

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. 100330-WS

APPLICATION FOR INCREASE IN
WATER/WASTEWATER RATES IN ALACHUA,
BREVARD, DESOTO, HARDEE, HIGHLANDS,
LAKE, LEE, MARION, ORANGE, PALM
BEACH, PASCO, POLK, PUTNAM, SEMINOLE,
SUMTER, VOLUSIA, AND WASHINGTON
COUNTIES BY AQUA UTILITIES
FLORIDA, INC.

_____ /

PROCEEDINGS: SEBRING SERVICE HEARING

COMMISSIONERS
PARTICIPATING: COMMISSIONER LISA POLAK EDGAR
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Wednesday, August 31, 2011

TIME: Commenced at 10:00 a.m.
Concluded at 12:21 p.m.

PLACE: Highlands County Administration
Building
Board Chambers, Room B104
600 South Commerce Avenue
Sebring, Florida 33870

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER-DATE
06554 SEP 13 =
FLORIDA PUBLIC SERVICE COMMISSION
FPSC-COMMISSION CLERK

1 APPEARANCES:

2 D. BRUCE MAY, JR., ESQUIRE, and GIGI ROLLINI,
3 ESQUIRE, Holland & Knight LLP, Post Office Drawer 810,
4 Tallahassee, Florida 32302-0810, appearing on behalf of
5 Aqua Utilities Florida, Inc.

6 J. R. KELLY, PUBLIC COUNSEL, and PATRICIA
7 CHRISTENSEN, ESQUIRE, Office of Public Counsel, c/o The
8 Florida Legislature, 111 W. Madison Street, Room 812,
9 Tallahassee, Florida 32399-1400, appearing on behalf of
10 the Citizens of the State of Florida.

11 CAROLINE KLANCKE, ESQUIRE, FPSC General
12 Counsel's Office, 2540 Shumard Oak Boulevard,
13 Tallahassee, Florida 32399-0850, appearing on behalf of
14 the Florida Public Service Commission Staff.
15
16
17
18
19
20
21
22
23
24
25

I N D E X

WITNESSES

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

NAME:	PAGE NO.
CHARLES TANNER	24
MARY KOLOZE	30
DARYLE COOK	34
MATTIE DANIELS	38
JAMES BROWN	42
PETER MACERI	51
DAVID BUSSEY	59
WILLIAM SILLS	73
BERYLL HANSEN	75
TAMRA MATHY	81
KATHY MADDEN	87

EXHIBITS

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

NUMBER:

ID.

ADMTD.

6 Refund Check Number 401772

10

7 Petition of Mr. Tanner

29

P R O C E E D I N G S

1
2 **COMMISSIONER EDGAR:** Good morning.

3 Okay, we're all awake now. (Laughter.)

4 Good morning. My name is Lisa Edgar, and I'm
5 a Commissioner with the Florida Public Service
6 Commission. I'm going to officially call this customer
7 service hearing to order. We are purposefully running a
8 few minutes behind. It's a little warm in here. We
9 have asked them to make some adjustments to the air. I
10 know it's warm up here, so it probably is where you're
11 sitting. Just work with us a little bit. We are very,
12 very appreciative of the opportunity to use this
13 facility, but we will all feel a little more comfortable
14 when the air gets going a little bit.

15 We have some preliminary matters, some
16 official things that we need to go ahead and take care
17 of, and then we will move into the customer portion of
18 this proceeding. That is what we are here for is to
19 hear from each of you. I hope that you have all signed
20 up on the sheets that are right outside at the door
21 before you came in, and we'll talk about that again here
22 in just a few moments, so let me run through a couple of
23 things. First off, I need to start by asking our staff
24 to read the notice, please.

25 **MS. KLANCKE:** By notice, this time and place

1 has been set for a customer service hearing in Docket
2 Number 100330-WS, application for increase in water and
3 wastewater rates by Aqua Utilities Florida, Inc.

4 **COMMISSIONER EDGAR:** Thank you. And let's go
5 ahead and take appearances of counsel of record.

6 **MR. MAY:** Thank you, Commissioners.

7 My name is Bruce May. I'm with the law firm
8 of Holland and Knight representing Aqua Utilities
9 Florida in this proceeding. To my right is Mr. Rick
10 Fox. Mr. Fox is the President of Aqua Utilities
11 Florida. And at the appropriate time, he is prepared to
12 make some very brief opening remarks. I would like to
13 bring to the Chair's attention, I have one preliminary
14 matter that I would like to talk about.

15 **COMMISSIONER EDGAR:** Mr. May, let me do a few
16 more things and then we will be glad to take that up.

17 **MR. MAY:** Very good. Thank you.

18 **COMMISSIONER EDGAR:** Thank you.

19 Ms. Christensen.

20 **MS. CHRISTENSEN:** My name is Patty
21 Christensen. I'm with the Office of Public Counsel, and
22 with me today J.R. Kelly, our Public Counsel, and he
23 will also briefly give some opening remarks when the
24 time is appropriate.

25 **COMMISSIONER EDGAR:** Thank you.

1 **MS. KLANCKE:** Caroline Klancke, Commission
2 staff.

3 **COMMISSIONER EDGAR:** Thank you. And also up
4 here at the front with me to the further right are
5 members of our staff of the Public Service Commission
6 who can help if we have questions. Also, we have staff
7 in the back helping with the sign-up sheets. And to my
8 left is my colleague, Commissioner Brown. Would you
9 like to introduce yourself?

10 **COMMISSIONER BROWN:** Good morning, and thank
11 you all for coming. I'm looking forward to hearing your
12 comments today.

13 **COMMISSIONER EDGAR:** Thank you.

14 And also we do have another one of our colleagues
15 who will be joining us, Commissioner Eduardo Balbis. He
16 was driving down Tallahassee, and my understanding is
17 that there was an accident somewhere on the road and
18 that put him a little behind schedule. So he will be
19 joining us shortly and we will recognize him at that
20 time.

21 A few more opening comments. This is a part
22 of the official record of the technical evidentiary
23 hearing that this Commission will be holding later this
24 year. As such, all of our comments are being
25 transcribed described by the court reporter, who is

1 right down here.

2 When we call you forward, there will be the
3 opportunity for any of the Commissioners or for the
4 parties to ask questions, so I will ask that after you
5 have shared your comments with us, that you stay for
6 just a moment to see if we have any questions for you.

7 We will also ask that when you come forward
8 that you tell us your name, of course, and please spell
9 your last name. Sometimes it's hard for us to get the
10 spelling right, and also if you could please tell us
11 your address, as well. That is very helpful to us and
12 to our staff as we try to follow up on all of the
13 comments that you have shared with us.

14 When we get to that point here shortly, I will
15 ask Ms. Christensen representing the Office of Public
16 Counsel to use the sign-in sheets to call your names and
17 then we will ask that you come forward to the podium.

18 As I said, this is an official proceeding and
19 we are keeping a record and a transcript of it, but we
20 also are kind of informal, so please feel comfortable.
21 We look forward to hearing from you here in just a few
22 moments.

23 Before we go to opening statements, let's go
24 ahead and see if we do have any preliminary matters.

25 And, Mr. May, I understand that you do.

1 **MR. MAY:** Yes, ma'am. At the customer hearing
2 on Monday at Greenacres, there was a discussion about
3 whether Aqua had issued a check to Customer Eleanor
4 Cummings covering a leak adjustment refund in the amount
5 of \$431.

6 I do have a late-filed exhibit, which is a
7 copy of the refund check dated February 3rd, 2011, to
8 Ms. Cummings from Aqua in the amount of \$431. This
9 check was signed and cashed, and I would ask that the
10 check be identified for the record as Exhibit Number 6.
11 I have distributed the --

12 **COMMISSIONER EDGAR:** That's okay. I do have a
13 copy in front of me, and I do understand that copies
14 have been provided to all other interested parties and
15 to our court reporter. So as you have requested, we
16 will mark this as Number 6.

17 I'm not going to consider it late-filed, since
18 we have not admitted identified exhibits yet into the
19 record as we discussed previously. My understanding is
20 we will take that up at the beginning of the technical
21 portion of the hearing later, but we will identify this
22 as Exhibit Number 6, proffered by Aqua. And,
23 Ms. Klancke, would you suggest a title for me?

24 **MS. KLANCKE:** How is the check number? Check
25 Number 401772.

1 **MR. MAY:** We would ask that it be titled for
2 clarity refund check.

3 **COMMISSIONER EDGAR:** Refund check? That works
4 for me.

5 (Exhibit 6 marked for identification.)

6 **MR. MAY:** And I did want to bring the
7 Commission's attention to the fact that Mr. Stacey
8 Barnes with Aqua will be contacting Ms. Cummings today
9 following up on that issue.

10 **COMMISSIONER EDGAR:** Thank you. As we had
11 requested at the last proceeding. Okay. Any other
12 items, Mr. May, before we move forward?

13 **MR. MAY:** No, Commissioner.

14 **COMMISSIONER EDGAR:** Thank you.

15 Ms. Christensen, anything before we move on?

16 **MS. CHRISTENSEN:** No. I have no preliminary
17 matters.

18 **COMMISSIONER EDGAR:** Thank you.

19 And, Ms. Klancke?

20 **MS. KLANCKE:** No additional matters at this
21 time.

22 **COMMISSIONER EDGAR:** Okay. Then I think what
23 I'd like to go ahead and do is move to opening
24 statements. As I mentioned, we have a few things that
25 we needed to take care of. The representatives for Aqua

1 Utilities would like to make a brief statement, give an
2 overview to all of you, and then we will also hear from
3 the Office of Public Counsel, and then we will move on
4 from there.

5 You're welcome to turn that however you want.

6 **MR. FOX:** Great. Thank you.

7 Good morning. My name is Rick Fox, and I'm
8 the President of Aqua Utilities Florida. Before I
9 begin, we have some AUF employees here that will be
10 available to answer any service issues that customers
11 may have. I would like to introduce them.

12 Mr. Harry Householder, he's the Manager of
13 Operation Statewide in Florida. Mr. Stacey Barnes is in
14 the back. He is the Customer Field Service Manager for
15 Florida. Tricia Williams is our head environmental
16 engineer. And also Mr. Stan Epperly in the back. He is
17 the Area Coordinator for Southern Florida. Some of
18 these employees have computer access and can go into
19 your account and address any issues that you might have.
20 So please feel free to contact any of these folks at
21 your convenience.

22 Commissioners, I would like to thank you for
23 the opportunity to speak briefly to our customers in
24 Highlands and Hardee County. But, more importantly,
25 thank you for giving us a chance to listen to our

1 customers and to hear what they have to say. At the end
2 of the day we are a service company, and we value all
3 input on the services that we provide.

4 We know there is never a good time to ask for
5 an increase in rates. No one wants to pay more for
6 water, or for electricity, or for anything else for that
7 matter. Yet we also know that everybody wants and needs
8 and demands reliable water service. That comes with a
9 cost and that's why we are here today.

10 Our rate case is fundamentally driven by the
11 cost of the improvements that we have made to our
12 utility systems. I would like to take just a minute and
13 go over some of those improvements. Over the past three
14 years, Aqua has spent over \$11 million on capital
15 projects to comply with environmental regulations as
16 well as to improve water and wastewater service,
17 quality, and reliability for our customers. These
18 projects include things such as rehabilitating and
19 replacing water and wastewater infrastructure, replacing
20 tanks, upgrading electrical systems, replacing pumps and
21 meters, and adding new interconnections.

22 For all of our systems in Hardee and Highlands
23 County we have listened closely to our customers and
24 have made a number of upgrades. Specifically, at Lake
25 Josephine we constructed a new water treatment plant

1 along with a ground storage tank and a standby
2 generator. We also interconnected the Sebring Lake and
3 Lake Josephine water system to improve pressure and
4 water quality.

