

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

In the Matter of : DOCKET NO. 990939-WS
:
APPLICATION FOR A :
RATE INCREASE IN MARTIN :
COUNTY BY INDIANTOWN :
COMPANY INC. :

*
* ELECTRONIC VERSIONS OF THIS TRANSCRIPT *
* ARE A CONVENIENCE COPY ONLY AND ARE NOT *
* THE OFFICIAL TRANSCRIPT OF THE HEARING *
* AND DO NOT INCLUDE PREFILED TESTIMONY. *
*

PROCEEDINGS: INFORMAL CUSTOMER MEETING
DATE: Wednesday, April 12, 2000
TIME: Commenced at 6:00 p.m.
Concluded at 7:30 p.m.
PLACE: Indiantown Civic Center
15675 S. W. Osceola Street
Indiantown, Florida
REPORTED BY: TRICIA DeMARTE
Official FPSC Reporter



1 **IN ATTENDANCE:**

2 Commissioner Lila A. Jaber

3 Commissioner J. Terry Deason

4 Rosanne Gervasi, FPSC Division of Legal Services

5 Marshall Willis, Bob Crouch, Patricia Merchant,

6 FPSC Division of Water and Wastewater

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

I N D E X

WITNESSES

	NAME	PAGE NO.
1		
2		
3		
4	BILL SUMMERS	
5	Direct Statement	21
6	ED HAUPT	
7	Direct Statement	25
8	JOHN ADAMI	
9	Direct Statement	26
10	ALEX MARINARO	
11	Direct Statement	33
12	COLLIN DAMUDE	
13	Direct Statement	38
14	ARNOLD WINKLER	
15	Direct Statement	40
16	FRED JORN	
17	Direct Statement	42
18	LARRY CONTILLO	
19	Direct Statement	43
20	JACK WHEELER	
21	Direct Statement	47
22	ED KAUFFMAN	
23	Direct Statement	48
24		
25		

I N D E X (Continued)

WITNESSES

3	NAME	PAGE NO.
4	JOHN ADAMI Second Statement	64
5		
6	DEBBIE RABENER Direct Statement	65
7		
8		
9		
10	CERTIFICATE OF REPORTER	68

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

1
2 COMMISSIONER DEASON: I'm going to call this
3 meeting to order, and for the record, this is the customer
4 meeting for Docket Number 990939-WS, which is the
5 application for a rate increase by Indiantown Company,
6 Incorporated. Let me take this opportunity to welcome you
7 here and to introduce myself. My name is Terry Deason.
8 I'm a member of the Florida Public Service Commission, and
9 seated to my left is Commissioner Lila Jaber. She's also
10 a Commissioner on the Commission. We, too, are here this
11 evening to receive this customer testimony. But as you
12 will notice, this meeting is being transcribed, so what
13 you have to say this evening will be made available to the
14 other Commissioners back in Tallahassee.

15 I also want to take this opportunity to
16 introduce some Staff personnel which are here this
17 evening. They are here also to listen, but not only to
18 listen but to give you assistance. If you have any
19 particular matter which you wish to discuss with our
20 Staff, they would be more than happy to answer your
21 questions or listen to your concerns if you wish to avail
22 yourself of that opportunity. Seated to my right here at
23 the front table is Marshall Willis. He is a Bureau chief
24 in our water and wastewater section at the Commission.
25 Seated to the table at my far right is Rosanne Gervasi, an

1 attorney at the Commission; Patricia Merchant, an
2 accounting supervisor; Barry Davis, an accountant. He's
3 in the back of the room; he just raised his hand.
4 Elda Quijano, also an accountant. She's in the back of
5 the room with her hand raised. Bob Crouch, engineering
6 supervisor at the front table; Lee Munroe, engineer;
7 Thelma Crump, who greeted you at the rear at the meeting
8 as you entered the meeting room. She's with our consumer
9 affairs department. And our court reporter this evening
10 is Tricia DeMarte.

11 As I indicated, this matter is being transcribed
12 so that the testimony that you give, even though it's not
13 a formal hearing, you're not being put under oath or
14 anything of that nature, it is being transcribed, and the
15 information you provide will be used by the Commission in
16 processing this case.

17 I want to tell you that we're going -- the
18 purpose of this hearing is to hear from you, but we're
19 also going to take this opportunity to provide you some
20 background information. Mr. Willis is going to do that.
21 You also notice that there is a podium directly in front
22 of me. When it comes time for you to come forward and
23 provide your information with the Commission, we ask that
24 you speak directly into the microphone so everyone can
25 hear you and so the court reporter can hear you. We also

1 ask that when you come forward, to state your name for the
2 record, and if you think it would be helpful to the court
3 reporter, you may wish to spell your name so that it will
4 be recorded accurately in the record. And with that, I'm
5 going to turn it over to Mr. Willis to give you some
6 background information on this case.

7 MR. WILLIS: Thank you. Let me first explain
8 why we're here tonight. We're here tonight because
9 Indiantown Water Company who provides your water and your
10 wastewater service has filed what is called a rate
11 application with the Public Service Commission. That
12 application was filed on March 7th, officially filed on
13 March 7th of this year. The company in that application
14 basically came to the Commission and said, we need a rate
15 increase because we're not earning what they perceive as a
16 fair rate of return on the money they have invested in
17 their company.

18 One of the reasons that the company has
19 requested this rate increase is to recover Department of
20 Environmental Protection mandated costs. Now, the company
21 recently had to re-permit its plant, its wastewater plant,
22 and that has to be done every so many years. The permit
23 is only good for so many years, and then they have to
24 reapply for another permit. As part of that permitting
25 process, the Department of Environmental Protection, which

1 oversees the environmental end of regulation, the Public
2 Service Commission oversees the financial end of
3 regulation, but the Department of Environmental Protection
4 in that permitting process looked at the way the water and
5 wastewater plant was set up.

6 And for the wastewater plant, they decided that
7 there had to be improvements put in place because of how
8 the effluent was being processed to meet current
9 standards. Standards change all the time. We had the
10 Environmental Protection Agency, which is a federal agency
11 which basically dictates certain requirements that both
12 water companies and wastewater companies must follow, and
13 the Florida Department of Environmental Protection is
14 basically the agency of the State that follows through and
15 makes sure that those requirements are being followed.

16 Now, in this case to get their permit
17 reestablished, they had to put in a little over \$480,000
18 worth of plant improvements to their wastewater plant.
19 That's why they're asking for such a significant amount on
20 the wastewater system. The company had a last general
21 rate increase I think about in 1982, and at one point, the
22 Commission did bring the company in for what appeared to
23 be overearnings and did actually lower the rates at that
24 point in time. Since then the company has, according to
25 their application, incurred higher costs and because of

1 the new capital costs, which are the plant improvements
2 they had to put in in both water and wastewater, they now
3 come to us and tell us they are not earning a fair rate of
4 return. In fact, they claim that they have actually lost
5 money in the year that we're using to review the data.

6 I'd also like to explain a little bit about what
7 the company has filed with us. The Legislature in the
8 state of Florida has two methods by which a company can
9 come to the Commission and request a rate increase. One
10 is to come and elect what we call a proposed agency action
11 process. Now, what that means is, they can come to us and
12 request a more simplified, cheaper method of requesting a
13 rate case. And I'll go in a little bit more about how
14 exactly that works. The other method is, they can just
15 come to us and say, "We want a rate increase." And it
16 goes through what we call basically a trial, what you
17 might view as a customer as a trial proceeding, where you
18 have witnesses for all sides.

19 As part of the proposed agency action process,
20 the company comes in. They file information with the
21 Commission, and I will just show you real quick, this is
22 part of just the financial information they have to file
23 just to get the case started. This along with many other
24 volumes of data. Once that happens, that happened on
25 March 7, once that happens, my Staff actually starts our

1 discovery process. And our discovery process consists of
2 many things. I have engineers. Mr. Lee Munroe, who was
3 introduced to you earlier, he actually has been down here
4 for a week or two. He's been over the entire system, and
5 he reviews this system for its operation efficiency to see
6 how well the actual plants are operating, how well they're
7 complying with the Department of Environmental Protection
8 requirements. He's been down here to review all of those
9 mandated requirements to make sure those things were
10 actually put in and put in at the lowest cost.

11 Now, along with that we have an audit staff.
12 The audit staff came out of our Miami office district, and
13 they have actually been in here to the company and just
14 recently finalized their entire audit. Now, in this size
15 of company, our audit staff has come in and done a
16 complete, 100 percent audit of the company's books. Now,
17 you might look at our audit staff like an independent CPA
18 firm. But the difference is, is that with an independent
19 CPA firm, they basically come in and render an opinion and
20 say, "The information that you have on your financial
21 statements are true and correct." And that's exactly what
22 occurred.

