE ROAD NO. 82 AS NOW LAID OUT AND IN USE; THENCE CONTINUE N 00° 43' 31" W., A DISTANCE OF 111.77 FEET TO THE SOUTHEAST CORNER OF THAT PORTION OF SECTION 13 LYING NORTH OF STATE ROAD NO. 82, TWP. 45 S, RGE. 26 E. AS RECORDED IN PB 15, PG 99; THENCE CONTINUE N 00° 43' 31" W. A DISTANCE OF 3826.01 FEET TO THE NORTHEAST CORNER OF SAID PLAT AND THE POINT OF BEGINNING.

LESS THE WEST 25 FEET OF SECTION 18 LYING NORTH OF STATE ROAD NO. 82 AS RECORDED IN OFFICIAL RECORD BOOK 147, PAGE 73 AND

LESS THE RIGHT OF WAY OF STATE ROAD NO. 82, 200 FEET IN WIDTH AS NOW LAID OUT AND IN USE LYING BETWEEN THE WEST LINE OF SECTION 18 AND THE SOUTH LINE OF SECTION 20 AND

LESS THE FOLLOWING

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 20, THENCE N 89° 10' 03" E. ALONG THE NORTH LINE OF SECTION 20, A DISTANCE OF 227.46 FEET; THENCE S 00° 39' 42" E., PARALLEL TO THE WEST LINE OF SAID SECTION 20, A DISTANCE OF 1516.86 FEET TO THE NORTHEASTERLY RIGHT OF WAY LINE OF STATE ROAD NO. 82; THENCE N 49° 58' 02" W. ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 300 FEET TO THE EAST LINE OF SAID SECTION 19; THENCE S 00° 39' 42" E. ALONG SAID EAST LINE, A DISTANCE OF 263.78 FEET AND THE SOUTHWESTERLY RIGHT OF WAY LINE OF SAID STATE ROAD NO. 82; THENCE CONTINUE S 00° 39' 42" E., A DISTANCE OF 1059.12 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 (ONE QUARTER) OF SAID SECTION 19; THENCE S 89° 47' 58" W. ALONG THE QUARTER SECTION LINE, A DISTANCE OF 1473.38 FEET; THENCE N 00° 45' 02" W., PARALLEL WITH AND 136 FEET WEST OF THE WEST LINE OF THE EAST HALF (E 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION 19, A DISTANCE OF 2019.59 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF SAID STATE ROAD NO. 82; THENCE CONTINUE N 00° 45' 02" W., A DISTANCE OF 223.59 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF STATE ROAD NO. 82; THENCE N 64° 11' 45" W. ALONG SAID NORTH RIGHT OF WAY LINE, A DISTANCE OF 225.74 FEET; THENCE N 49° 25' 17" E., A DISTANCE OF 466.04 FEET TO THE NORTHWEST CORNER OF THE EAST HALF (E 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION 19; THENCE N 89° 49' 27" E. ALONG THE NORTH LINE OF SAID SECTION 19, A DISTANCE OF 1327.50 FEET TO THE POINT OF BEGINNING.

SUBJECT TO THE RIGHT OF WAY EASEMENT TO LEE COUNTY ELECTRIC CO-OPERATIVE, INC. AS RECORDED IN OFFICIAL RECORD BOOK 475, PAGE 32 OF SAID PUBLIC RECORDS.

PLAT BOOK 20 PAGE 10

PLAT OF

PLAT BOOK 20 PAGE 10

UNITS 1 THRU 73

MIRROR LAKES
SECTIONS 16, 17, 18, 19 & 20, TWP. 45 S., RGE. 27 E.

LEHIGH ACRES

LEE COUNTY, FLORIDA
LEHIGH ACRES DEVELOPMENT, INC.
DEVELOPERS

DEDICATION

KNOW ALL MEN BY THESE PRESENTS
THAT, ERNEST BOSTELMAN AND GERALDINE BOSTELMAN, aka
GERALDINE DURRE BOSTELMAN, Lehigh Acres, Lee County, Florida,
being the owners and holders of a certain mortgage dated July 9,
1969, and recorded July 11, 1969, in Official Records Book 539
of page 418 of the Public Records of Lee County, Florida,
do hereby and by these presents, in accordance with Paragraph
2 of page 6A of the above referred to mortgage, join in the
dedication to the perpetual use of the public streets, roads,
drives and/or lanes shown on this plat of MIRROR LAKES
ESTATES

The said ERNEST BOSTELMAN AND GERALDINE BOSTELMAN
further dedicate whatever interest they may have in all canal
and lake rights-of-way located on said plat to the East
County Water Control District, a body politic, created under
the laws of the State of Florida.

IN WITNESS WHEREOF, the said ERNEST BOSTELMAN AND
GERALDINE BOSTELMAN have hereunto set their hand and seal this
20th day of May, A.D. 1973.