5 At our Peace River water system, we recently
6 received a permit from the Florida Department of
7 Environmental Protection to construct a new ion exchange
8 unit to treat the naturally occurring gross alpha
9 activity. We expect to break ground in November of
10 2011, and the system should be operational no later than
11 March 2012.

12 With respect to our wastewater systems, we
13 have replaced and upgraded collect lines, rehabilitated
14 lift stations, replaced lift station pumps, again, all
15 to maintain and improve reliable service. For example,
16 at our Peace River wastewater treatment plant we have
17 designed and permitted new head works, flow equalization
18 and digestive tanks.

19 We have also listened to our customers who
20 have raised questions concerning the aesthetic water
21 quality issues, such as clarity, taste, and odor. In
22 that regard, we have been proactive in addressing the
23 secondary water quality issues at Sebring Lakes, Lake
24 Josephine, and Leisure Lakes. These systems have long
25 experienced aesthetic water quality issues long before

1 Aqua acquired them. I'm proud to say that Aqua is doing
2 something about this issue.

3 We have moved forward with the installation of
4 new sulfur removal treatment systems. The Sebring Lakes
5 and Lake Josephine facilities should be operational by
6 December of 2011. The Leisure Lakes facility will be
7 completed shortly thereafter. While these new treatment
8 systems are being designed, we have installed critical
9 valves and a comprehensive water flushing program to
10 address some of the sulfur odor issues. This flushing
11 program was designed in strict accordance with AWWA
12 standards.

13 Last year, in June and then again in
14 September, we met with representatives of Sebring Lakes,
15 Lake Josephine, and Leisure Lakes to discuss these water
16 quality improvements. At the time, we discussed the
17 AdEdge treatment testimony, which is designed to remove
18 hydrogen sulfide from the water supply. At our meeting
19 in September, we discussed the impact that the AdEdge
20 systems would have on rates. These new AdEdge systems
21 have been built, and the DEP construction permits for
22 the Sebring lakes and Lake Josephine systems were issued
23 on August 19th, 2011. We expect to receive the Leisure
24 Lakes permits soon.

25 The Leisure Lakes permitting is taking a

1 longer because DEP is requiring us to design and install
2 an additional storage tank as part of the project. The
3 installation of these new treatment systems should
4 dramatically improve the taste and odor of the water.
5 It will also allow us to lower the level of chlorine in
6 the water.

7 We understand that you, as customers, expect
8 water and wastewater to be reliable, reasonably priced,
9 and provided in an environmentally sound manner. I want
10 you to know we are committed to meeting that
11 expectation. As outlined in our filings, the vast
12 majority of the costs that drive this rate case are
13 directly related to these infrastructure improvements
14 which I have described.

15 Our company continuously monitors and takes
16 aggressive measures to control our costs. However, the
17 cost of system improvements that we have made can no
18 longer be absorbed by the company without an increase.
19 I know some of you want to speak and we are here to
20 listen, so I just want to thank you for coming and
21 taking time out of your day to be here. I look forward
22 to hearing what you have to say, and I will be available
23 after the hearing to answer any questions that you may
24 have.

25 Thank you.

1 **COMMISSIONER EDGAR:** Thank you.

2 Ms. Christensen. Mr. Kelly, please come
3 forward.

4 **MR. KELLY:** Thank you, Madam Chair.

5 Good morning, folks. I'll be brief in my
6 remarks. My name is J.R. Kelly. I'm with the Office of
7 Public Counsel along with Patty Christensen up here. We
8 represent you, the ratepayers. We are not part of the
9 Public Service Commission; we are funded separately, and
10 we work for the Florida Legislature on your behalf.

11 We are here today because our office appealed
12 the \$2.61 million rate increase that the Public Service
13 Commission had granted a couple of months ago. We do
14 not believe that that rate increase is justified based
15 upon the evidence that we are going to show at the
16 hearing that we'll start on November 29th.

17 Some of the issues that we are going to be
18 arguing on your behalf are, one, we do not believe the
19 overall quality of service is satisfactory. Moreover,
20 we believe it is unsatisfactory on an overall basis. We
21 believe when the evidence shows that it is
22 unsatisfactory, that that should result in a lower rate
23 of return that's granted and approved for this company.

24 We object to certain what are considered pro
25 forma plant additions that would go into Aqua's rate

1 base. And what that basically means is when something
2 goes into the rate base, they are allowed to earn a fair
3 and reasonable rate of return on those investments.

4 There are certain things that we do not believe are
5 justified and should go into that particular rate base.

6 We are going to argue that certain assets they
7 have are not what are considered 100 percent used and
8 useful. And that term of art basically means this:
9 You, as a ratepayer, should not have to pay for
10 something that is not 100 percent used by and useful for
11 you, the ratepayer. We believe Aqua has overstated
12 their test year revenues. And the test year revenues,
13 folks, are what they are -- that goes into the
14 calculation of how much rate you will pay to them. We
15 believe they have overstated their revenues due to
16 certain things, such as weather, some billing errors,
17 and other economic conditions that we will be prepared
18 to prove at the administrative hearing.

19 One of the big issues here that we object to
20 is the level of costs and charges that they are
21 allocating to their parent company in Pennsylvania.
22 These are called affiliated charges and costs. And what
23 I mean by that is those are costs that you pay for as a
24 ratepayer that flow up to Pennsylvania to their
25 affiliates. We believe they are grossly overstated, and

1 we will be prepared to present evidence and testimony on
2 your behalf in that regard, also.

3 Two more issues. We believe the amount of
4 rate case expense that they are asking for is
5 unreasonable. And, in general terms, we believe the
6 affordability of the rates that would be generated by
7 the rate increase that they have asked for is not
8 affordable to you, the ratepayers.

9 We have engaged expert witnesses that will be
10 testifying on your behalf in several areas, and they are
11 currently poring through voluminous documents, and we
12 have issued discovery to the company, and so we are
13 waiting for responses back, and we will continue to do
14 that and develop our testimony evidence on your behalf.

15 Now, why are we here today? We are here today
16 because this is a great opportunity, folks, for the
17 Commissioners to hear you. Please, please take
18 advantage of this opportunity. I spoke to several of
19 you a little while ago. Please come up to the podium
20 and speak. You don't have to be an eloquent speaker.
21 You don't have to be a great orator. All you have to do
22 is come up here and speak from your heart.

23 And a couple of things I ask is just be
24 truthful. Be truthful. Share your opinion about this
25 potential rate increase and how it is going to effect

1 you with the Commission. If you can't, or do not wish
2 to testify today, or if you have friends that couldn't
3 be here today, there are some forms out, and Chairman
4 Edgar will speak of that later on, but please make sure
5 that your friends and family members that can't be here
6 today get those forms so they can submit their comments,
7 either via e-mail or mail them in. But it is so
8 important, folks. I cannot express to you how important
9 it is that the Commission hear from you.

10 Speak to quality of service, if you wish. How
11 it is today, how it has been in the past. The impact of
12 the rate increase to you, how it will effect you. The
13 affordability aspect of this, and how it is going to
14 effect your lifestyle and the way you live. And also
15 the impact of the rate increase to your community. How
16 has their service affected the value of your homes, if
17 any, and the impact it has upon your community. But I
18 can't urge you enough to please come up, share your
19 thoughts. These folks up here are not monsters. They
20 want to hear from you, trust me. So please come up and
21 share your comments. And if you have questions, either
22 myself or Patty will be more than happy to try to answer
23 all of those also. But, again, thank you so much for
24 being here.

25 **COMMISSIONER EDGAR:** Thank you, Mr. Kelly.

1 I'm trying to decide if not being a monster is
2 a compliment or not. Okay. To reiterate just a few
3 things. Your Public Counsel, Mr. Kelly, mentioned these
4 blue sheets. They look like this. They are at the
5 front. I hope each of you have an opportunity to grab
6 one. They have some useful overview information about
7 the Commission, what we do, what our statutory is, and
8 also some overview information about the case that is
9 before us.

10 Also, as Mr. Kelly mentioned, on the last page
11 there's an opportunity that you can write down some
12 comments. I hope, we hope that each of you will take
13 advantage of this opportunity to come and speak to us
14 directly, but if for some reason you would like to add
15 something or feel more comfortable doing that in
16 writing, you can use this sheet.

17 Also, on the back it is self-addressed. If
18 you have friends, or neighbors, or family members who
19 were not able to be here today, we certainly understand
20 that. This is another mechanism. Grab a bunch, pass
21 them out. They can write down their comments and just
22 put a stamp on it and mail it, and that will become a
23 part of the record of this case, as well. This is also
24 available on our website and could be downloaded,
25 printed out, and you could mail it to us that way. So

1 that is another way that we are hoping to get customer
2 input as we go through the course of this proceeding.

3 Because this is a part of the official record
4 of this docket, we will swear you in. We will do that
5 as a group here in just a moment. And as I mentioned
6 before, there will be the opportunity for the
7 Commissioners, Public Counsel, or for Mr. May on behalf
8 of the company to ask you a question if something comes
9 up from the comments that you share with us.

10 After Ms. Christensen calls your name, if you
11 would come forward to the podium. I believe the mike is
12 already on, but we will make sure of that, and tell us
13 your name, spell it, please tell us your address. And
14 then also my understanding is that there are four Aqua
15 Utility systems in this general area, the
16 Hardee/Highlands County area, Peace River, Lake
17 Josephine, Sebring Lakes, and Leisure Lakes. If you
18 know which system is providing service to you, please
19 share that with us, as well. That's very good
20 information. I know that the area parties appreciate
21 that, as well.

22 Ms. Klancke, is there anything else that we
23 need to cover?

24 **MS. KLANCKE:** Not at this time.

25 **COMMISSIONER EDGAR:** Okay. Then what I would

1 like to do is just take about a two-minute break while
2 we switch gears. We are going to check on the air a
3 little bit. I'm starting to feel a little cooler.
4 Please do not go anywhere. Just give us just two to
5 three minutes.

6 Before we do that, though, I would also like
7 to thank Mr. Larry Ford and recognize him. Mr. Ford, if
8 you would, let me see you. Mr. Ford is here
9 representing Senator Jay Alexander from this area, and
10 please convey our thanks to the Senator for his
11 interest.

12 Okay. We are going to go off the record for
13 about three minutes, take a very, very quick stretch.
14 Do not go away, and then we will get started.

15 (Off the record.)

16 **COMMISSIONER EDGAR:** Okay. We are going to go
17 back on the record and get started again. Thank you all
18 for your patience. I think it's cooling off just a
19 little bit. So at this point what I'm going to do is
20 ask everybody that has signed in to speak to us, and we
21 are hoping that is everybody, if you will stand with me
22 altogether as a group and raise your right hand.

23 (Witnesses sworn.)

24 **COMMISSIONER EDGAR:** Thank you. Be seated.

25 Ms. Christensen.

1 **MS. CHRISTENSEN:** The first customer that we
2 have signed up to speak is Charles Tanner.

3 **CHARLES TANNER**

4 appeared as a witness and, swearing to tell the truth,
5 testified as follows:

6 **DIRECT STATEMENT**

7 **MR. TANNER:** My name is Charles Tanner. I
8 live in Breeze Hill in Lake Wales, Polk County. I'm
9 sorry if I'm a little nervous, but I thank you,
10 Commissioners, for letting me talk.

11 **COMMISSIONER EDGAR:** There is no reason to be
12 nervous. Just take your time.

13 **MR. TANNER:** And I hope when I finish that
14 Aqua doesn't turn my water off. These people are very
15 serious. Now, I just made a note when he was talking.
16 They said they spent \$11 million on maintenance. I
17 don't know, I'm not a mathematician, but they have an
18 income approaching one billion dollars, and their market
19 right now, the shares are running about 22 bucks.
20 That's not bad. It's very good. It's good investment,
21 by the way. Because of these rate increases, it's going
22 to go through the roof.