23 Well, our audit staff and my accounting staff go
24 in and go a little bit further. They actually come in and
25 audit the company, but we actually look at the costs. We

1 look at the costs to see if they're prudent. We look at
2 the improvements the company has put in to see if they
3 were necessary and that they were done at the lowest cost
4 possible. That's part of our function in this.

5 Now, once all of that is done, and including
6 what we're having here today tonight, called a customer
7 meeting, the customer meeting is one of the biggest inputs
8 we have because this is our chance as the Commission Staff
9 and the Commissioners to hear from you, the people. This
10 is our chance to find out how well your service has been,
11 what you think about this rate case application and
12 anything you might want to tell us. And by the way, we're
13 here not just tonight to hear about the water and
14 wastewater; we do regulate electric, telephone and gas.
15 And if you have problems with those other utilities, too,
16 you're more than welcome to tell us what those problems
17 are, and we do have some people here who can help you on
18 that, also.

19 But as far as what occurs after that, now once
20 we get done with all the discovery, the customer meeting,
21 we take input; my Staff will go back to the Commission.
22 And we will put everything together that we have, all of
23 our financial, engineering information, and we draft a
24 recommendation to the Commissioners. And we will file
25 that recommendation with them. And at that point, they

1 will have a chance to look at it. They will have a chance
2 to decide whether we did something right or wrong, and at
3 a set time, the Commissioners will convene in Tallahassee
4 at an agenda conference. Now, this agenda conference is
5 open to the public, but it is all the way in Tallahassee.
6 That's why we have forums like this, to come here and meet
7 with you in person to get your in-person comments about
8 what's going on with this rate case. So you will actually
9 have two opportunities: One here in person, and then if
10 you really need to and you feel like you need to, you can
11 come to Tallahassee.

12 Now, let me talk a little bit about why we call
13 it a proposed agency action recommendation. It's called
14 that because it's exactly that. It's a proposal. We
15 issue a recommendation to the Commission. The Commission
16 has three options. They can take that recommendation, and
17 they can deny it in total and say they don't like it.
18 They can modify that recommendation to decide they want to
19 change something in it, or they can adopt it as it is.
20 Once they have done that, they memorialize what they have
21 done in an order. They draft everything down exactly how
22 it was done in the recommendation, any modifications or
23 changes. That's published to -- you know, we've talked to
24 some homeowner's associations this afternoon and another
25 individual to try and disseminate that information. We're

1 also going to ask tonight that if any of you would like to
2 receive that information who can share it with your fellow
3 customers, we'd also like to get that out there to you,
4 too. That's going to basically tell you what the
5 Commission is proposing to do, how they're proposing to
6 settle this case.

7 Now, if everyone is happy, if everyone is happy
8 with what the Commission is doing in that case, including
9 the company, the customers, then the case is over with.
10 The case is over with. Whatever happens, happens. The
11 rates the Commission decide go in place. Now, if someone
12 doesn't like what's being proposed in that order, then at
13 that point in time, whether it be the customers or the
14 company, they can protest that. And at that point, we go
15 into a formal proceeding, and that's that second option I
16 told you about that a company could apply for. In that
17 proceeding, it's just like a trial proceeding. It's very
18 expensive. We have witnesses for the Staff. The company
19 will probably have hired witnesses to come in for them,
20 professionals.

21 Let me tell you about another aspect. We have
22 another arm of the Legislature who is not affiliated with
23 the Commission. It's the Office of Public Counsel, headed
24 by a man called Mr. Jack Shreve. I thought he was going
25 to be here tonight, but he was just going to be here to

1 just monitor what was going on, like the utility is in the
2 back of the room. Mr. Shreve and his staff are there for
3 the customers only. They are there to represent you as an
4 arm of the Legislature. If you decide that you wish to
5 protest that case, I would advise that you contact him.
6 He has the ability to hire witnesses on your behalf to do
7 just that, and he can talk to you about whether or not
8 it's a good option to protest that. And I do have an
9 800 number for him, and if anybody would like that after
10 this hearing tonight or after this meeting, I'll be more
11 than happy to give it to you with no problem.

12 Is there anything you want to add to that,
13 Rosanne?

14 MS. GERVASI: Can you all hear me?

15 MR. WILLIS: Ms. Gervasi is our attorney. She's
16 our Staff attorney for the Commission.

17 MS. GERVASI: Mr. Willis I think gave a very
18 good detailed description of the legal process involved in
19 the case. If you have any questions about how the case
20 will proceed from a legal standpoint, feel free to ask me
21 after the meeting. If you do sign up to get a copy of the
22 Staff recommendation that the Commission will rule on --
23 currently, the Commission is scheduled to rule on it at an
24 agenda conference in Tallahassee in August -- if you sign
25 up to get a copy of the recommendation, you will also get

1 a copy of the Commission's proposed order, which is what
2 the Commission will propose to do with this rate increase
3 request unless somebody does protest it. If you get a
4 copy of the order, the very last page of the order will be
5 a notice that will tell you what the deadline is for
6 filing a protest if you decide that you do want to file
7 the protest and go to the more formal proceeding. And
8 with that, I'll turn it back over to Marshall.

9 MR. WILLIS: Thanks. We're about ready to get
10 to the important part, which is hearing from you, but I
11 want to do just a couple of things. Tonight as you came
12 in the door, you were handed one of these copies called a
13 "Special Report," which gives you some very general
14 information about the filing itself. And I'd just like to
15 run through -- if you look at Page 4 of that, you will see
16 the actual rates. You'll see present rates, which are in
17 the column labeled, "Present Rates." On the far
18 right-hand side, you will see the actual rates that the
19 company is requesting in this case. In the very middle,
20 you're going to see something called, "Utility's Interim
21 Proposed Rates," and let me explain that.

22 The Legislature of the state of Florida has
23 enacted a law many years ago which said, during the
24 pendency of a rate case filed with the Commission, a
25 company can come and ask for something that's called

1 interim rates. It's a rate which goes in place as a
2 temporary rate. It's basically a formality because we
3 don't have the ability to do too much as far as adjusting
4 that rate. The Legislature has basically given us a
5 formula on how to calculate that, and we follow the
6 formula. Now, that, as I said, is a temporary rate. It's
7 in there until the Commission makes a final decision.

8 The Commission is due to vote on the interim
9 rate next week. Our recommendation following the statute
10 has been filed last week, and they will vote on that next
11 week. The company in this case, and I'll just let you
12 know, the company has asked for a 15 percent increase for
13 interim purposes for the water system and a 34 percent
14 increase for the wastewater system for interim. That's
15 something the Commission has to consider next week by law.
16 They have to do that within 60 days of a company filing a
17 case.

18 Now, if the Commission has to grant interim
19 rates, those are temporary. If the Commission decides
20 ultimately that no rate increase was warranted, those
21 rates have to be refunded by law back to the customers
22 with interest based on the commercial paper rate. If the
23 Commission decides something in the middle should have
24 been granted and those interim rates were too high, then
25 the difference will be refunded back to the customers with

1 interest. So the money you would be paying in extra due
2 to the interim rates until this case is finalized is
3 protected by law for refund purposes to you.

4 Ultimately, the company in its final request has
5 requested and come to this Commission requesting an
6 ultimate 37 percent increase for its water system and a
7 large 83 percent increase for its wastewater system. And
8 remember, I told you that the wastewater system increase
9 was being driven by those Department of Environmental
10 Protection mandated improvements to the system.

11 The last thing I'd like to tell you before we
12 have our first customer come up is, on the very last page
13 of the Staff Report, you're going to see, it says,
14 "Indiantown Company, Inc.," on the top. And if you turn
15 it over to the back page, it looks like a self-addressed
16 letter to the Florida Public Service Commission. If you
17 don't want to make comments tonight, if you just don't
18 want to come to the podium and make your comments known
19 publicly right here, or if you have neighbors who couldn't
20 be here tonight and you want to take extra copies --
21 because we have plenty of copies for you to take with you,
22 if you want. They are all back on the back table, and I
23 invite you to take as many as you want with you when you
24 leave -- all you have to do is make your comments just
25 like a letter. You just have to write your comments down,

1 fold it twice, put some tape on it and a stamp and send it
2 to the Public Service Commission. This is as good as
3 being here tonight and making your comments. We will get
4 these. We will read these, and if necessary, if you want
5 a response, we will respond to you. With that, I believe
6 we're about ready to call our first customer.

7 UNIDENTIFIED SPEAKER: Could you repeat those
8 percent increases for the interim and the final?

9 MR. WILLIS: Sure, I will. Yes. The requested
10 interim increase, and that's going to be considered next
11 Tuesday, on April 18th, the request is a 15 percent
12 increase. Now, this is in revenues.