[Signature]
ERNEST BOSTELMAN
[Signature]
GERALDINE BOSTELMAN
aka GERALDINE DURRE BOSTELMAN

ACKNOWLEDGEMENT

STATE OF Florida)
COUNTY OF Lee) SS

Before me personally appeared ERNEST BOSTELMAN AND GERALDINE
BOSTELMAN to me well known and known to me to be the persons described
in and who executed the foregoing instrument, and acknowledged to me
before that ERNEST BOSTELMAN AND GERALDINE BOSTELMAN executed said
instrument for the purposes therein expressed.

WITNESS my hand and official seal this 20th day of May,
A.D. 1973 in the State and County aforesaid.

My Commission Expires: 1-1-1976
[Signature]
Notary Public (SEAL)

UNITS 1 THRU 73

MIRROR LAKES
SECTIONS 16, 17, 18, 19 & 20, TWP. 45S., 27E.

LEHIGH ACRES

LEE COUNTY, FLORIDA
LEHIGH ACRES DEVELOPMENT INC.
DEVELOPERS

DEDICATION

KNOW ALL MEN BY THESE PRESENTS
THAT, FORD MOTOR CREDIT COMPANY, a Delaware Corporation, being
the owner and holder of a certain mortgage dated March 8, 1971, and recorded
March 8, 1971, in Official Records Book 66, at pages 493 through 504,
inclusive, Public Records of Lee County, Florida, does hereby and by these
presents, in accordance with Paragraph 8.6 of page 26 of the above referred
to mortgage, join in the dedication to the perpetual use of the public streets,
roads, drives and/or lanes shown on this plat of MIRROR LAKES
The said FORD MOTOR CREDIT COMPANY further dedicates whatever
interest it may have in all canal and lake rights-of-way located on lots 301 & 311
The East County Water Control District, a body politic, created under the laws
of the State of Florida.
IN WITNESS WHEREOF, the said FORD MOTOR CREDIT COMPANY has
hereunto set its hand and seal the 12th day of March, A.D. 1973

(CORPORATE SEAL)

FORD MOTOR CREDIT COMPANY

ATTEST:

Wm. J. Stewart
Secretary

J. J. McManis
Credit Officer

ACKNOWLEDGEMENT

STATE OF MICHIGAN SS
COUNTY OF WAYNE) SS

I, an officer authorized to take acknowledgements, hereby certify that
W. J. Stewart and *J. J. McManis* respectively of
FORD MOTOR CREDIT COMPANY, a corporation organized under the laws of the State
of Delaware, well known to me to be the persons described in and who executed the
foregoing instrument did severally acknowledge the execution thereof to their
respective offices, for the uses and purposes therein mentioned,
and that they affixed thereto the official seal of said corporation, and the said
instrument is the act and deed of said corporation.
IN WITNESS my signature and official seal this 12th day of March
A.D. 1973 in the State and County aforesaid.

John A. Dwyer
Notary Public

(SEAL)

My Commission Expires
July 26, 1975

DEDICATION

KNOW ALL MEN BY THESE PRESENTS
THAT THE UNITED STATES OF AMERICA, represented by *A. J. O'Donnell, Jr.*
as District Director of Internal Revenue Service for my District of Florida, being the
owner and holder of a certain mortgage dated September 8, 1968 and recorded
November 1, 1968 in Official Records Book 492, at page 663, Public Records of Lee
County, Florida, does hereby and by these presents, join in the dedication to the use of
the public streets, roads, drives and/or lanes shown on the Plat of MIRROR LAKES
The said UNITED STATES OF AMERICA further dedicates whatever interest
it may have in all canal and lake rights-of-way located on said plat to the East County
Water Control District, a body politic, created under the laws of the State of Florida.
IN WITNESS WHEREOF, the said UNITED STATES OF AMERICA, represented
by *A. J. O'Donnell, Jr.* as District Director of the Internal Revenue Service for the
District of Florida, has set his hand and seal this 16 day of MARCH
A.D. 1973.

Sealed and subscribed
in the presence of

Raymond
W. A. Thomas
Witnesses

A. J. O'Donnell, Jr.
District Director of Internal Revenue
Service for the District of
Florida

ACKNOWLEDGEMENT

STATE OF FLORIDA) SS
COUNTY OF DUVAL) SS

I HEREBY CERTIFY that on the same, before me, a Notary Public, duly authorized
in the State and County aforesaid to take acknowledgements, personally appeared
A. J. O'Donnell, Jr. District Director of Internal Revenue Service for the District of
Florida at Jacksonville, Florida, to me known to be the person described above, and
he executed the foregoing instrument in his capacity as such District Director of
Internal Revenue Service for the District of Florida and on behalf of the United States
of America and for the uses and purposes described in said instrument.

(SEAL)

My Commission Expires

FEB 21 1973

Raymond
Notary Public, State of Florida
At Large