23 **UNIDENTIFIED SPEAKER:** Talk in the mike.

24 **COMMISSIONER EDGAR:** Mr. Tanner, I'm sorry,
25 we're having a little difficulty hearing you. So if you

1 get a little closer to the microphone that would help
2 us.

3 **MR. TANNER:** Okay.

4 **COMMISSIONER EDGAR:** Okay. Thank you.

5 **MR. TANNER:** Where was I? Okay. They have
6 2.8 million customers in 14 states. One of the states
7 where they have a large program is in Texas. Texas
8 right now and in the past has suffered a lot of
9 droughts. Of course, Aqua sees significant higher costs
10 of supplying water to Texas customers. They have no
11 problem getting an increase from small communities like
12 mine to offset their costs in other areas. You know, I
13 just thought, it just came to me before when the
14 gentleman was talking. I'm going to go back and find
15 out how the Public Service Commission in Texas handles
16 the rate increases in Texas. Because if we are paying
17 for those extra expenses down here in our little
18 community of about 100 homes, I'm going to be even more
19 upset.

20 And by the way, I have a petition which I am
21 going to read from which was signed by many of our
22 neighbors, which they made copies. Richard made a copy
23 of it, and I was told to hand it over to somebody when I
24 came up.

25 **COMMISSIONER EDGAR:** Yes.

1 **MR. TANNER:** Okay. When I finish I'll bring
2 it up.

3 **COMMISSIONER EDGAR:** Yes, please.

4 **MR. TANNER:** Well, let's see. I will start
5 with something like this. Oh, by the way, half of our
6 park is snowbirds, and that's why we only have a few
7 people here. And all of your meetings are going to be
8 held while the snowbirds are up north.

9 Okay. I don't know if that means anything or
10 not. But I want to read. I'm a widower recently, just
11 recently. My wife passed away about a year and a half
12 ago. Back in November 2010, I went back -- I only have
13 bills back for about a year. I used 3,300 gallons of
14 water -- I had company then -- and my bill was \$54.65.
15 I thought that was outrageous, okay? 3,300 gallons of
16 water. That was back in November 2010. June 2011, I
17 used 1,700 gallons of water. My bill was 85.55. You
18 know, I really don't have to go any further, but I am.

19 This is the petition that my neighbors signed.
20 Some were in the park, others I e-mailed it to and they
21 signed it and returned it by mail to me.

22 This is a letter to the Public Service
23 Commissioners. We Floridians, thousands of us, along
24 with the state's winter residents, appeal to the PSC
25 Commissioners to join Florida's county commissioners,

1 state senators, and legislators in our effort to fight
2 any rate increase request considered for Aqua Utilities.
3 The utility takes advantage of small communities
4 throughout the state by charging outrageously high
5 rates.

6 Aqua's rates, which have quadrupled over the
7 last few years, are a drag on homeowners and on
8 Florida's economy. To continue to allow these increases
9 is unconceivable. Homes are being sold at low prices by
10 winter residents because of the high water and sewer
11 rates wherever the utility operates. This further adds
12 to the depression of Florida's home prices. The utility
13 owns the highest amount of complaints for service and
14 quality in the state.

15 The PSC is responsible to protect those who
16 signed this petition. We deserve that you, the
17 Commissioners, examine every problem that we present to
18 you. The folks under this oppressive utility are tired
19 of the utility's routine, asking for a rate they know
20 the PSC will cut in half. Aqua will be happy in the
21 long run with what they get. This smoke and mirrors
22 game must end.

23 And I have three letters from the Public
24 Service Commission telling me how they requested
25 4 million, we gave them 2 million. That's all they

1 wanted. Everybody is a hero.

2 Anyway. The right thing is for the PSC to do
3 is to make comparisons to the state's other utilities
4 and require Aqua to back off on its current rates, and
5 adjust their rates to be in line with other utilities in
6 Florida. Now, this or something like it was also
7 presented by, I forget who, to the Governor last week,
8 okay.

9 Thank you very much. That's it.

10 **COMMISSIONER EDGAR:** Thank you, Mr. Tanner.

11 Are there questions for Mr. Tanner?

12 **MR. MAY:** No, Commissioner.

13 **COMMISSIONER EDGAR:** Okay. Mr. Tanner, if you
14 could give that document, the petition, and --

15 **MR. TANNER:** They have -- excuse me, they made
16 copies. Dick made copies.

17 **COMMISSIONER EDGAR:** Yes. We will make sure
18 that everybody has a copy. Ms. Klancke, we will mark
19 that as Exhibit Number 7.

20 **MS. KLANCKE:** Petition of Mr. Tanner.

21 **COMMISSIONER EDGAR:** So marked. I have that
22 proffered by OPC on Mr. Tanner's behalf. All right.
23 Thank you very much.

24 (Exhibit 7 marked for identification.)

25 **COMMISSIONER EDGAR:** Ms. Christensen.

1 **MS. CHRISTENSEN:** The next customer that we
2 have signed up to speak is Mary Phyllis Koloze.

3 **COMMISSIONER EDGAR:** I'll have to ask you to
4 spell that for you for our benefit.

5 **MS. KOLOZE:** K-O-L-O-Z-E, just like it sounds.

6 **COMMISSIONER EDGAR:** I would not have guessed
7 it right.

8 **MARY PHYLLIS KOLOZE**

9 appeared as a witness and, swearing to tell the truth,
10 testified as follows:

11 **DIRECT STATEMENT**

12 **MS. KOLOZE:** I'm Mary Phyllis Koloze. I live
13 at 8574 Breeze Hill Drive in Lake Wales. I'm 81. I'm a
14 widow and live alone. Now, my husband was living when
15 they first took over, and my first bill was \$1,500. I
16 questioned their billing. It took several months before
17 that ever got resolved. And I have very seldom -- no, I
18 haven't had a bill -- most of them run around \$90 a
19 month, and I'm on a limited income.

20 In October of '09, I don't remember what the
21 bill was, I just remember they had me using
22 2,300 gallons of water. Last October, in 2010, I got
23 the same exact bill for \$2,300. I questioned their
24 billing, and I cannot afford the high rates at all,
25 because my income is strictly very limited. And I thank

1 you for our time. I know you hear tales of woe, but my
2 electric bill has gone way down, but by water bill
3 continues to be quite high. Thank you.

4 **COMMISSIONER EDGAR:** Ms. Koloze, do you
5 know -- the meter at your property for your --

6 **MS. KOLOZE:** Oh, I have them out reading,
7 checking. I go out and read my own meter and keep
8 checking, and there's nothing wrong. And I have had a
9 licensed plumber look at it and checking my water bills,
10 and he said there is something wrong. But Aqua says no,
11 no, no.

12 **COMMISSIONER BROWN:** Ms. Koloze, I have a
13 question about the first bill you received. You said
14 that was \$1,500 and it took several months --

15 **MS. KOLOZE:** To get it straightened out.

16 **COMMISSIONER BROWN:** How many months was that,
17 do you remember?

18 **MS. KOLOZE:** I'm thinking maybe three or four.

19 **COMMISSIONER BROWN:** And what was the ultimate
20 resolution, was it --

21 **MS. KOLOZE:** Well, I didn't pay the \$1,500,
22 but I ended up, I think, having -- goodness, you're
23 talking to an old lady.

24 **COMMISSIONER BROWN:** No pressure.

25 **MS. KOLOZE:** I'm thinking that I had several

1 months of over \$100 that I had to pay.

2 **COMMISSIONER BROWN:** Was it a result of --

3 **MS. KOLOZE:** Evening out. You know, from the
4 time they took it over until we got it resolved, and
5 they, you know -- what do you call it when you even
6 things out each month.

7 **COMMISSIONER BROWN:** Thank you. And the
8 \$2,300 bill --

9 **MS. KOLOZE:** It wasn't a \$2,300. Usage, water
10 usage of 2,300 gallons.

11 **COMMISSIONER BROWN:** Okay. Thank you.

12 **MS. KOLOZE:** Living alone. I filled my
13 swimming pool you understand every day. I don't have a
14 pool.

15 **COMMISSIONER EDGAR:** If you could hold on.
16 Mr. May, I think, has a question for you, as well.

17 **MR. MAY:** Ms. Koloze, I'm Bruce May
18 representing Aqua today, and I want to thank you for
19 coming. We are going to be following up on your
20 testimony and filing a brief response, and I want to
21 make sure we have all the information correct in our
22 file. I'm not trying to put you on the spot. I'm just
23 trying to get some basic information so that we can go
24 back and try to respond to your concerns.

25 So in that respect, you mentioned that you had

1 a high bill, the first bill of \$1,500. Can you tell me
2 the month and the year of the bill you're referring to?

3 **MS. KOLOZE:** Oh, goodness. Whatever year it
4 was that Aqua came into the park, it was the first
5 month's billing. It was in the fall, I think, that I
6 got the bill. Do you guys remember what year they came
7 in?

8 **UNIDENTIFIED SPEAKER:** It was the first year
9 that Aqua was handling our water and sewer.

10 **MS. KOLOZE:** Yes, the first year whatever it
11 was.

12 **MR. MAY:** Okay.

13 **COMMISSIONER EDGAR:** I'm sorry. Ms. Koloze,
14 can you tell me -- and you may have already done so,
15 which system it is? Are you in Hardee County or
16 Highlands County?

17 **MS. KOLOZE:** Polk County.

18 **COMMISSIONER EDGAR:** Polk County, okay.

19 **MS. KOLOZE:** Uh-huh, Breeze Hill. It's a
20 small park. Charlie is in the park.

21 **COMMISSIONER EDGAR:** Okay.

22 Mr. May.

23 **MR. MAY:** Just a couple of follow-up
24 questions, ma'am. When you got the \$1,500 bill, you
25 contacted Aqua --

1 **MS. KOLOZE:** Immediately.

2 **MR. MAY:** Did you call Aqua?

3 **MS. KOLOZE:** Yes. And the lady that I worked
4 with, and she was here -- she was in Florida, and she
5 was very nice, and very gracious, but it took a long
6 time before we got it resolved. I think the second bill
7 was \$1,200. We finally worked it out, but I did have
8 some big bills.

9 **MR. MAY:** Ma'am, I really appreciate you
10 coming forward today. I know it's hard to get out, and
11 my client appreciates your comments and we have listened
12 very closely to them. Thank you.

13 **COMMISSIONER EDGAR:** Thank you.

14 **MS. CHRISTENSEN:** The next customer we have
15 signed up to speak is Daryle Cook.

16 **DARYLE COOK**

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 **DIRECT STATEMENT**

20 **MS. COOK:** Good morning. My name is Daryle
21 Cook, and I live at 690 Chamberlain Boulevard, Wauchula,
22 Florida, the Peace River system.

23 I'm here this morning because it's very
24 upsetting that Aqua is asking for an increase in their
25 rates. I don't use that much water, but every month

1 regardless I use the wastewater or not, my bill will be
2 \$53. My usage that I use on water is running from \$9 to
3 \$12. My sewer is running from \$16 to, like, \$27, and
4 I'm trying to figure out how the sewer is higher than
5 the water. Because if I'm not using that much water,
6 why is the sewer so high? But every time I call and
7 ask, it's always a different answer.

8 So here for the last couple of weeks, or
9 actually a month, my water be smelling like sulfur
10 water, so I called several times. The last time I
11 called, I can't remember the young lady's name, she told
12 me unfortunately there wasn't nothing they can do.

13 So the other day I seen the man that comes
14 around to read the meter, and I was telling him about
15 it. He said he never got a work order to come check my
16 water. And right in the front of my yard at the end of
17 my yard is one of the sewer tanks, wherever it supposed
18 to be going, where they come check or whatever. And so
19 he was telling me that Aqua is in the process of doing
20 something, some filter thing at our water system. But
21 he said he can't tell me when it's going to take place.
22 And I told him, I said, well, if you want to you can
23 come in my house and turn on the water and you can spell
24 it for yourself. But he couldn't do that because that
25 would be, you know, against the policy. But I did

1 invite him in my house to smell the water for hisself.
2 I said I don't have to stand there and tell you no lie
3 about the water.