13 UNIDENTIFIED SPEAKER: Fifteen?

14 MR. WILLIS: Fifteen, 1-5 percent for water.
15 For wastewater, 34 percent. The final request -- now,
16 this isn't on top of interim. This is in total. The
17 final request is 37 percent for water. For wastewater,
18 it's 83 percent, 83.

19 UNIDENTIFIED SPEAKER: Thank you for repeating
20 that.

21 MR. WILLIS: Sure.

22 UNIDENTIFIED SPEAKER: One last question. Can
23 you tell us what the Commission recommended here?

24 MR. WILLIS: Well, let me tell you right now,
25 the Commission hasn't recommended anything.

1 UNIDENTIFIED SPEAKER: On the interim rate.

2 MR. WILLIS: On the interim, let me get into
3 that, too. I'll tell you what the Staff has recommended,
4 and I will tell you now that we're happy to answer
5 questions. We would be more than happy to answer
6 questions, and we answer them all night long, and we'll be
7 here as long as we can, but we need to be taking
8 customers' questions at the podium as we call you forward.
9 And if you haven't already signed up tonight, we will be
10 calling people in as you came in the door. We tried to
11 keep them in order, and we're going to be calling you
12 forward. You're more than welcome to make your comments.
13 You're welcome to ask questions.

14 If we can't answer your question, we'll be more
15 than happy to get back with you. I have some staff who
16 are going to be staying down here. If there are certain
17 things they can do while they're down here, they will do
18 that, but that's how we need to keep it. We need to keep
19 an orderly process. Although this is an informal customer
20 meeting, we are having all of this transcribed, and we
21 need to try and keep it as orderly as possible so we can
22 get all of this on the record.

23 With that, let me just answer that one question.
24 Let me get to the increase itself first. The Commission
25 Staff -- now, bear in mind, I told you the Legislature has

1 given us a formula on how to calculate this, and we can't
2 vary from it very much. The Commission Staff is
3 recommending an 11.9 percent, basically a 12 percent
4 increase in water and a 33 percent increase in wastewater.
5 That's overall. Now, that we're recommending to be across
6 the board. So that would be 33 percent for wastewater on
7 your base charge and 33 percent on your gallonage charge
8 because we don't change rate structure for interim. So it
9 would be across the board. There wouldn't be any juggling
10 back and forth between the base and the gallonage.

11 With that, let me go ahead and we'll start
12 calling our first customer up here, and I will ask that
13 when you come forward, if you'll please give your name for
14 our court reporter and spell your name, too, so we can get
15 an exact spelling of it for the record, we would certainly
16 appreciate it, and then go ahead and make your comments or
17 ask your questions.

18 Our first customer is Mr. Summers. Mr. Summers
19 Staff met with individually this afternoon.

20

- - - - -

21

BILL SUMMERS

22 appeared as a witness and testified as follows:

23

DIRECT STATEMENT

24

MR. WILLIS: For the record, my name is

25

Bill Summers, spelled S-U-M-M-E-R-S. First of all, let me

1 say welcome to Commissioner Deason and Commissioner Jaber.
2 We appreciate very much you being here. Secondly, I want
3 to say thanks to all of these wonderful people who showed
4 up for this hearing tonight. It shows the concerns of
5 this community. It shows the involvement of this
6 community, and that we're very, very proud of. My
7 comments this afternoon were to Staff. I spent
8 considerable time with them, and I raised some concerns
9 regarding, I guess, the makeup of this meeting. And this
10 I would like to pass on to the two Commissioners here for
11 your consideration.

12 The first thing that concerned me, I guess, is
13 the time of the meeting that we have here. And this, I
14 understand, you don't understand the makeup of the
15 Indiantown community as those of us that live here, and I
16 understand that. We have a community that a lot of the
17 people that live in Indiantown work on the coast, as we
18 term it. This is some 30, 40 miles away. The reason that
19 many of those people are not here at this particular time
20 is that those people are either still at work or on their
21 way home. Most of the people in this room are people who
22 live in the Indiantown area, I mean, Indianwood area, and
23 a lot of them are retired, and time is not as important to
24 them, I guess, as some others who are still in the working
25 world.

1 I have made the suggestion to Staff, and I make
2 the suggestion to you, the Commissioners, that we should
3 have another meeting here in Indiantown timed at a later
4 time for the convenience of those people and that a great
5 deal of emphasis be put on encouraging our other cultural
6 to be here. In Indiantown, we have three basic make-up
7 cultures. We have the Caucasian, we have the Hispanic,
8 and we have the black communities. And all of them play a
9 major, major role in the makeup of our community, and we
10 certainly want to have the benefit of all of their input
11 into this hearing.

12 The next concern that I expressed to Staff today
13 was the fact that this meeting was not advertised in the
14 public media. We do have a newspaper here in Indiantown,
15 and I would suggest that in the future any meetings of
16 this nature be advertised, because I talked to some people
17 today who informed me that some of their neighbors or some
18 of the people in the areas in which they reside did not
19 receive the proper notice for this hearing tonight.

20 The other thing that concerned me was the time
21 that we had in order to gather information I guess you'd
22 say for this hearing. Two weeks' notice is rather short.
23 We need to have, I guess, done some research ourselves.
24 One of the things in my mind is, what are the rates that
25 are being charged in other utilities comparable to us in

1 the reasonable area which we're located? I don't have
2 that information. I don't know if anyone had the time to
3 even do any research in that particular area. So two
4 weeks is a rather short time, I think, for us to get our
5 act together to respond to a meeting such as this.

6 The other thing that I expressed to Staff, and I
7 understand that the Indiantown Company is not privy to
8 turn over their financial records to the public, I
9 understand that, but I would like to have had an
10 opportunity to look at the profit and loss statements or
11 to at least discuss this to get some idea as to how much
12 the company is saying that they are losing in this
13 particular -- and where they're losing this and how
14 they're losing it and that sort of thing. And we didn't
15 have really time to do that.

16 The next point that I made to Staff this
17 afternoon is that we have a lot of people that live in
18 this community that are not too financially affluent, and
19 we are very cognizant of any undue charges, any undue
20 financial burden upon those folks. And I would ask that
21 you be very sensitive in your decision-making process
22 regarding this particular issue as it affects our people
23 here in Indiantown.

24 So I thank you very, very much for this
25 opportunity to bring our points to you two Commissioners

1 and Staff for your indulgence in listening to me this
2 afternoon and then repeating tonight, and thank you very,
3 very much for being here.

4 MR. WILLIS: Thank you, Mr. Summers.

5 Mr. Haupt. Mr. Haupt and Mr. Adami wanted to go
6 at the same time. They're both with the Indianwood
7 Homeowner's Association, and we met those gentlemen this
8 afternoon, too.

9

10

ED HAUPT

11 appeared as a witness and testified as follows:

12

DIRECT STATEMENT

13

14

15

16

17

18

19

20

21

22

23

24

25

MR. HAUPT: Okay. My name is Ed Haupt,
H-A-U-P-T. I'm the president of the Indianwood
Homeowner's Association here in Indiantown. We met
briefly this afternoon with the Staff. We were explained
to us the procedures on how they come up with rate
schedules. They explained how they investigate and make
the decisions. The PSC explained that a great part of the
increase in the wastewater is due to the DEP, Department
of Environmental Protection, and we had about an hour, I
guess, and it was very informative.

John has a lot of notes here, and I just wanted
to say that as president of Indianwood, which represents
about 38 percent of Indiantown Water Company's customers,

1 we oppose the final rate which we find to be extremely
2 high. At this time, I'll turn the mic over to John Adami.
3 John is a past president of Indianwood Homeowner's
4 Association, and he did a lot of the paperwork for me, and
5 I'll turn that over to him now. John Adami, and it's
6 A-D-A-M-I.

7 - - - - -

8 JOHN ADAMI

9 appeared as a witness and testified as follows:

10 DIRECT STATEMENT

11 MR. ADAMI: Thank you, Eddie. Why don't you
12 stay up here. Again, welcome to Mr. Deason, Commissioner,
13 and Ms. Jaber, Commissioner, Mr. Willis, PSC, and the
14 other PSC members here. Eddie and I really thank you for
15 meeting with us this afternoon for a good hour and
16 answering a lot of questions and listening to our
17 concerns, and we did have quite a few concerns. I will go
18 through my notes, as I went through them this afternoon,
19 and I'll try to synopsise them so it doesn't last an hour.
20 I'm sure Mr. Willis will appreciate that.