4 And so I called several of my neighbors. Some
5 of them said it does and then some of them got the
6 filters on their water they purchased theyselves. But I'm
7 not able to purchase, because I'm retired. I'm disabled
8 retired. And I was retired in 2008, and it just -- it
9 is just outrageous that they want to go up on their
10 rates again. And people is barely making it. And the
11 reason why there is not so many people here from Hardee
12 County is because most everybody working this morning.
13 The people that do have a job is working. I tried, I
14 went around telling people about the meeting this
15 morning, but some had to work, some had other things to
16 do, and some of them just say, well, they going to do
17 what they want to anyway, so why go. You know, that's
18 the attitude they got now, you know.

19 So thank you for hearing me.

20 **COMMISSIONER EDGAR:** Thank you. Any questions
21 for Ms. Cook?

22 **MS. COOK:** Yes.

23 **COMMISSIONER BROWN:** Ms. Cook, could you --

24 **MS. COOK:** Sorry.

25 **COMMISSIONER EDGAR:** That's okay.

1 **COMMISSIONER BROWN:** Actually -- thank you.
2 Madam Chair, this is a question for Mr. May. Can you
3 please identify the project that she referencing and the
4 estimated date for completion.

5 **MR. MAY:** I'm not sure what project she's
6 referencing, but there is the gross alpha particle
7 removal project. It's a AdEdge system that is being --
8 I'm sorry, it's not AdEdge, but it is a treatment system
9 that's designed to address the gross alpha particle,
10 which is a naturally occurring substance. That's in the
11 permitting stage, and it should be operational in --
12 expected to break ground in November of this year, and
13 it should be operational -- well, assuming that
14 construction proceeds as is planned, around March of
15 2012.

16 **COMMISSIONER BROWN:** Thank you.

17 Ms. Cook, do you have anything to add on that?

18 **MS. COOK:** Yes. You say it should be finished
19 in 2012, but the Public Service Commission made their
20 final decision in December of this year. So if they
21 vote for them or against them, either way the system
22 wouldn't be done until 2012, so we still got to deal
23 with this problem about the water.

24 **COMMISSIONER EDGAR:** Thank you.

25 **MS. CHRISTENSEN:** The next customer we have

1 signed up to speak is Mattie Daniels.

2 **MATTIE DANIELS**

3 appeared as a witness and, swearing to tell the truth,
4 testified as follows:

5 **DIRECT STATEMENT**

6 **MS. DANIELS:** That's me. Give me a few
7 minutes.

8 **MR. MAY:** Madam Chair.

9 **COMMISSIONER EDGAR:** Yes, Mr. May.

10 **MR. MAY:** I don't want the record to be -- I
11 think I misspoke. I said was an AdEdge system. It's an
12 ion exchange system, which is designed to address the
13 gross alpha particles which should address some of the
14 sulfur issues in the water. We would also add that --
15 we will put this in our response, but we have a applied
16 and received a permit from DEP, and we are moving
17 forward with that permit.

18 **COMMISSIONER EDGAR:** Thank you.

19 **MS. DANIELS:** Good morning. My name is Mattie
20 Daniels, and I live at 689 Sally Place, Wauchula, on
21 Peace River Heights. My first question is this. My
22 first remark rather, is this. This is two days of
23 Kool-aid that's used from Aqua water. This is what we
24 are putting in our body and on our body, and it's
25 ridiculous. We pay to contaminate ourself.

1 Another thing, I have not been as sick until I
2 moved here in Wauchula. They tell me to have my water
3 tested to see if it's affecting my medication. I can't
4 afford it. To the point of do I make my house payment,
5 do I make my electric payment, or do I pay Aqua. I told
6 Aqua in Wauchula -- I flat refused. They are not going
7 to rob me. And that's what they are doing. On the real
8 deal, anybody can go to some of our homes and spend 24
9 hours, you guys would see what we are enduring. It's
10 terrible, and yet they want to keep going up.

11 This paper says they haven't had a rate
12 increase since 2009. That's a lie. They had a rate
13 increase last year. Hardee County offered to buy the
14 system in Wauchula. They wanted to sell. They agreed
15 to buy. So what happened? They upped the price so high
16 until they couldn't afford it. They don't want to sell.

17 And another thing, they didn't put the money
18 in Hardee County that they saying they did. That system
19 is right down the street from where I live. I used to
20 go walk, but I can't walk there now. But, nevertheless,
21 if they going to do it, do it honestly.

22 I called Aqua and told them they had a leak,
23 that I didn't want to pay for it. They assured me I
24 wouldn't. But what happened? I called, and my water
25 bill went up. Now, that's not fair. And I can't

1 understand -- the bank don't even do this. The bank
2 give you not year-by-year-by-year before they increase,
3 like these people are doing. If everybody would have
4 listened to me, they couldn't have gotten nothing from
5 Hardee County. But it's terrible.

6 And just like Bill Nelson said, Aqua got
7 money. They don't have to do what they're doing. There
8 is -- they are playing Robin Hood, but we are not the
9 rich ones, they are. We should be taking them. But if
10 they can live with themselves, sobeit. But I wanted you
11 guys to see this pitcher. And, like I say, I'm on some
12 heck of a medication, and if I could get it tested I
13 would. But when I brought this up in Wauchula, they
14 said, well, go have it tested. Give me the money. I'm
15 on a fixed income just like that lady was. I haven't
16 worked since '07. I have been disabled way before then.
17 But if it boils down to my house payment, my electric,
18 or Aqua, Aqua getting behind. And if they come and cut
19 my water off, I grant you I'm going to turn it back on.

20 **COMMISSIONER EDGAR:** Thank you, Ms. Daniels.

21 Are there any questions for Ms. Daniels?

22 **MR. MAY:** I just have one question.

23 Ms. Daniels, again, thank you for coming out. In the
24 audience is Ms. Tricia Williams, and if you would like
25 she would be glad to talk with you about some of the

1 water quality testing the company has done for the
2 system. Tricia is right behind you. She is here to
3 answer any questions you have with respect to that
4 issue. Thank you, again.

5 **MS. DANIELS:** What about the radiation? You
6 talk about the alpha whatever that is --

7 **MR. MAY:** Gross alpha, yes, ma'am.

8 **MS. DANIELS:** Well, what about the radiation
9 we are over there consuming?

10 **MR. MAY:** She will talk to you that, and she
11 will talk to you about the system that we are permitting
12 through DEP to address that and the sulfur issue.

13 **MS. DANIELS:** What about the citation you guys
14 got, those guys got? See, I do a little bit of
15 computerizing, too.

16 **MR. MAY:** Yes, ma'am. Again, she is here to
17 help, and she is here to listen. So if you would like
18 to take us up on that offer, she's here. Thank you.

19 **COMMISSIONER EDGAR:** Thank you, Ms. Daniels.

20 **MS. DANIELS:** I don't know what good I just
21 did, but sobeit. I spoke my mind.

22 **COMMISSIONER EDGAR:** And I'm glad you did.
23 Thank you.

24 Ms. Christensen.

25 **MS. CHRISTENSEN:** The next customer we have

1 signed up to speak is James R. Brown.

2 **JAMES R. BROWN**

3 appeared as a witness and, swearing to tell the truth,
4 testified as follows:

5 **DIRECT STATEMENT**

6 **MR. BROWN:** My name is James R. Brown. I live
7 at 8674 Breeze Hill Drive, Lake Wales, Florida, the
8 community of Breeze Hill.

9 Following up with Mr. Tanner, my colleague
10 over there, his little speech. I can assure you that
11 there is no nepotism involved. I am not a family member
12 of Julie up there.

13 First off, I did not plan to address this, but
14 I am a former real estate broker. Up until January of
15 this year I was in real estate, and I did a lot of
16 business in Breeze Hill, of course. One of the things
17 that we are facing there with this situation is the
18 declining home values. Now, we all know what is
19 happening in the marketplace these days, and that the
20 situation is pretty bad, pretty dire as far as the home
21 prices are concerned.

22 One of the things that becomes involved here,
23 in our community particularly, which is only 120 homes,
24 is when you have water rates that are so sky high or
25 they are reaching that point, it is discouraging for

1 people to come in and want to buy. We have already got
2 a declining market, and now we are facing this
3 situation. And I would like to just use Aqua's own
4 figures here. I have some of my own, but we have gone
5 from -- according to this rate here, the average bill in
6 Breeze Hill has now gone from \$73.79 monthly -- which
7 mine has never been that low -- from \$73.79 a month to
8 \$151.38. Now, when the gentleman, the president of Aqua
9 here was making his comments, he indicated at the end of
10 his little discussion that he wanted to provide service
11 at a reasonable price. Well, sir, I don't consider that
12 a reasonable price.

13 Now, in addition to that, one of the things
14 that was mentioned is the snowbirds. We have very few
15 people that signed these petitions, primarily because
16 most of our folks, 60 percent I think, are snowbirds. I
17 would like to recommend that in the future you folks
18 consider that. You are holding your meetings when the
19 great majority of Floridians are not here. You know,
20 Florida is a snowbird state. So when you're holding
21 these sessions in the middle of summer, you're not
22 getting a true input from the people. So by omission
23 you are leaving them out. So that's not fair.

24 And also, I would also suggest to you that
25 your venue be somewhat more centralized. In this

1 particular case, Sebring was great for me, okay? But a
2 place like Lakeland or somewhere more central to the
3 areas would be much better for us to participate in, and
4 you will get a much more truer feeling as to what's
5 going on.

6 One of the things that Mary Koloze mentioned
7 over there, I am on the board of directors of the Retail
8 Homeowners Association. I have been a director off an
9 on for years. I had 96 real estate closings in that
10 community over the last 12 or 14 years, and as such I
11 guess I have somewhat become like a Godfather. So when
12 Mary Koloze was having her problems, she came to me and
13 asked me what did I think.

14 Well, of course, I could not understand why
15 these things were happening. I went up and I personally
16 checked her meter readings, and so forth, and so on, and
17 she was getting ridiculously high bills up in the \$2,000
18 range. And she was asked how long this went on. This
19 went on for four to five months. And I was directly
20 involved in reconciliation of the problem. I worked
21 with -- I dug into it to find out where I should go and
22 who I should talk to, and I ran across Mr. Carl Smith,
23 who is one of their managers, I think up by Leesburg.
24 And Carl and I had some discussions back and forth, back
25 and forth, but it took a long time to resolve the issue.

1 To the point where I invited Carl and his entourage down
2 to our community to hold a meeting at our clubhouse to
3 discuss this, because it had gotten -- Mary was not the
4 only one. She was not the only one that was running
5 into this problem. People were getting billed \$1,000,
6 \$1,500. I mean, it was just terrible.

7 I personally spoke to people in Pennsylvania
8 on their behalf at that time. But anyhow the issue was
9 finally resolved, but it did take four to five months to
10 resolve that issue. I don't know what the -- it was
11 strictly a billing issue. I remember there was numbers,
12 there was digital numbers. There was a digit misplaced
13 in the billing in Pennsylvania, whatever. So anyhow I
14 thought I would kind of clarify that on her behalf.

15 To finalize what I have to say, I just think
16 that it's time that the Public Service Commission really
17 take a look at what's going on in the state of Florida.
18 The senior citizens, the activity, the business activity
19 that is going down. Our Governor, I think, is trying to
20 do something about that. But you are coming along and
21 you are issuing rate increases to these folks, and I'm
22 not saying that -- you know, I was a businessman myself
23 for many, many years, and I know what profit/loss is. I
24 know when you have to make adjustments. The only thing
25 is that I think needs to be done is you need to

1 seriously, seriously consider what is the real, real
2 adjustment that needs to be made here.