21 Several of the items that we talked about
22 included comparables. Mr. Summers mentioned comparables.
23 Comparables in my book are used for justification. You
24 can't take one company out of context and say these rates
25 are good or bad. You have to look at comparables. I'm a

1 retired commercial banker for 40 years, and believe me,
2 for decades we looked at comparables when we were looking
3 at financing industries of various types. The comparables
4 are out there. They are out there; have been there for
5 years. I respectfully ask that this Commission look at
6 comparables when looking at these numbers for
7 justification.

8 I'm concerned particularly about, as Bill
9 mentioned before, about the income, the expenses, the
10 types of expenses, the noncash expenses, the write-offs
11 such as depreciation, good will, how they impact the
12 bottom line, depreciation, I mentioned that, sorry,
13 efficiency ratings. How efficient is this company? How
14 efficient are their employees? How efficient are their
15 assets? And I would ask and I would hope that this
16 Commission looks at all of those and takes them into
17 consideration when reviewing rate request increases.

18 The customer mix, we happen, and Bill mentioned
19 before, we happen to have a large retired community here
20 in Indianwood. Some of us are pretty well off; some of us
21 are not. I can tell you this from experience, there are
22 destitute or near destitute people living in Indianwood
23 who are just scraping by on Social Security and no more.
24 And I fear that any rate increase will hurt them severely.
25 I can tell you from experience, and if you want to come

1 with me some day, I will point houses out to you.

2 The cost of doing business here in Indiantown
3 versus other areas such as Miami and Fort Lauderdale, we
4 are certainly not Miami or Fort Lauderdale, and I would
5 like to ask the Commission to consider that we are
6 Indiantown. Our expenses, I'm sure, are not the same as
7 they are tax-wise or else-wise in Miami and in
8 Fort Lauderdale.

9 The employee efficiency, I know there are
10 various ways of looking at employee efficiencies, how many
11 employees per customer, et cetera, et cetera, for
12 instance. And I would ask that this Commission address
13 that. Facility efficiency, what is the cost, et cetera,
14 and size of the facility based on the customer base that
15 you serve, and other efficiencies that I'm sure you know
16 more about than I do because I'm not an expert in this
17 field.

18 I had asked -- I brought up in the meeting this
19 afternoon that I would like to get a copy of the
20 comparables used. And I know there are industry
21 comparables available, and I would ask that this
22 Commission please use them. I had also asked to look at a
23 copy of the application and financials under the Freedom
24 of Information Act, and I was informed that I can go down
25 to the telephone company and look them up, and anybody

1 else can do that, too. I saw a copy of the package today.
2 It's pretty thick, and it will put you to sleep, I'm sure,
3 but I intend to go down there and look at some numbers.
4 And anybody else who is concerned with looking at numbers
5 I'm sure can go down there, too.

6 I'm asking the Commission to justify the
7 unprecedented and in my terms egregious, which means
8 extraordinary flagrant, percentage increases that are
9 being requested. And I'll cover a couple of them very
10 quickly. In your yellow sheet and in the mailer that came
11 out to customers of the Indiantown Company, there is a
12 customer notice there. And on Page 1 is water service,
13 and Page 2 is wastewater service. On Page 1 referring to
14 water service, the dollar increase from the present rate
15 to the final rate, and that's what I'm using, not the
16 interim rate because I'm concerned with the final rate at
17 this point, the increase in the water service goes from
18 \$7.80 to 12.70, an increase of \$4.90. A 62.82 percent
19 increase in base facility charge. 62.82 percent, I'll
20 repeat that. And it's easy to do that in your head,
21 otherwise use a calculator. It's easy.

22 Referring to the wastewater service, on Page 2,
23 and I'm taking about residential now on the top line
24 there, all meter sizes. There's an increase of \$8.20 per
25 month, the base charge. An increase of 63.467 percent,

1 outrageous. The residential sewer gallonage charges up to
2 6,000 gallons, I recognize that, will be increasing from
3 \$1.91 to \$3.64, a \$1.73, but a 90.576 percent increase in
4 usage charge, also outrageous.

5 I'll get down to the general service in a
6 minute, but I want a couple of more comments to make about
7 the residential. I don't see how Indiantown Company can
8 justify lawn sprinkler usage being included in sewer usage
9 gallonage charges, even though it may be up to 6,000
10 gallons. Many residents go north for six months, a year
11 as the Canadians do, as we all know they have to, and many
12 of us go for shorter periods of time, but we still go on
13 vacation. We have to leave our sprinklers on because if
14 our sprinklers are not left on, our lawns deteriorate.
15 And management will come around if it deteriorates and
16 say, "Either fix it yourself, or we will fix it for you
17 and charge you." So we're between Scylla and Charybdis
18 here. Either we pay that sewer rate for sprinkler water
19 that doesn't go into the sewer, or we have to pay
20 management to repair our lawn and that's unjustifiable, in
21 my judgment. We should be able to turn off in some manner
22 the sewer usage charge when the house is shut down, when
23 people are gone for a substantial period of time, be it, a
24 month, two months, three months, or up to six months.

25 Next, going into general service, which I am

1 told by definition is the business usage, not the
2 residential usage, and we're talking about water service
3 again on Page 1. There is on the lowest pipe, I guess,
4 pipes charge a 62.82 percent increase in fees up to the
5 highest down below a 62.95 percent increase. Either way,
6 that is an unconscionable increase. That increase will be
7 paid by Indianwood Development Corporation where we live
8 and where we pay rent. Guess who's going to pass those
9 charges along to the residents? And they are entitled to
10 do so by Florida Law. They will pass those increases
11 along to all those residents. As I said before, some of
12 those residents are not very well off, and that's going to
13 hurt.

14 Under "General Service" on Page 2, wastewater
15 service, the base. This increase ranges from
16 90.58 percent to 63.612 percent depending on the pipe
17 charge again. Which again will result in a massive
18 pass-along increase in rent to over 500 homeowners in
19 Indianwood. This is unconscionable. We are getting
20 double-dipped here. We pay the residential rate increase,
21 and then we have to pay the pass-along increase to the
22 owner of Indianwood Development. Something is wrong
23 there. Aside from the fact that the percentages are
24 outrageous, something is wrong with that.

25 Under "General Service," wastewater gallonage

1 charges per 1,000 gallons, note that there is no
2 6,000 gallon maximum here. That increase from \$1.91 per
3 thousand gallons to \$2.37 per thousand gallons, I'm sorry,
4 from \$1.91 per thousand gallons to \$4.28 per thousand
5 gallons results in a 124.083 percent increase. If you
6 thought 60 and 80 percent was outrageous, 124-plus is
7 certainly totally outrageous, unacceptable. Again, these
8 charges charged to Indianwood Development will ultimately
9 be passed along to the homeowners. So combining
10 residential and general water and wastewater increases,
11 residents of Indianwood who are retired or on a fixed
12 income and some barely scraping by financially have the
13 potential of seeing both their residential service cost
14 and Indianwood's general service cost dynamically impact
15 their monthly rent cost and ability to survive
16 financially. Therefore, we categorically oppose all of
17 the requested increases and request that the proposed
18 interim rate increases also be denied.

19 We were able to this afternoon obtain the name
20 of Mr. Shreve and his telephone phone who is potential
21 public counsel, state of Florida, for residents who may
22 wish to object to any decisions that are made by the PSC,
23 I believe, and we did receive his telephone number. I
24 hope we don't have to call his number. Eddie, did I miss
25 anything?

1 MR. HAUPT: No.

2 MR. ADAMI: Thank you, Commissioners, and thank
3 you members of the PSC.

4 MR. WILLIS: The next customer is Alex Marinaro.

5 - - - - -

6 ALEX MARINARO

7 appeared as a witness and testified as follows:

8 DIRECT STATEMENT

9 MR. MARINARO: Good evening, Commissioners. My
10 name is Alex Marinaro. I live with my wife Nellie in
11 Indiantown, and we live in the suburb called Indianwood.
12 After listening to these people who preceded me, all of my
13 ammunition has been spent. I have a problem with
14 comparable. We are not living in the middle of the
15 high-rent district. It always surprises me that a company
16 in Seattle with 20,000 employees charges the same for a
17 six-ounce can of beans as one little company with four
18 employees in Florida. So comparable to me is not what I
19 need. What I need to know is how effective they are with
20 their salary scale in this low-cost environment and how
21 well they're doing with that. I'd like to know that.

22 The other thing that really surprises me, on or
23 about May 1st, 1996, the Indiantown Company was required
24 by the Commission to reduce rates and to provide rebates
25 based on the fact that, I guess, the Commission found that

1 their overearnings didn't justify what they were charging
2 and there were rebates. Even with the Environmental
3 Protection Agency, it seems incredible to me that in four
4 years they could have gone from profitability to
5 destitution. Now, I can't believe that the EPA would put
6 somebody out of business. The increases that they have to
7 make in order to stay in business should put and would put
8 most companies out of business. Many companies have
9 folded because of EPA requirements.

10 I was concerned about the lawsuit between the
11 Indianwood Development Corporation and the Indiantown
12 Company regarding water and sewer services. We heard that
13 it occurred. We never got any more information about
14 that. I don't know if the Public Service Commission gets
15 involved in lawsuits between a provider and a consumer,
16 but I think that we, the people of Indiantown, should have
17 this information. What was this lawsuit about? How does
18 it impact us? What does it involve? We don't know, and
19 we should know.

20 I'd like to know whether the heavy consumers of
21 water in the Indiantown area were given prior notification
22 of this proposed increase by the Indiantown Company, and I
23 think you should know that. That's privileged
24 information. I feel personally that the coincidence
25 between it being advised six months ago that the sprinkler

1 water, which I was to receive as no charge as part of the
2 purchase of my home in Indianwood, was terminated and a
3 certain amount of money was given to me in terms of rent
4 reduction to make up for this change. And now, by
5 coincidence, that amount of money that was returned to us
6 is going to be rather insignificant.

7 My last item is an engineering matter which I
8 have no real knowledge of it. I learned about lift
9 stations because I happen to know a person who literally
10 lives on one. Isn't it possible for us to separate in a
11 closed community the charges between wastewater and total
12 water in order to understand how much water is used for
13 sprinkler service in our community? Because it seems to
14 me that if they have a community that's essentially locked
15 in, everything in, everything out goes by one pipe, one
16 pipe in, one pipe out, and they ought to be able to
17 monitor that. The difference is in the ground, and we
18 shouldn't have to pay for that. And I thank you,
19 Commissioners.

20 COMMISSIONER DEASON: I'm sorry. Mr. Marinaro,
21 could I ask you a question, please, sir. You mentioned a
22 lawsuit. Was that between the developer Indianwood or was
23 it --

24 MR. MARINARO: Between the Indianwood
25 Development Corporation and the Indiantown Company.

1 COMMISSIONER DEASON: Do you have a time frame
2 when that suit took place, or is it still pending?

3 MR. MARINARO: I have some information here, and
4 I will provide it for you before I leave. Thank you.

5 COMMISSIONER DEASON: Okay. Mr. Willis says he
6 can explain that, and maybe some other folks in the
7 audience would like some information on that.

8 MR. WILLIS: Let me just try to explain to the
9 best of my knowledge what occurred there. Indianwood and
10 Indiantown Water Company had a dispute over the ownership
11 of the water and wastewater lines in Indianwood. The
12 dispute was over who actually owned those lines.
13 Indianwood thought the utility owned them because they
14 thought they had donated those lines to the utility many
15 years ago. The utility said they had no record over that,
16 and they refused to take the lines because of problems
17 they said existed.

18 Now, there was a lawsuit over the matter, and
19 last year, there was a court ordered mediation on it to
20 see if there could be any resolution between the parties.
21 Now, the staff members of the PSC participated in that
22 mediation, so we have some knowledge of it. And in that
23 mediation, there was a settlement. And part of what you
24 said, Mr. Marinaro, about all of a sudden your water for
25 your free irrigation where you were getting -- you were

1 basically getting free irrigation water, that was part of
2 the mediation settlement because there was no way that the
3 water company could take over the lines in Indianwood
4 unless every source of water was metered, because before
5 that, they had a bulk meter at the inception of the
6 subdivision where all the water was metered from.

7 That's why all of a sudden that happened to you.
8 It really wasn't because of the rate case being filed now.
9 It was because of that mediated settlement over the
10 ownership of the lines, the water and wastewater lines, in
11 Indianwood. If you have any more questions concerning
12 that, we'd be happy to talk to you later, and we'll
13 explain everything we can about it.

14 MR. MARINARO: It sounds like there was a card
15 game, and we weren't dealt any cards then.

16 MR. WILLIS: Thank you. There was one other
17 question I was going to try and answer for you. You
18 talked about metering wastewater, basically. How you
19 could account for the water coming out from a home, and
20 unfortunately, they still haven't gotten technology well
21 enough where you can actually put a meter on a residential
22 house for the small of usage coming out a house. Now,
23 they have industrial, they have commercial meters for very
24 large, large meters. They can meter that, and it's pretty
25 inexpensive. But the cost of a meter for a residential

1 customer is just, they haven't gotten that technology,
2 yet.

3 Did you want to say something else, sir? You
4 need to come forward.

5 MR. MARINARO: I didn't mean individual meters
6 on the home. I meant there's a meter on all the water
7 coming into Indianwood. We can meter all the sewage going
8 out, and the difference is what we use for our lawn.

9 MR. WILLIS: Oh, I see. We already have those
10 figures, too, and I can tell you the sewage coming into
11 the wastewater plant is metered. We don't have the
12 specifics on the sewage coming out of Indianwood, but we
13 know exactly how much wastewater is being treated by the
14 plants. They do know how much water is being pumped and
15 purchased by the customer, so there is a way to tell part
16 of that. And that's the information we always try and
17 obtain. We always obtain that information when we do rate
18 cases and try and set rates.

19 The next person I have is Collin D-A-M-L-I-D-E,
20 I think.

21

22 COLLIN DAMUDE

23 appeared as a witness and testified as follows:

24

DIRECT STATEMENT

25

MR. DAMUDE: The name is Collin, two "Ls,"

FLORIDA PUBLIC SERVICE COMMISSION

1 D-A-M-U-D-E. Now, here's my questions: Why are there no
2 meter reading figures on this last month's bill -- that's
3 April's -- compared to the last times? And two, why are
4 the gallonage used rounded up to the next highest
5 thousand? We are being charged for water we haven't
6 received. Why can't the water company be more precise in
7 their billings? Thank you.

8 MR. WILLIS: Thank you. Let me try and address
9 your first question. The company informed us tonight that
10 they did have a problem with their computer system, and
11 the gallonage used was actually dropped off for this
12 month. It's being corrected, and they told me that they
13 would actually have a listing here tonight for every
14 customer. And if you needed to know what your usage was
15 or you needed to come by the company, they would be more
16 than happy to give you that information either here
17 tonight or you can come by the company. You can call them
18 and get that information for your bill for that month.
19 They will be more than happy to provide it. But that's
20 something we were concerned about, too, when we heard
21 about it this afternoon that that had been dropped off,
22 and we were basically told that that was a computer
23 mistake. It's been corrected. It will be on it next
24 month.

25 MR. DAMUDE: Well, I guess that's about it.

1 Well, only one other thing. I have a problem. They send
2 me a bill, and now, I got a thing here that talks about
3 the water service, or how much it's going to cost you, and
4 the two don't correlate. I take my bill here, and I try
5 to figure it out. What's it, \$7.80? And I come up with
6 6.72. Well, that's all right as far as I'm concerned, but
7 why doesn't it matter up to the amount of thousand gallons
8 that I'm using. What I'm saying is, when I get a bill, I
9 ought to be able to look at it and look at how many
10 gallons I use, and I should have the same figure.

11 MR. WILLIS: Yes, you should. Could I get you
12 to do something for me? Could you, when you get done
13 talking tonight, could you take your bill -- do you have a
14 copy of your bill tonight? Could you take it back to the
15 lady standing right behind you? If you'd raise your hand,
16 Elda. She's right behind you, and if you take your bill
17 back to her, let her look at that bill and see if she can
18 show you the calculations of it and see if there's a
19 problem with it. I'd sure appreciate that.

20 MR. DAMUDE: All right. Thank you very much.

21 MR. WILLIS: Thank you. The next person I have
22 is Arnold Winkler.

23

24 ARNOLD WINKLER

25 appeared as a witness and testified as follows:

FLORIDA PUBLIC SERVICE COMMISSION

DIRECT STATEMENT

1
2 MR. WINKLER: Good evening. My problem is the
3 quality of water in Indianwood. You can take a glass of
4 ice tea and the time you let it settle, you will have
5 sediments on the bottom of that ice tea that you wouldn't
6 believe. The water is not drinkable as far as we're
7 concerned. I would say 50 to 60 percent of the people in
8 Indianwood have water softeners or filtering systems, so
9 the water is able to be used for drinking. And that's my
10 big problem right now. Most of the other problems have
11 been solved.