3 You have heard from some of those folks they
4 are retirees. I am a retiree. And it reaches a point
5 where do you eat or do you drink water. So, you know,
6 it becomes a very, very serious issue. So on that note
7 I will end it. Thank you.

8 **COMMISSIONER EDGAR:** Mr. Brown, I think you
9 told us at the beginning, but which system?

10 **MR. BROWN:** I'm sorry, where are you?

11 **COMMISSIONER EDGAR:** That's okay.

12 **MR. BROWN:** Keep talking, I'll find you.

13 **COMMISSIONER EDGAR:** Which water system are
14 you on?

15 **MR. BROWN:** Breeze Hill.

16 **COMMISSIONER EDGAR:** And just a couple of
17 points to respond. I do want to point out that this is
18 listed in the blue pamphlet, but we are having a
19 customer hearing very, very, very similar to this in
20 Lakeland in October. It's October 12th, and that may be
21 more convenient for other customers in your area.

22 **MR. BROWN:** I am sure it will be, and I'm sure
23 it will bring some snowbirds in at that time, also.
24 That's good.

25 **COMMISSIONER EDGAR:** Help us spread the word,

1 please. Aqua does have systems in different places
2 across the state, and that's one of the reasons that we
3 are holding this type of proceeding in a variety of
4 locations to try to find a place that is convenient for
5 most.

6 Also, I want to point out your comment about
7 many of the residents maybe not being here at this time
8 of year -- you used the term snowbird, we generally use
9 the term seasonal residents. I think we are talking
10 about the same thing, and that is something that we
11 struggle with. That is one of the reasons that we try
12 to have the ability to e-mail and mail in comments and
13 other things.

14 I would just share that we have certain
15 timelines, statutory requirements that we have to meet
16 such that we can't necessarily delay things six or nine
17 months for a time that would maybe have more of those
18 seasonal residents here. But it is something that we
19 recognize and certainly try to reach out and would
20 appreciate everybody's help in getting that word out.

21 Any questions for Mr. Brown? Mr. May.

22 **MR. MAY:** Just a couple.

23 Mr. Brown, again, thank you for coming out.
24 And as I mentioned to Ms. Koloze, I'm not trying to put
25 you on the spot. We are trying to gather as much

1 accurate information as we can so that we can try to
2 respond to your concerns.

3 You had mentioned a blue pamphlet that was
4 distributed that had some projected rates set forth
5 therein. Are you aware that the rates that were
6 projected in this blue sheet assume the usage of 7,000
7 gallons per month?

8 **MR. BROWN:** That they were assuming 7,000
9 gallons?

10 **MR. MAY:** Yes, sir.

11 **MR. BROWN:** No, but that's about what I use.

12 **MR. MAY:** Is that about your usage?

13 **MR. BROWN:** That's about my usage, yes. I can
14 go even further and go into more detail with the
15 proposed agency action rates here. My water bill, based
16 on the proposed agency action rates, goes from \$2.70,
17 which was the rate prior to filing, and it goes up
18 230 percent. And if I go over that, into the -- that's
19 up to 6,000 gallons. When I exceed that, then it goes
20 up 344 percent. So the numbers, the numbers all fall
21 into place. But basically what it comes down to, if
22 this is on 7,000 gallons of water, still \$73 to 151? I
23 don't consider that reasonable.

24 **MR. MAY:** And that's water and wastewater,
25 correct?

1 **MR. BROWN:** That's water and wastewater,
2 that's right.

3 **MR. MAY:** And also, do you know what the
4 average usage of water is for the Breeze Hill community?

5 **MR. BROWN:** I would venture somewhere in the
6 neighborhood of four to 5,000 gallons.

7 **MR. MAY:** Would you be surprised if it's
8 around 2,100 gallons?

9 **MR. BROWN:** Not at this particular stage.
10 When was that number developed?

11 **MR. MAY:** It was developed during the test
12 year.

13 **MR. BROWN:** Okay. Now, you have got to
14 remember that during the summer months over 50 percent
15 of the people are not there, so they are only paying the
16 base rate and not using any water, okay? There's why
17 your number is so low. If you look at the rates in the
18 wintertime, and you take the period from, say, the first
19 of September to the first of January, you're going to
20 have a much different number.

21 **MR. MAY:** About what percentage of the Breeze
22 Hill community are seasonal customers?

23 **MR. BROWN:** At least half.

24 **MR. MAY:** At least half. Okay. No further
25 questions.

1 **MR. BROWN:** Okay. Thank you.

2 **COMMISSIONER EDGAR:** Ms. Christensen.

3 **MS. CHRISTENSEN:** Next the customer we have
4 signed up to speak is Peter Maceri.

5 **PETER MACERI**

6 appeared as a witness and, swearing to tell the truth,
7 testified as follows:

8 **DIRECT STATEMENT**

9 **MR. MACERI:** My name is Peter Maceri,
10 M-A-C-E-R-I. I live at 2304 Oak Beach Boulevard,
11 Sebring, Florida.

12 I'm going to give you my account number on my
13 water bill, 000892253635319. That way the gentleman
14 here can look up my history as far as my last complaint
15 about a year ago. The last time I was here I had a
16 water bill of \$5,000, which was subsequently adjusted to
17 \$2,500 by Aqua.

18 I'm surprised to see they gave a refund to
19 somebody for a leak. I didn't hear anything about a
20 refund available, but I did pay the \$2,500 in
21 installment payments. We are retired or semi-retired
22 real estate agent. It was kind of hard to do, but I did
23 pay it. I didn't hear any comment back from Aqua
24 regarding my question on readjusting it after the last
25 meeting, so I paid it for fear they would shut my water

1 off.

2 My hair used to be black, but there is so much
3 chlorine in the water, it has now it turned white.

4 (Laughter.) That's a joke. But the water quality is
5 adequate. It has improved since our last meeting. I
6 don't smell it as much as I used to.

7 Good to see you people here from Wauchula.
8 You people were here last time. Remember, I live in a
9 retired community. Fifty percent of the people aren't
10 here. What happens to the deposit money, the money they
11 pay each month, \$17 or \$15 a month for not using water?
12 You're talking about a lot of money being gained, and
13 where is this credit? Is it a credit against their
14 profits or against their expenses? You know, it seems
15 that they are collecting a lot of money there and not
16 showing where it's going. Maybe it's going to
17 Philadelphia or wherever their main headquarters is.

18 I am disappointed they don't have a local
19 agency here in town. If I have a problem with electric,
20 I go to Glades Electric up on 70 there. They handle the
21 problem. Here you call, and you get Philadelphia or
22 maybe even Sarasota.

23 Also, the improvements in the system, I did
24 see some improvements. They don't flush as much as they
25 used to, but there is still an old tank that is sitting

1 over here on Lake Josephine Drive that has been there
2 for years. I understand they bought that water plant,
3 but the tank is still sitting there after two years the
4 last time I was here.

5 I represent also the Lake Josephine Lakes
6 Association. We have about 200 members. They express a
7 concern on raising water rates to what is indicated
8 here, like \$70 a month from \$38. My bill averages about
9 \$38 a month. You know, I am on a fixed income. To
10 double it is ridiculous. I mean, I don't see how they
11 can justify doubling a bill.

12 Also, some of the people that come up here, I
13 would like to have it clarified if they have wastewater
14 in their bill. I don't have wastewater, so a \$107 bill
15 could be wastewater -- I don't know whether to say
16 wastewater is half the cost of regular water rates, so
17 if it is one and a half times the rate of your water
18 usage for your wastewater fee.

19 I still haven't heard why they want to
20 increase their rate. I mean, they are getting the
21 profits from all the people that are not using the
22 water. In Highlands County, 50 percent of the people
23 here are retired, the other 50 percent live out of
24 state. If they have Aqua water, what happens to the
25 money they are collecting for these meters that are

1 sitting there vacant for six months a year? You should
2 keep our rate down.

3 I would like to also -- let me just look at my
4 notes here for a minute, okay? (Pause.) Oh. At the
5 last meeting you had, I understand that we are on a
6 computerized system for the water meters. I don't
7 understand if we are on a computerized system, if a
8 water meter spikes, if the rate goes from 1,000 gallons
9 to 5,000 gallons for that month, why their computers
10 don't automatically say this guy has got a problem;
11 let's go to that house and check that house out.

12 You know, I had a problem. I have had a
13 computerized system. It went from 3,000 gallons to
14 200,000 gallons in ten days, but nobody ever came to the
15 house and said, gee, what's the problem there? A local
16 system, a computerized system should be able to tell you
17 there is a problem in an area, if it's broadcasted.
18 They drive up and down the street every day and they
19 read the meters by electronics, from a truck, but
20 somehow when they input it in the system, they don't
21 read it from there. It just stays in the system. It
22 doesn't say this guy has got a problem.

23 We have a lot of people who have gone in our
24 area. We have had two to three area houses that had
25 water leaks and they were never notified until they got

1 back and had 1,000 or \$1,500 water bill. I would like
2 an answer to my question the last time I was here
3 regarding my bill of \$2,500, whether or not there would
4 be any refund due to me because of this meeting. I see
5 they did give one. I expect something to be done about
6 this.

7 I'm happy with the system. I'm not happy we
8 don't have fire hydrants in our area. This reduces the
9 insurance rates of houses. We do have a volunteer fire
10 department, but they have got this three or four-inch
11 pipe running down the road here, and they drain it every
12 day, but if somebody has a fire they have got to have a
13 tank truck come in to put the fire out.

14 So we're not on a sewer system in our area.
15 It's all septic tank. A lot of our owners have the old
16 system there where they filter their own water and use
17 their own water. Some have threatened that they are
18 going to go back to the filter water system of their
19 own. You know, pay Culligan \$25 a month and use their
20 well water. Which I have a tenant that has that, and
21 it's good water. It's actually better than the water
22 that I have in my house. It's two blocks from there.
23 But fortunately it is well water. That's about all I
24 have to say. Thank you.

25 Any questions?

1 **COMMISSIONER EDGAR:** Thank you.

2 Are there any questions for Mr. Maceri?

3 Yes, Commissioner Brown.

4 **COMMISSIONER BROWN:** Thank you, Madam Chair.

5 Mr. Maceri, I just want to confirm that you are a part
6 of the Lake Josephine water system.

7 **MR. BROWN:** Yes, we are.

8 **COMMISSIONER BROWN:** Okay. And that \$5,000
9 water bill, do you remember when that occurred?

10 **MR. BROWN:** December 3rd about three years
11 ago. It happened in -- the last meeting here was two
12 years ago? It happened that year. December 3rd of
13 whatever year it was, two or three years ago.

14 **COMMISSIONER BROWN:** Do you recall an
15 explanation of why that water bill was so high? Was it
16 a few months?

17 **MR. BROWN:** I had a leak. I had a leak on my
18 side of the meter. I acknowledged that. I took a
19 picture of it and e-mailed it to them to show them the
20 leak. But my question was it was so close to the meter
21 reading date of December 1st, it happened about, you
22 know, November 29th or something like that. Why didn't
23 the computer say there was a problem there, go check
24 that house out? I was on vacation for ten days. When I
25 came back, I had this tremendous -- I had only a small

1 leak. It was a very small leak. But, you know, why
2 didn't the computer system say this guy has got a
3 problem; go check that meter; shut it off. Knock on the
4 door. The house was all boarded up. You know,
5 whatever. A lot of our neighbors aren't there. If
6 something happens, they have no way of -- unless
7 somebody is walking in that yard, they don't know there
8 is a leak out there.

9 **COMMISSIONER BROWN:** Would the utility like to
10 respond at all?

11 **COMMISSIONER EDGAR:** Mr. May.

12 **MR. MAY:** I have just a couple of questions,
13 Mr. Maceri. Again, thank you for coming out. I know
14 that it has been a while since it has occurred, so I
15 wanted to make sure we are all on the same page and have
16 the same information before us.