12 MR. WILLIS: Okay. Could you sort of describe
13 what that sediment looks like?

14 MR. WINKLER: Well, it's hard to describe.
15 Sometimes it's white sediment, and sometimes it's dark
16 particles. Now, I have a water softener in my house for
17 the whole house. I have individual filters for my ice and
18 for my drinking water, and I had to put another filter on
19 the outside of my house so I could take water out of there
20 so I can have it without going through the softener for
21 drinking water for coffee and stuff. It's gotten that
22 bad. And I'm sure you can find that out from many of the
23 people in town.

24 MR. WILLIS: Can you tell us whereabout you live
25 in the development of Indianwood?

1 name. Most of my complaints have been brought up, and I
2 think Bill and John have done a wonderful job. Now, this
3 is personal. Why is it January, February, and March I
4 have the same amount of water and the same amount of
5 sewer, exactly the same? I have not had a meter reading
6 on my bill since January. Can you tell me that I use the
7 same amount of water and the same sewer every month for
8 four months? Is that possible? I don't know. I'm asking
9 you. I have them right here.

10 MR. WILLIS: No, I'm not doubting you have it.
11 It's possible it could happen, but what I'd like to have
12 is somebody look at those. And I'd like to have somebody
13 go to the company and look at the past history, too.

14 MR. JORN: Okay. I have them all right here.
15 Thank you very kindly. Where do I go?

16 MR. WILLIS: Sir, Mr. Jorn, there's a man coming
17 along, Mr. Davis.

18 MR. JORN: Pardon?

19 MR. WILLIS: Mr. Davis is right behind you, and
20 he'll look at those bills for you. There you go.

21 MR. JORN: Okay.

22 MR. WILLIS: The next person I have is
23 Larry Contillo, C-O-N-T-I-L-L-O.

24 - - - - -

25 LARRY CONTILLO

1 appeared as a witness and testified as follows:

2 DIRECT STATEMENT

3 MR. CONTILLO: Thank you, sir, for spelling that
4 correctly, C-O-N-T-I-L-L-O. It's obvious that we're all
5 upset with the percentage of increase proposed by
6 Indiantown Company. Every company has a right to make a
7 profit on their services. I have a question concerning
8 the loss, the operating loss reported for the 12-month
9 test period, which is a 44 percent loss, operating profit
10 loss on water and a 59 percent operating profit loss on
11 wastewater. It was brought up earlier that the EPA
12 required a \$480,000 expense from the company; is that
13 correct?

14 MR. WILLIS: The Department of Environmental
15 Protection, which is the State agency that oversees the
16 environmental end of utility companies, actually required
17 that they upgrade their wastewater plant, which costs
18 about \$480,000, to meet new requirements of the
19 Department. And that basically costs \$480,000 to do that.
20 Now, that goes in as a capital cost of the company which
21 my engineers have reviewed. They have looked at the
22 appropriateness of it. They have looked at the cost that
23 was incurred for it to make sure those costs are in the
24 ballpark of being reasonable costs and not where they have
25 gone in and bought something very expensive and put in.

1 Now, those costs get recovered over a period of time.
2 They are depreciated, and they're recovered over a period
3 of time. They are not a cost that you get hit with in one
4 year.

5 MR. CONTILLO: Okay. But my question, I guess,
6 is: Did they include that as part of their operating loss
7 for the year?

8 MR. WILLIS: For the operating -- for 1999?

9 MR. CONTILLO: Yes.

10 MR. WILLIS: Yes. That would be one of the
11 reasons why they had an operating loss.

12 MR. CONTILLO: Okay. Now -- go ahead.

13 MR. WILLIS: But now, I will let you know that
14 the Commission does not allow a company to recover past
15 losses. That's prohibited by law. It's called
16 retroactive rate making, and we cannot go backwards and
17 allow a utility to recover for loss they have had in the
18 past. If they have been moving along here for five years
19 operating at a loss and they come in to us and request a
20 rate increase, we can only give them an increase going
21 forward to take care of future problems, not past losses.
22 They will just have to incur those and eat those, and
23 that's just life for them.

24 MR. CONTILLO: Yeah, I understand. I
25 understand, but it appears to me that they want to recoup

1 that expense very, very quickly by using the ridiculous
2 rate percentage increase in wastewater and water service.

3 Now, a lot us have been in business. I was in
4 business. You know, if we had a bad year, you know, if we
5 wanted to make a million in profit and we only made
6 500,000, we didn't say, "Well, let's go. Next year, we
7 will just charge them more for what we're doing whether it
8 be a merchandise program or whatever, and then we will
9 recoup that."

10 And what's going to happen with that business?
11 Their customers will go away. They have the opportunity
12 to, and we don't. We can't go away. If they want to get
13 that 480,000 back, they should do it over a period of
14 time, and not hit us with a 60, 80, 100 percent, whatever
15 it is, increase profit, or in rates.

16 Everything else has been talked about, you know.
17 And here's another thing. I just took my monthly bill for
18 this month. It's \$38.62. I used 6,000 gallons of water;
19 6,000 of wastewater. I live by myself. I take one shower
20 a day, flush the toilet for sure once a day, and maybe two
21 or three other times. And I've seen comparisons with a
22 couple, two people living in a home that take two showers,
23 probably, at least twice for sure a day, the toilet. I
24 don't know that they're reading the meters correctly, and
25 I certainly don't know how they are determining that I use

1 you.

2 MR. WILLIS: Thank you very much. Ed Kauffman,
3 K-A-U-F-F-M-A-N.

4

5

ED KAUFFMAN

6 appeared as a witness and testified as follows:

7

DIRECT STATEMENT

8 MR. KAUFFMAN: Yeah, I'm Ed Kauffman. Most of
9 the items I had already in my mind were answered, and I
10 want to thank you each one for being here and listening to
11 all of this. I implore on each one of you to really
12 listen and pay attention to these previous speakers. All
13 of these percentages and increases, they are so excessive
14 and exorbitant. What happened to the days when everything
15 was predicated on CPI increases? We don't seem to have
16 anything anywhere near any CPI increase with all of these
17 big rates that are coming out.

18 And most of us in Indianwood are very jealous
19 about our yards. We try to keep the community neat and
20 decent and green grass and everything growing, and we use
21 a lot of wastewater, I mean, we use a lot of sprinkler
22 irrigation. It does not go into wastewater. There's an
23 awful lot of it. I know I try to hold down on it to hold
24 down on the water rates, but I hate to have the yard
25 suffer for lack of water usage when we should be

1 irrigating. We should irrigate more than what we really
2 do. So please pay attention to what these other people
3 said. All these rates, these increases just seem so
4 exorbitant. If you asked anybody in this room, I don't
5 think anybody would disagree that they are not.

6 MR. WILLIS: Harold Schutte, S-C-H-U-T-T-E.
7 Mr. Schutte?

8 UNIDENTIFIED SPEAKER: He left.

9 MR. WILLIS: Thank you. Nancy and William
10 Loveland, L-O-V-E-L-A-N-D.

11 - - - - -

12 NANCY LOVELAND

13 appeared as a witness and testified as follows:

14 DIRECT STATEMENT

15 MS. LOVELAND: Just a small comment to make to
16 you because John Adami and most of the other people have
17 covered or addressed most of my questions. As I said,
18 it's an average of a 66 percent increase. Both my husband
19 and I are on retirement. Our increases in our pensions
20 were just over 2 percent, so I was wondering if Indiantown
21 Company will take that 2 percent increase and wait for the
22 other 64.

23 MR. WILLIS: Richard Brooks, Mr. Brooks.

24 - - - - -

25 RICHARD BROOKS

1 appeared as a witness and testified as follows:

2 DIRECT STATEMENT

3 MR. BROOKS: Hi, my name is Richard Brooks,
4 B-R-O-O-K-S. I want to thank all of you for being here,
5 and thank you for coming and listening to us, and I do ask
6 you to please heed what we're saying. I think there's
7 pretty much a consensus here that everyone is here --
8 everyone here is not here because they hate Indiantown
9 Company. They are here because of their pocketbook. I
10 personally don't drink the Indiantown water. I buy my
11 water elsewhere. I usually drink the distilled water
12 because I don't like the taste of Indiantown water. I do
13 water my yard and my plants, and my cats drink the water.

14 We have zeroscape (phonetic) in our yard, so I
15 don't have any sprinkler system that I use, but I do water
16 my plants once in a while. But they're all native plants,
17 so I don't really have to water them as much as, I guess,
18 some people in Indianwood have to.

19 My situation is this: I've had problems with my
20 water meter, also, and that is, one time I'll have -- if
21 you're using 6,000 gallons, you're using way too much,
22 because my wife and I together only use about 3,000
23 gallons a month. But I have had a bill with about
24 32,000 gallons on there, and I don't know where that came
25 from. So I go to Indiantown Company to complain about it,

1 and they say, "Well, you must have a water leak."