17 When you received the bill, the \$5,000 bill,
18 you acknowledge that the amount of that bill was because
19 of the leak on your side of the meter, correct?

20 **MR. MACERI:** Yes, it was.

21 **MR. MAY:** And the company provided you with a
22 leak adjustment of approximately \$2,100.58?

23 **MR. MACERI:** Something like that, I guess,
24 yes.

25 **MR. MAY:** And they have also allowed you to

1 get on a payment plan to pay the remainder, correct?

2 **MR. MACERI:** Yes.

3 **MR. MAY:** Thank you.

4 No further questions.

5 **COMMISSIONER EDGAR:** Commissioner Brown.

6 **COMMISSIONER BROWN:** Thank you.

7 Just a question for Mr. May regarding the fire
8 hydrants in the area and the lack thereof. Can you
9 explain that briefly?

10 **MR. MAY:** Commission Brown, I don't have that
11 information before you, but we are going to provide a
12 response to all the customers' testimony and file that
13 with a witness under oath on November -- I think it's
14 November 3rd, and so we will be sure to cover that issue
15 at that time.

16 **COMMISSIONER BROWN:** Thank you.

17 **MR. MACERI:** Thank you.

18 **COMMISSIONER EDGAR:** Thank you.

19 Ms. Christensen.

20 **MS. CHRISTENSEN:** The next customer we have
21 signed up to speak is Mr. David Bussey.

22 **DAVID BUSSEY**

23 appeared as a witness and, swearing to tell the truth,
24 testified as follows:

25 **DIRECT STATEMENT**

1 **MR. BUSSEY:** My name is David Bussey. I live
2 in Zephyrhills at 4849 Britni Way. I am on the Board of
3 Directors of American Condominium Park where I live. I
4 am also one of the leaders of FLOW, Florida for Locally
5 Owned Water.

6 My current water bill, including water and
7 wastewater, is approximately 62 to \$65 a month. It went
8 up 336 percent in June of '09. The base facility
9 charges accounted for most of that. I use about
10 1,200 gallons of water a month.

11 Across the fence we're surrounded by Pasco
12 County water customers. There's 500 of us that are part
13 of the Aqua network, but we're surrounded by county
14 water. And where I'm paying about 65 bucks a month for
15 water and wastewater, Pasco County residents all around
16 me are paying \$40 a month for 4,000 gallons a month
17 usage. And I don't know, to me that is just a travesty.

18 I sure wish the president of Aqua when he's at
19 these hearings would tell us a little bit about the
20 company. Not what they are doing as far as effort.
21 Effort means nothing to me. Results mean a great deal.
22 But it seems like the PSC is satisfied with effort from
23 what I have seen over the past few years, and I find
24 that I travesty, also.

25 This company is extremely successful. In

1 times all across this country and in other parts of the
2 world where the economy has been shattered, they are
3 making money hand over fist. If I could afford it, I
4 might invest in their company. I wouldn't for ethical
5 reasons, because they are nothing more than a water
6 profiteer. The only reason they are here in Florida is
7 to make a profit for the stockholders. That's the only
8 reason they are here, the only reason. And I think they
9 should tell us about how profitable their company is
10 instead of just about the little things they do to make
11 things better so they can increase rates.

12 I didn't come down here with anything specific
13 to say. There is one issue I wanted to address. I had
14 a question for the PSC. Just give me a moment here.
15 Well, let's talk about the PSC for a moment. We're in a
16 monopoly. We are locked in. We have no rights. We
17 have nothing. Ratepayers that belong to this, we have
18 nothing. You're supposed to be able to protect us. I
19 don't think you can, and I think you know that. But,
20 10:00 a.m. meetings when most everyone is at work,
21 that's the best you can do for the ratepayers is 10:00
22 a.m. meetings. When we have nothing to defend ourselves
23 with, and you come up with 10:00 a.m. meetings.

24 **COMMISSIONER EDGAR:** Mr. Bussey, would you
25 like for me to speak to that?

1 **MR. BUSSEY:** Yes, please.

2 **COMMISSIONER EDGAR:** Okay. We have ten
3 customer service hearings scheduled for this case all
4 across the state.

5 **MR. BUSSEY:** I know.

6 **COMMISSIONER EDGAR:** We are trying to have
7 those in different areas so that there is a place that
8 is convenient to most people. Over the last few years,
9 I can tell you I have sometimes heard concerns about
10 having meetings during the day, especially in areas that
11 have a larger retired community and also seasonal
12 residents. And when we have had hearings in the
13 evening, often we have been criticized, especially for
14 retired people and others, that they don't want to come
15 out in the evening. We have had concerns even expressed
16 that we purposefully scheduled it on a day that it was
17 going to rain. I can assure you that we do not have
18 that ability. And even if we did, we wouldn't.

19 I have had concerns expressed about times
20 during the day when people are working, and we certainly
21 understand that. All I can tell you is that we try
22 very, very hard to have some diversity and a broad
23 spectrum, some during the day, some during the evening,
24 some mid-morning, some mid-afternoon realizing that any
25 time that we do will not be convenient for someone, but

1 trying very hard to reach that balance.

2 And I know you have come to our proceedings
3 before, and I know you will again, and I'm glad for
4 that. I would just tell you that we do try hard to find
5 a facility that is easy for people to find. We also
6 have to watch our costs and try to use facilities that
7 don't charge us a rental for the sound system and all
8 that. But I recognize that during the day is
9 inconvenient for some and I would just tell you that we
10 try very hard to find a balance.

11 **MR. BUSSEY:** Well, I guess perception is
12 perhaps a greater problem. I realize the logistics is
13 certainly something you have to deal with, but the
14 perception of how things are done, it's not good because
15 we have no attorneys. We have no one in Tallahassee to
16 lobby for us. We have to come out of the woodwork and
17 speak our mind. And, unfortunately, most of us don't
18 realize that much of it is for naught, because of the
19 way the laws are and because of the way -- the Public
20 Service Commission's operating procedures.

21 But that leads me to another question, Madam
22 Chair, and that is on occasion I have heard a response,
23 well, we don't have the resources to put people out in
24 the field. We don't have the resources to, you know,
25 schedule evening meetings, da-da, da-da, da-da. And my

1 question to that is when is the last time -- and, you
2 know, maybe you have already done this, but I'm just
3 wondering, when is the last time you have -- you have
4 lobbied with the legislators to get more resources so
5 you could do a better job for the ratepayers?

6 I would like an answer to that.

7 **COMMISSIONER EDGAR:** I'll try to give you one.
8 And my colleagues are certainly welcome to jump in, as
9 well. But I can tell you that I personally have talked
10 to a number of House and Senate members over the past
11 years while I have been in this job asking to limit,
12 reduce, and hopefully even not have any budget cuts.
13 And we have received personnel, live bodies, real people
14 in real jobs with real families who are our employees
15 who do the type of work that you are talking about, and
16 we have had reductions every single year, as have almost
17 every state agency, and certainly as have most private
18 sector businesses.

19 So I can tell you that we absolutely raise
20 that issue. I have, and I know that many of my
21 colleagues have. But we also recognize that in the
22 economic times that we are, our legislators have a
23 difficult job of trying to fund many, many priorities;
24 education, health care, and many, many, many other
25 things.

1 So I can tell you I think that you and I
2 probably agree on many, many, many of your concerns. We
3 do have to try to balance the resources that we have.
4 We do try to have meetings across the state. And, as
5 you know, every time a customer comes and would like to
6 speak to us, we do everything we can to make that
7 opportunity.

8 Commissioner, anything -- you'd would like to
9 jump in? Commissioner Brown.

10 **COMMISSIONER BROWN:** Sure. Thank you.

11 And, Mr. Bussey, we appreciate your comments.
12 And, in fact, I would encourage you to possibly lobby on
13 our behalf to the Legislature to encourage and increase
14 the budget, because we do have those concerns. My
15 office is continuously in contact with our executive
16 director and facilitating with budget and making sure
17 that we have the most appropriate amount of resources
18 necessary in these times. So we are diligent and we
19 appreciate any advocates on our behalf, as well, to
20 increase our budget. And I just wanted to speak to that
21 comment.

22 **COMMISSIONER EDGAR:** I would also just add,
23 and I think that you know this, but we are having a
24 meeting in New Port Richey. And we have worked very
25 closely with, I know, some of your elected

1 representatives, and will continue to do so.

2 Are there any questions for Mr. Bussey?

3 Mr. May.

4 **MR. MAY:** I had just a couple, Mr. Bussey.

5 Good morning.

6 **MR. BUSSEY:** Good morning.

7 **MR. MAY:** Mr. Bussey and I know each other
8 from previous cases, and he and I don't agree on a lot
9 of issues, but I certainly admire your passion and your
10 commitment for your cause. I do have just a few
11 follow-up questions.

12 You had indicated that you are a leader of
13 FLOW?

14 **MR. BUSSEY:** Yes.

15 **MR. MAY:** And what does FLOW stand for, again?

16 **MR. BUSSEY:** Friends of Locally Owned Water in
17 Florida.

18 **MR. MAY:** Okay. And I think the last time you
19 spoke to the Commission you had indicated that FLOW had
20 a website?

21 **MR. BUSSEY:** Yes, FLOWFlorida.com.

22 **MR. MAY:** Okay. I was looking on the website
23 last night, and there were a number of --

24 **MR. BUSSEY:** Oh, so you're the one that does
25 that.

1 **MR. MAY:** From a D. Bussey, would that be you?

2 **MR. BUSSEY:** Yes, that's me.

3 **MR. MAY:** Okay. On the website -- which is
4 very well done, by the way, it's impressive -- there is
5 an indication that in addition to you being a leader of
6 FLOW, that another leader is a senior organizer with
7 Food and Water Watch by the name of Jorge Aguilar?

8 **MR. BUSSEY:** I'm not aware that he is. If he
9 is I didn't know that. I know we have -- maybe Frank
10 can address that when he comes up later, but to my
11 knowledge we have used him as a resource, but I
12 personally am not aware. We are kind of a loosely
13 organized group, and so I'm not aware of that.

14 **MR. MAY:** The website also indicates that
15 Mr. Frank Reams is a leader or director.

16 **MR. BUSSEY:** He is the troublemaker, yes. I'm
17 just the spokesman.

18 **MR. MAY:** And Mr. Reams is not a customer of
19 Aqua Utilities?

20 **MR. BUSSEY:** No, but he is a neighbor at our
21 park. And the reason he is involved is because a friend
22 of his, Gus Alexakos, is a ratepayer in our adjoining
23 property, and they go to church together. And Frank has
24 a tremendous background in customer service in the
25 telecommunications business. And so we have asked him

1 to be a consultant with us, and he has consented to do
2 that.

3 **MR. MAY:** Sure. Thank you. Your website also
4 indicates that Ms. Kelly, an attorney with the Dean Mead
5 law firm is also a member or director of FLOW, is that
6 correct?

7 **MR. BUSSEY:** That is correct, yes.

8 **MR. MAY:** To your knowledge is that the same
9 Kelly Sullivan who has filed a petition to intervene on
10 behalf of a Ms. Losca (phonetic) in this proceeding?

11 **MR. BUSSEY:** I would think that is her, yes.

12 **MR. MAY:** Have you ever discussed this case
13 with Ms. Sullivan?

14 **MR. BUSSEY:** No.

15 **MR. MAY:** You have never discussed this rate
16 case with Ms. Sullivan?

17 **MR. BUSSEY:** About Ms. Losca, no. Discussed
18 this case with her? Of course, yes. It's on the record
19 that she has represented me at times during these
20 proceedings.

21 **MR. MAY:** I want to be clear about this. I'm
22 just trying to set the groundwork as we go forward in
23 this case, because I want to make sure -- you had
24 indicated earlier you are not represented by any
25 attorney. You said that --

1 **MR. BUSSEY:** Did I say that earlier today,
2 that I'm not represented by any attorney?

3 **MR. MAY:** Yes.

4 **MR. BUSSEY:** Oh, okay. Yes, what I meant is
5 we don't have a law firm on retainer. You know, that
6 kind of a thing. We don't -- we don't go to Kelly for
7 legal advice. When we have questions, we usually go to
8 the PSC or OPC.

9 **MR. MAY:** So for the record, you are
10 represented by Office of Public Counsel in this case?

11 **MR. BUSSEY:** To the degree that they are able
12 to represent us, yes. I don't believe they are able to
13 represent us fairly regarding rates.

14 **MR. MAY:** Are you represented by Ms. Kelly
15 Sullivan in this rate case?

16 **MR. BUSSEY:** Not at this time, no.

17 **MR. MAY:** Okay. So you do not have --

18 **MR. BUSSEY:** Me, personally.

19 **MR. MAY:** All right. You do not have an
20 attorney/client relationship with Ms. Sullivan at this
21 time?

22 **MR. BUSSEY:** Not at this time.

23 **MR. MAY:** Okay. No further questions.

24 **COMMISSIONER EDGAR:** Thank you.

25 **MR. BUSSEY:** May I continue?

1 **COMMISSIONER EDGAR:** Can you wrap up, because
2 we do have others that we would like to get to.

3 **MR. BUSSEY:** Well, I mean, I can do it here or
4 I can do it at the other meetings, but I would like to
5 finish this. I'm almost done.

6 **COMMISSIONER EDGAR:** Okay. I'm going to ask
7 you to give us some concluding thoughts, so people --

8 **MR. BUSSEY:** Just a couple of other side
9 things before I get to this question I have to ask you.
10 Most of the residents in our park are seasonal,
11 65 percent plus of them are seasonal. And the majority
12 of our costs on our water bills is the base facility
13 charge. So six months out of the year the majority of
14 the people are paying for services they don't receive.

15 A few days ago after one of our meetings in
16 the park, I started looking at Order Number
17 PSC-11-0256-PAA-WS, Docket Numbers 080121-WS and
18 100330-WS, Pages 72, 73, and 74. On Page 72, in the
19 lower part, the staff of the Public Service Commission
20 is responding and defining opinions of the Office of
21 Public Counsel during this rate case. In part, on Page
22 72, Paragraph 5A, under fair and reasonable rates, the
23 second sentence in this says the mission statement of
24 the Public Service Commission, in part says that, "The
25 Public Service Commission is committed to making sure

1 that Florida consumers receive some of their most
2 essential services -- electric, natural gas, telephone,
3 water and wastewater -- in a safe, affordable, and
4 reliable manner."

5 The next paragraph starts off with
6 Section 367.081, Paragraph 2(a)(1), sets forth our
7 responsibility in setting rates. We go to Page 73, and
8 it quotes this area. It says the Commission shall
9 either upon request or upon its own motion fix rates
10 which are just, reasonable, compensatory, and not
11 unfairly discriminatory. In every such proceeding the
12 Commission shall consider the value and the quality of
13 the service, and then it goes on to talk about the
14 concerns that you have to take into consideration for
15 the company.

16 The next paragraph, while we are required to
17 set reasonable rates, we must also set rates that are
18 compensatory. Chapter 367 does not include a definition
19 for just, reasonable, compensatory, or unfairly
20 discriminatory. No definition. None.

21 Pages 74, I go to that. It's important to
22 recognize in paragraph -- about the third paragraph
23 down -- it is important to recognize the history behind
24 the high cost systems that AUF acquired from FWSC. FWSC
25 was formerly known as Southern States Utilities. I have

1 just a couple more paragraphs.

2 **COMMISSIONER EDGAR:** Mr. Bussey, I am going to
3 have to break in, because we are here to hear from the
4 customers from this area. If you would like to talk to
5 us again about your service, that's what we are to --

6 **MR. BUSSEY:** Madam Chair, I understand that,
7 but there are very few customers here today, and I'm
8 sure by a raise of hands most of them would like to hear
9 the next couple of paragraphs.

10 **COMMISSIONER EDGAR:** Well, then, Mr. Bussey,
11 this is what we are going to do. I am going to ask you
12 to be seated. I would like to run through the list of
13 names that have signed up and that we have not heard
14 from. And as a courtesy to you, I will ask if you would
15 like that after everyone who has signed up that you can
16 come back and --

17 **MR. BUSSEY:** That would be fine.

18 **COMMISSIONER EDGAR:** -- continue to read to
19 us.

20 **MR. BUSSEY:** That would be fine, Chairman.

21 **COMMISSIONER EDGAR:** Thank you, Mr. Bussey.

22 Ms. Christensen, can I ask you for the next
23 name, please.

24 **MS. CHRISTENSEN:** Yes. The next customer that
25 has signed up to speak is William Sills.

WILLIAM SILLS

1
2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

DIRECT STATEMENT

4
5 **MR. SILLS:** Good morning. My name is William
6 Sills. I live at 1415 Lake Josephine Drive in Sebring.

7 **COMMISSIONER EDGAR:** Hold the mike a little
8 closer.

9 **MR. SILLS:** Oh, I'm sorry. I moved up here in
10 1996. A guy name Hugh (phonetic) owned the water
11 system. He built it; he ran it for a number of years
12 afterwards. The sulfur and iron were terrible, so we
13 complained. He got rid of it, and now these people are
14 going to charge us more money to get rid of something
15 that doesn't exist. I find this a little unreasonable
16 on their part.

17 I was paying 10 to \$12 a month when I came up
18 here. Now I'm paying in the mid-30s. The water is just
19 the same as it was. You can't drink it because of the
20 chlorine. The pressures are the same as they were.
21 There has been no improvements. The only money they
22 have spent on the system that is visible to the public
23 is their automatic readers when they drive by in their
24 truck and hope the darn thing works right, because there
25 has been a lot of complaints since they put those in

1 about not getting an accurate reading. They need to
2 check it little more carefully.

3 The other thing is we used to be able to get
4 ahold of somebody and have service almost immediately.
5 Now, we go to God knows where to talk to somebody and
6 they may or may not get around to getting a local
7 service out to us. We had a main break in front of the
8 house about a year ago, I guess it was, and they fixed
9 it over a period of time, within a few hours. But you
10 know what, it was two weeks before there was a boil
11 water notice in the paper for that. That's a little bit
12 dangerous, boys. You need to get your act together if
13 you are going to keep charging us more money.

14 They say they haven't had a raise since 2009.
15 My rates went up last year around the first of the year.
16 I don't understand what they're talking about. And I
17 see several things here, like, for instance, paying
18 affiliated charges. If they want to own the water
19 system, run it on its own. Don't run it on what's
20 happening up in Pennsylvania or out in Texas. We are
21 not living there. Our circumstances are totally
22 different than theirs, and we should pay based on our
23 system, not on somebody else's. That's about all I've
24 got to say.

25 **COMMISSIONER EDGAR:** Thank you.

1 Any questions?

2 **MR. MAY:** No questions.

3 **COMMISSIONER EDGAR:** Thank you, sir.

4 **MS. CHRISTENSEN:** The next customer I have
5 signed up to speak is Beryll Hansen.

6 **BERYLL HANSEN**

7 appeared as a witness and, swearing to tell the truth,
8 testified as follows:

9 **DIRECT STATEMENT**

10 **MS. HANSEN:** My name is Beryll Hansen,
11 B-E-R-Y-L-L H-A-N-S-E-N. I live at 114 Oak Grove
12 Street in Lake Placid. I'm a customer of Aqua
13 Utilities, and I'm speaking for the residents of Covered
14 Bridge, which are part of the Leisure Lakes bands.

15 I have many things to say. I wish I could get
16 them all organized. But, first of all, I want to say I
17 was here last year and spoke, and if any -- any of the
18 hearings that the PSC get in the past, all the people
19 are up here complaining, and yet you gave us an interim
20 rate increase. I am here to ask that the PSC does not
21 grant another rate increase, and that the interim one be
22 rolled back or halted.

23 Our intention is to have quality water at
24 affordable rates. I do not feel that a water bill that
25 is equal to or greater than a utility bill is

1 affordable. I have spoken before on base usage rates,
2 which Aqua does not have. I think that we should have a
3 base amount of water that we are able to use for the
4 price that we pay. We pay before we use, and then we
5 pay after. I'm listening to the people telling about
6 their water bills, and I feel that I am grateful that I
7 only have a \$71 water bill; \$71 for water and sewage
8 use. That is a lot of money, when my utility bill was
9 \$91 for that same month. And our air conditioners have
10 been running constantly since the heat came.

11 Aqua bought all these small water systems that
12 needed improvements. They had to do demographics before
13 they bought these water systems. We should not have to
14 pay for repairs that the company knew would have to be
15 made. They have told us at Leisure Lakes, or in Covered
16 Bridge where I live, that they were going to improve our
17 system. Aqua has not kept their promises to upgrade and
18 improve our water system. Over a year ago I was in a
19 meeting with one of their engineers and one of their
20 personnel, and they were going to put in this wonderful
21 system. They showed us pictures. That was over a year
22 ago. Nothing has happened since.

23 In May, I believe, and I really am sorry that
24 I did not bring the paper with me, we got a notice that
25 they were going to install a new filtration system on

1 our water tower that would improve the taste, would
2 improve the quality of the water, and reduce the smell.
3 That was supposed to be between May 25th and July 25th.
4 As far as I know, they have never come and they have
5 never done it.

6 I have three filters at my house, and the
7 water still smells, tastes terrible on occasion, and is
8 dirty on occasion, too. Aqua water is expensive, and we
9 are paying Jaguar prices for a junk car. Aqua Utilities
10 should be ashamed of themselves for even charging anyone
11 for water at a broken water meter. We live in a
12 community where the water is running constantly into the
13 street. They tell us they are flushing the system to
14 keep it clean. Who's paying for all that water? It
15 breaks my heart when I drive down the main road and see
16 water all over the street. We just had a break. It
17 took three days for them to come and fix it.

18 I do not believe that their service is good.
19 I can't see how a company that big can possibly service
20 everyone. Are they water profiteers? I believe they
21 are, because we should not have to pay such high prices
22 for something that we all need and take for granted.

23 Thank you.

24 **COMMISSIONER EDGAR:** Thank you.

25 Ms. Hansen, if you could come back for just a

1 moment for us. I thank you for your comments. I think
2 Mr. May has a question for you.

3 **MR. MAY:** Ms. Hansen, thank you again for
4 coming out today. I just wanted to follow up on just a
5 couple of matters and get some clarification. The \$71
6 bill that you referred to, that's for water and
7 wastewater service?

8 **MS. HANSEN:** Yes.

9 **MR. MAY:** You also mentioned that you met with
10 Aqua?

11 **MS. HANSEN:** Yes. I was part of the -- from
12 Covered Bridge. I had been part of the board at one
13 time, and they asked us if we would meet. And since I
14 have been working with Frank and FLOW Florida, Mr. Reams
15 does a lot of work for FLOW Florida for nothing.

16 **MR. MAY:** Sure. I just wanted to put the
17 meeting in context. That meeting was in relation to an
18 aesthetic water quality improvement meeting that Aqua
19 and the Office of Public Counsel were in attendance at
20 that meeting, correct?

21 **MS. HANSEN:** Yes.

22 **MR. MAY:** Okay. And I just wanted to bring to
23 your attention some recent developments and just make
24 sure that you understand and are aware of where the
25 project is in respect to the sulfur removal treatment

1 system.

2 Were you here when Mr. Fox made his opening
3 remarks?

4 **MS. HANSEN:** Yes.

5 **MR. MAY:** Are you aware that Aqua has already
6 purchased the sulfur removal treatment system and is
7 awaiting the DEP permit approval to install those?