2 Well, I have 32,000 gallons used in July and
3 August, and the next month it's back down to 3,000 gallons
4 again. So I don't know if that's the case. So, anyway,
5 my recommendation is that you delay your decision on the
6 interim rates until we can meet again. I think we should
7 have another meeting when more information is available to
8 us.

9 As to our utility, while we can sympathize with
10 Indiantown Company, they are in business and must bear the
11 consequences of their efficiency and expertise, just like
12 you have to if you are in business or we have to if we
13 were in business. Having said that, I've lost my place,
14 one of the reasons that many of us are concerned, I
15 believe, is because we have no other option or services to
16 go to. When I first moved to Indiantown in 1994, I went
17 to Indiantown Company to get a meter. And I was, like, on
18 the last -- I was the second to the last guy on the meter
19 in my neighborhood. And they said, "Well, it's going to
20 cost you over \$3,000 to hookup."

21 Well, I'm looking here at this paper here, it
22 says \$15 to hook up, but it cost me over \$3,000 to hook up
23 to the Indiantown Water Company, and I thought it was
24 outrageous. If there had been another water company in
25 town that was competitive, I darn sure would have gone

1 over there.

2 I know that other companies that -- if Penney's
3 or Sears or anywhere else you might shop went up
4 64 percent on their goods, you'd darn sure go somewhere
5 else. I think most of us are going to Wal-Mart now
6 because of their increases. Anyway, I did shop around to
7 try and get me a water well or something else to -- for my
8 property, and it was very difficult to do that. And I had
9 some comparable prices, so I said, "Well, what the heck.
10 I'll just go ahead and hook up to the city water because
11 my house will be probably -- you know, it will help the
12 appreciation of my home." So I went ahead and got hooked
13 up to the city -- but I am on septic. And I don't know if
14 we're paying for wastewater while we're on septic or not.
15 Is that something that --

16 MR. WILLIS: No, you would not.

17 MR. BROOKS: We would not be.

18 MR. WILLIS: If you own a septic tank, you would
19 not be paying for wastewater.

20 MR. BROOKS: Okay. But anyway, the rate
21 increases do not reflect a company, I think, that is
22 managing their business very well. If any other business
23 were a trade -- I already went into that. But with the
24 utility company, you have to pay; you have to do what they
25 say. If they have the rate increase, you just have to pay

1 it. You can't go anywhere else. So I would like to say
2 that if you would just please consider or reconsider your
3 finding and give us another chance to meet before you make
4 a decision on interim rates so that we can see what
5 happens after that. Okay. Thank you.

6 MR. WILLIS: Thank you.

7 COMMISSIONER DEASON: Sir, can I ask you a
8 question? You paid \$3,000 to hook up. That was to hook
9 up to the water system?

10 MR. BROOKS: Yes.

11 COMMISSIONER DEASON: I just want to ask our
12 Staff to make sure that we have -- I assume it's probably
13 in the audit or will be audited -- all the company's
14 collections of CIAC to make sure that we have a complete
15 record of that.

16 MR. BROOKS: And this was in 1994.

17 COMMISSIONER DEASON: Okay. Thank you, sir.

18 MS. GERVASI: If I may just mention very
19 quickly, Mr. Brooks, you described a problem where your
20 water usage increased mysteriously in just one month. On
21 the front of the Special Report on they very first page,
22 bottom right under PSC Staff and reference numbers, you'll
23 see a toll free number. That's our division of consumer
24 affairs. Those are the kinds of complaints that you can
25 call the Commission about, and we can look into that kind

1 of thing and try to help you come upon a resolution and
2 contact the utility about those types of matters.

3 MR. BROOKS: Thank you.

4 MR. WILLIS: The next person I have is
5 Barbara Dowling, I believe, D-A-W-L-I-N-G.

6

7 BARBARA DOWLING

8 appeared as a witness and testified as follows:

9

DIRECT STATEMENT

10 Ms. DOWLING: D-O-W-L-I-N-G. Hi, I'm glad to be
11 here tonight. I just have a concern about -- I live in
12 Booker Park, and I have a concern about the senior
13 citizens that live there. A lot of them really cannot
14 afford this water rate. And like some of the other guys
15 say, we don't even drink the water. We have to buy the
16 water. And the problem that we are having is that they
17 really can't afford this 68 rate. Mostly everything else
18 everybody has covered. Thank you for listening to our
19 conversation.

20 MR. WILLIS: Thank you very much.

21 Thelma Waters, W-A-T-E-R-S.

22

23 THELMA WATERS

24 appeared as a witness and testified as follows:

25

DIRECT STATEMENT

FLORIDA PUBLIC SERVICE COMMISSION

1 MS. WATERS: I will take the opportunity at this
2 time to hold my question. I've had my question answered
3 several times. So I will not ask my question at this
4 time.

5 MR. WILLIS: Thank you, Ms. Waters.

6 MS. WATERS: Thank you.

7 MR. WILLIS: Richard Elwell, E-L-W-E-L-L.

8 - - - - -

9 RICHARD ELWELL

10 appeared as a witness and testified as follows:

11 DIRECT STATEMENT

12 MR. ELWELL: I fall in the same category. I'd
13 like to thank the Commission for meeting tonight. My
14 question has been answered, also.

15 MR. WILLIS: Thank you, sir. Tomasita Corral,
16 C-O-R-R-A-L.

17 - - - - -

18 TOMASITA CORRAL

19 appeared as a witness and testified as follows:

20 DIRECT STATEMENT

21 MS. CORRAL: I'm so short. I hope you all can
22 hear me.

23 MR. WILLIS: You can pull that down. It should
24 come right down.

25 MS. CORRAL: Okay. My only concern is, all

1 these notices that were sent out were in English, and
2 that's why a lot of the parents that I work with are not
3 here. And I know a lot of the families in Indiantown
4 would be here if they knew what the problem was, because I
5 had a lot of the parents that I work with come to me and
6 say, "What is this? Read it to me, and let me know what
7 it is."

8 And then I explained it to them what it was, you
9 know, that they were trying to raise the water rates. And
10 they said, "But how can they? It's already too expensive.
11 We can't afford it."

12 I said, "Well, you need to show up to this town
13 meeting." And they said, "Well, we can't do it. It's too
14 early." I mean, 6:00 for those parents that are working
15 in Palm Beach, Boynton Beach, Lake Worth, I mean, to get
16 back here at 6:00 and be here for this meeting is
17 ridiculous. So that's one of my concerns, that it needs
18 to be in Spanish, not just in English, because they do
19 not -- some of them do not even read, and they have to
20 come to people like us that know English and Spanish that
21 can translate for them. Thank you.

22 MR. WILLIS: Can I ask you question?

23 MS. CORRAL: Yes.

24 MR. WILLIS: When you get notices from the
25 company for any particular thing, outages or anything they

1 are trying to send you in the mail, do they send that both
2 in English and in Spanish?

3 MS. CORRAL: No, this is, like, for instance --

4 MR. WILLIS: For any information you get from
5 the company. Have they in the past sent you anything?

6 MS. CORRAL: Sometimes it's been in Spanish,
7 some stuff, but this particular thing was not in Spanish.
8 It was just in English.

9 MR. WILLIS: Thank you. I appreciate that.

10 MS. CORRAL: Thank you. One more thing. You
11 also need somebody to translate --

12 MR. WILLIS: I need you to come forward. We
13 can't hear you. I'm sorry.

14 MS. CORRAL: Like Sister Teresa saying she is
15 here to translate, but what if we had a big group of
16 people?

17 MR. WILLIS: Yes. We asked Sister Teresa to be
18 here tonight to help translate. We also have one of our
19 Staff members who is very fluent in Spanish, also,
20 Ms. Gervasi over here, and she was also here to help
21 translate.

22 MS. CORRAL: Okay. Thank you.

23 MR. WILLIS: Ladies and gentlemen, that's the
24 last customer I had signed up to talk, but that doesn't
25 mean you can't come forward. If there is anybody else who

1 has some comments that they would like to get out tonight,
2 if you will just raise your hands, we will have you come
3 forward one at a time. Sir, if you will come forward and
4 give your name and spell your last name, please, for the
5 court reporter, and then go ahead and give your comments.

6 - - - - -

7 MAYNARD YOUNG

8 appeared as a witness and testified as follows:

9 DIRECT STATEMENT

10 THE WITNESS: My name is Young, Y-O-U-N-G,
11 Maynard Young, Y-O-U-N-G. The only thing I want to say
12 is, and I didn't realize this, I've been here ten years in
13 Indianwood. It seems we all use 6,000 gallons of water
14 every damn month. And I can't understand why we all use
15 the same amount of water every month, all of us.

16 MR. WILLIS: Let me just indicate to you all
17 that we are going to be looking into that particular
18 problem. We have heard a lot tonight about 6,000 gallons
19 a month every month, and we're going to be looking at that
20 exact thing to make sure the meters are being read, and
21 the meters are being read accurately. So that's something
22 we're definitely going to look into after tonight.

23 UNIDENTIFIED SPEAKER: Also, are they
24 calibrated? Do they have a calibration number?

25 MR. WILLIS: Let me -- someone from the

FLORIDA PUBLIC SERVICE COMMISSION

DIRECT STATEMENT

1
2 MR. McNALLY: I guess one thing that bothers me
3 besides a rate increase, I know every company has to make
4 a profit. That's their reason for being in business, but
5 I see the rates going down or being eliminated for the
6 county and local businesses. And so I interpret that as
7 us citizens of Indiantown are being asked to subsidize the
8 businesses so that their costs can go down and be
9 eliminated and subsidize costs to the county, which in
10 effect is a type of a hidden tax. I think I probably
11 wouldn't be so upset if I saw the rates going up right
12 across the board.

13 MR. WILLIS: If I could just respond to that.
14 If you look at the notice that was sent to you or the
15 yellow sheet tonight --

16 MR. McNALLY: Well, no, I have the earlier one
17 that came in the mail.

18 MR. WILLIS: It should contain exactly the same
19 thing. Where it says, "General Service," those are your
20 commercial governmental establishments. That's the rate
21 they have to pay for water service, and you'll see the
22 same for wastewater service, and their rates are also
23 going up.

24 MR. McNALLY: Yes, but --

25 MR. WILLIS: But the request is for their rates

1 to go up, also.

2 UNIDENTIFIED SPEAKER: Doesn't it down in here
3 say, "None," under the column that says, "Proposed."

4 MR. WILLIS: Let me explain what the gentleman
5 has just pointed out to me. On the very bottom of the
6 schedule that talks about water rates, it talks about
7 public fire protection. Public fire protection is the
8 cost being charged to the City to pay for the upkeep of
9 the fire hydrants. The fire hydrants that are out there
10 all over Indiantown to basically -- for fire trucks to
11 hook up to and put out fires when there are those in the
12 City limits. The fire hydrants are all over the place,
13 and apparently what the company is requesting here is that
14 the charge to the City be eliminated at that point.
15 That's what that's all about that the gentleman pointed
16 out. And we are going to review that charge. I have
17 another hand in the audience. If you will, come forward
18 and give your name, and spell your last name, please.

19

- - - - -

20

RICHARD COX

21 appeared as a witness and testified as follows:

22

DIRECT STATEMENT

23

24

25

MR. COX: Richard Cox, C-O-X. My meter is out
at the curb, like all of them are at Indianwood, and the
meter that they read from my house is under the -- when

1 you lift the plate up, you have to look under the concrete
2 holder to read it and that thing stays green most of the
3 year. So nobody is reading it, because you'd have to wipe
4 it off to read the numbers. The Commission might check
5 into how many water meter readers they have in Indiantown
6 because I have seen one in the nine years I'm in
7 Indianwood. Thank you.

8 MR. WILLIS: Sir, Mr. Cox, could I get your
9 address?

10 MR. COX: 16127 Southwest Indianwood Circle.

11 MR. WILLIS: Thank you. I'm going to have an
12 engineer come by just to look at the meter and see what
13 that green stuff is on it and check it out. He'll
14 probably be by tomorrow morning. Thank you. Ladies and
15 gentlemen, that's the last -- I have one more hand over
16 here. If you'd like to come forward and give your name,
17 and spell your last name, please.

18

MARY NELSON

19
20 appeared as a witness and testified as follows:

21 DIRECT STATEMENT

22 MS. NELSON: My name is Mary Nelson,
23 N-E-L-S-O-N. I'm concerned about the water treatment.
24 Like the gentleman from Indianwood was saying, you get a
25 glass of water and you put ice in it and if you let it set

1 for a few minutes, you have all kinds of white particles
2 in the bottom of the glass. First of all, what in the
3 world are they treating this water with that this water
4 has this kind of stuff in it?

5 MR. WILLIS: Let me explain that to you with two
6 answers. One, normally the white particles that you see
7 in water is calcium being settled out. That's what a
8 normal white particle would be in water, and calcium is
9 something found all over the state of Florida. Also, back
10 in November of last year, October, November, every utility
11 whether it was either a municipal utility, a private
12 utility, a county utility had to give everyone of its
13 customers something called a consumer confidence report.
14 And in that consumer confidence report, it basically is a
15 laboratory test of their water that lists everything
16 that's in your water.

17 Now, if you don't think you got one of those or
18 you'd like to see one, you can go by the utility and
19 request one, and they will give you a copy of exactly the
20 laboratory results of everything that's in your water. So
21 you'll know what's in your water, because you should know
22 what is in your water.

23 MS. NELSON: Well, I would like to know.

24 MR. WILLIS: All you have to do is go by the
25 company and request one of those, and it will tell you

1 exactly what's in the water.

2 MS. NELSON: Okay. Thank you.

3 MR. WILLIS: Sure. I have one more hand. You'd
4 like to come back forward, Mr. Adami?

5 - - - - -

6 JOHN ADAMI

7 reappeared as a witness and testified as follows:

8 DIRECT STATEMENT

9 MR. ADAMI: John Adami, just regarding the water
10 quality, I'll make one quick comment. You are correct
11 that you can go to the Indiantown Company and get water
12 quality analysis reports. I went down to them back a
13 couple of weeks ago because I was concerned about my water
14 quality, and I received water quality reports going back
15 over one year. This is dated 4 of '99, March of '99,
16 February of '99, January of '99, November of '99, December
17 of '99, January of this year, I guess it was in February
18 that I must have gone down there.

19 There are two different types of reports. One
20 concerning coliform, and the other concerning all the
21 possible chemicals that they have to test for. I can tell
22 you that I was very pleased with the quality of the water.
23 I mentioned this this afternoon, and I didn't want to
24 bring it up tonight because I figured some people might
25 disagree with that. And you can go to the Indiantown

1 Company and request these. They will give them to you. I
2 had no problem getting them at all, and ask them for
3 definitions of what they mean, because I didn't understand
4 them. I'm not a technician; I'm not an engineer. And I
5 was very happily satisfied with the definitions. You can
6 get them.

7 Regarding the hard water sediment, I had it,
8 also, and I was able to find a filter for our drinking
9 water only that we now keep in our refrigerator. You'll
10 have to ask my wife what it is, because I don't know what
11 it is. We no longer have that sediment in our ice cubes.
12 We used to before we put that filter in, by the way, and
13 it's hard water, quite frankly. That's all.

14 MR. WILLIS: Is there anyone else who has any
15 comments that they would like to come forward? I have a
16 lady over here. Give your last name and spell it, please.

17 - - - - -

18 DEBBIE RABENER

19 appeared as a witness and testified as follows:

20 DIRECT STATEMENT

21 MS. RABENER: My name is Debbie Rabener, that's
22 R-A-B-E-N-E-R, and just as a result of the hard water
23 sediment, at least once a year, sometimes twice a year, my
24 husband has to take a day off of work because we no longer
25 have hot water. The sediment buildup in the hot water

1 tank, and if you don't know enough to be able to -- he has
2 a little system he has where he sucks out all that
3 sediment and takes him really all day. And it happens at
4 least twice a year that we have to go through this.

5 You also say there's a buildup of calcium. He
6 recently had kidney stones. How is it affecting our
7 health? And I don't know how many other people here in
8 town have had kidney stones, and could that be a result of
9 the high calcium in our water?

10 MR. WILLIS: Thank you. Is there anyone else
11 who would like to come forward? Well, if not, I'd like to
12 again remind you that if you would like a copy of Staff's
13 proposed recommendation and a copy of the order when the
14 Commissioners render their decision in this case, we have
15 Staff in the back of the room that have these white sheets
16 where you can put your name and address down. If you do
17 that, we would really appreciate it if you share it with
18 your friends and neighbors, because there's no way we can
19 send out thousands of these copies. So we ask for a few
20 to come up and share these with meetings or take it around
21 to their neighbors and show them exactly what's happening
22 here.

23 If you'd like to do that, we'd ask that you go
24 back to the back of the room and sign up to receive that
25 proposed recommendation and the order.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

COUNTY OF LEON)

I, TRICIA DeMARTE, Official FPSC Commission Reporter, do hereby certify that the Customer Meeting in Docket No. 990939-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..

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 18TH DAY OF APRIL, 2000.

Tricia DeMarte

TRICIA DeMARTE
FPSC Official Commission Reporter
(850) 413-6736