8 **MS. HANSEN:** No, they haven't sent that in the
9 mail yet.

10 **MR. MAY:** Are you aware that once the systems
11 are installed that it will address the sulfur concerns?

12 **MS. HANSEN:** Yes. But I don't understand why
13 they sent us notices that it's going to be done between
14 May and July and nothing was done.

15 **COMMISSIONER EDGAR:** Mr. May, you're coming
16 awfully close to testifying.

17 **MR. MAY:** I'm sorry.

18 I guess the final question, are you aware that
19 OPC is opposing this sulfur treatment system in this
20 rate case?

21 **MS. HANSEN:** OPC?

22 **MR. MAY:** Your attorneys?

23 **MS. HANSEN:** No.

24 **MS. CHRISTENSEN:** Objection, mischaracterizing
25 OPS's position.

1 **COMMISSIONER EDGAR:** Mr. May, I think we need
2 to close.

3 **MR. MAY:** Okay. That's all the questions I
4 have.

5 **COMMISSIONER EDGAR:** Thank you.

6 Ms. Hansen, thank you for your comments.

7 **MS. HANSEN:** Thank you.

8 **MS. CHRISTENSEN:** The next customer that we
9 have signed up to speak is Tamra Mathy.

10 **TAMRA MATHY**

11 appeared as a witness and, swearing to tell the truth,
12 testified as follows:

13 **DIRECT STATEMENT**

14 **MS. MATHY:** Hi. My name is Tamra Mathy. I
15 live at 1934 Canary Way, and that is in Band IV, Lake
16 Josephine area.

17 **COMMISSIONER EDGAR:** Could you spell your last
18 name for me?

19 **MS. MATHY:** M-A-T-H-Y.

20 **COMMISSIONER EDGAR:** Thank you.

21 **MS. MATHY:** Okay. I was here last year, or
22 when the last meeting was, as well, and I have a lot of
23 concerns, because I only live 50 yards from the plant.
24 I have been in contact with Aqua Utilities, Ms. Tricia
25 Williams. There's a few concerns that I have with the

1 tank, okay.

2 To start off, last year I had a little dog
3 that was white that turned brown from drinking this
4 water. Ultimately, I had to put him down because he
5 wouldn't stop licking himself from the chlorine. I
6 brought two jars of water today. One is from my home
7 and one is from my swimming pool. This is from my home.
8 You can leave it in the refrigerator for days, and it
9 still looks like that. It still smells like chlorine.

10 This is my pool, okay? I would rather drink
11 that and take a shower with that than I would this. All
12 right. I have asked Aqua Utilities to work with me.
13 Put me in a filter system. I'm the first one off the
14 main circuit that gets the brunt of the chlorine. I
15 took a shower. Here in about another hour I will be
16 turning white, okay? Brand new shirt. By the end of
17 the week, or by the end of this coming month it will be
18 light gray, okay. That is how bad the chlorine system
19 is at my home.

20 I have had Mr. Ryder (phonetic) come out. I
21 have seen him. He has talked to him. I have had -- I
22 have lost count of how many people I have talked to.
23 Everybody wants to talk about this filtration system.
24 Can you guarantee me that that is really going to take
25 care of our problems and give us water that looks better

1 than this to drink? Why do I have to pay for water that
2 I can't drink? I mean, come on. And you want more
3 money?

4 I have sat here this whole time in the back of
5 this audience, and not one time, sir, have you looked up
6 in the eyes at one of us up here. Not one time have you
7 just raised your head up and made eye contact with
8 anyone. You guys, except for the gentleman in the
9 middle, you guys are too busy. Just like last year.
10 You're too busy writing notes and taking notes and not
11 paying attention and really listening to what we are
12 telling you. I don't know why. Maybe if you want a
13 rate increase, maybe we should get a rate increase by
14 firing you. That will give the company more money, you
15 know.

16 Second of all, did you know that the new tank
17 they put in, because I watch everything. I'm the only
18 one on my street. And did you know that when they put
19 the new tank in out there, that was two years ago, I
20 believe it was, did you know your tank has a leak? Who
21 pays for that water? Who pays for the water when they
22 come out there -- two weeks ago they come out there and
23 flooded the entire back property. Why? Who can tell
24 me? Aqua can't tell me. Why?

25 **COMMISSIONER EDGAR:** Okay. Whoa, whoa, whoa.

1 Hold on.

2 **MS. MATHY:** That's okay. We'll get to that.

3 **COMMISSIONER EDGAR:** We'll try to get you some
4 answers to some of the concerns either today or later.
5 I have heard you, and I understand that you have been
6 trying to get answers.

7 **MS. MATHY:** I have. I have been trying to get
8 answers from everyone on this situation.

9 **COMMISSIONER EDGAR:** But with your
10 frustration, I am going to ask that you speak to us.

11 **MS. MATHY:** That's fine.

12 **COMMISSIONER EDGAR:** Thank you.

13 **MS. MATHY:** That's perfectly fine.

14 So, in essence, I'm trying to find out if you
15 are going to -- if you're going to raise our rates, give
16 us something better than this, okay? Give us something
17 better that we can put in your body. Because the
18 doctors say we should drink water, right? Well, why
19 should I pay your company thirty to \$50 a month and have
20 to go purchase water to drink? Why? I don't understand
21 it.

22 And that's all I have to say. And I will
23 continue to come to these meetings. I don't care if I
24 have to drive to Lakeland. I don't care if I have to
25 drive to Tallahassee. Until something is resolved with

1 this bogus company, okay, then I will be at the
2 meetings.

3 It's not fair. We had people out there that
4 come behind my home. I have brought it to the attention
5 of the county. I have brought it to the attention of
6 the county commissioners. I have brought it to the
7 attention of Patricia Williams. We have people that
8 come back there, target practice, hog -- nobody has
9 access back there unless they have an ATV, a four
10 wheeler, or are walking, okay. They are target
11 practicing out there. It is going to take one bullet to
12 penetrate that tank. One bullet to penetrate that tank,
13 and then there goes all our water.

14 **COMMISSIONER EDGAR:** Ms. Mathy, the property
15 that you are referring to right now, can you tell me
16 where exactly is that located?

17 **MS. MATHY:** 1934 Canary Way. It's right off
18 of Lake Josephine. Fifty yards in front of the plant is
19 my home.

20 **COMMISSIONER EDGAR:** And I know our staff is
21 taking note of that, and, of course, it will be in the
22 record --

23 (Inaudible, simultaneous conversation.)

24 **MS. MATHY:** Just to give you an example, three
25 weeks ago somebody went through there, because I walk

1 through there all the time. I check on the plant. I
2 have two more questions -- I just brought that one up.

3 If the common people, or the public has access
4 back there, and Aqua Utilities owns three acres, why
5 can't it be fenced off? Nobody can make it through
6 there, not in a regular vehicle. For Christ's sakes, I
7 get stuck on my own road, you know. But the other day
8 they actually cut guy wires from the electrical poles to
9 where they could get around. So I called Glades
10 Utilities. Glades isn't concerned about it. What
11 happens if that pole falls down and it takes out the
12 whole system? Nobody is going to have water for awhile,
13 you know.

14 And another thing, why do you have a water
15 technician accessing that plant that is not even
16 qualified, that doesn't even have certification to go
17 out there and work at that plant? Why?

18 **COMMISSIONER EDGAR:** Okay. We will, again,
19 follow up on all of that.

20 **MS. MATHY:** Thank you.

21 **COMMISSIONER EDGAR:** Our staff will,
22 absolutely.

23 Ms. Christensen.

24 **MS. CHRISTENSEN:** The next customer we have
25 signed up to speak is Doctor David Tardiff.

1 **DR. TARDIFF:** I'm going to decline at this
2 time. I'm listening to all the other speakers.

3 **COMMISSIONER EDGAR:** Okay. So you are going
4 to waive your time at this point? Thank you.

5 Ms. Christensen.

6 **MS. CHRISTENSEN:** The last customer that we
7 have signed up to speak is Kathy Madden.

8 **KATHY MADDEN**

9 appeared as a witness and, swearing to tell the truth,
10 testified as follows:

11 **DIRECT STATEMENT**

12 **MS. MADDEN:** Yes. I'm going to be quick, but
13 I wanted to speaker.

14 **COMMISSIONER EDGAR:** Come on down. I want to
15 make sure that we get your comments into the microphone,
16 please.

17 **MS. MADDEN:** My name is Kathy Madden. I have
18 lived at 113 Sharon Avenue, Sebring, Florida, which is
19 off of Lake Josephine. I'm down by the little JV. I
20 ride my bike around that neighborhood. I have been
21 there since 1995 when Pugh owned it. And my water bill
22 was 13.95 until Aqua Source took over. The water
23 quality has not changed, and it's really pretty crappy.
24 Not only is it crappy, there's some basically --
25 Raintree or Rainwater used to come out and try to get

1 everybody on their system. You can ride around our
2 neighborhood, and most everybody has a water filtration
3 system on their house. Nobody drinks our water. No
4 one, not even my dog.

5 She will drink the rainwater that comes in the
6 little sandbox turtle that my grandson used. She won't
7 drink that unless it's absolutely the only thing she can
8 drink. And she is outside all the time. Another
9 thing -- I have a few others issues like the water pipes
10 in my house -- I know I am very quiet.

11 **COMMISSIONER EDGAR:** That's okay. I didn't
12 get which system --

13 **MS. MADDEN:** Lake Josephine. And she lives on
14 Canary. It's a gravel road, and I was down there last
15 night. I was going to bring you some digital pictures
16 for you to see. Unfortunately, it was too dark by the
17 time I got there. It's the end of a gravel road, and it
18 is the same system. I haven't seen really any changes.
19 It was too dark. I plan on going back out there again.

20 One of my other issues is my dog won't drink
21 the water. And like the (inaudible) the pipes in my
22 house, and now I am kind of concerned. I have had a
23 problem with my face and an infection. It could be from
24 the water, and the contamination in the water. As you
25 can see. I lost a tooth last year, and it could be just

1 from brushing my teeth. I'm not sure. I have no way to
2 substantiate my claim. But the water quality reports
3 that they send us, unless you know anything about the
4 water, how do you know what is in our system? I don't.
5 I haven't had time to see exactly what those reports are
6 telling me is in my system. What are we are drinking?
7 I don't drink water unless it's coffee or tea. The
8 other issue is half of the customers in the Lake
9 Josephine area, most of the houses are empty.

10 Thank you.

11 **COMMISSIONER EDGAR:** Do you have any questions
12 for Ms. Madden?

13 **MR. MAY:** No questions.

14 **COMMISSIONER EDGAR:** Thank you.

15 **MS. MADDEN:** I have one other thing I forgot.
16 I did have a boyfriend living with me for quite some
17 time and he had a rash on himself, and once he moved out
18 from me it cleared right up.

19 **MS. CHRISTENSEN:** Can I clarify. You said
20 half the houses are empty. Is it because people are
21 seasonal, or is it because they are --

22 **MS. MADDEN:** People have either moved out or
23 died.

24 **COMMISSIONER EDGAR:** Thank you.

25 **MS. CHRISTENSEN:** That was the last customer

1 we had signed up to speak. I guess Mr. Bussey?

2 **COMMISSIONER EDGAR:** Sure. Okay. Is there
3 anybody who has not come to the podium to speak to us
4 that would like to? Okay.

5 Mr. Bussey, would you like to come back?

6 **MR. BUSSEY:** Okay. We'll pick up where we
7 left off.

8 **COMMISSIONER EDGAR:** Thank you for working
9 with me.

10 **MR. BUSSEY:** Let me paraphrase this Page 74.
11 Maybe it will take a little less time. No, actually I
12 will probably get all tangled up. Let me just read
13 this.

14 FWSC was formerly known as Southern States.
15 SUS rates were last established in '96. At that time SU
16 had several water and wastewater companies, da, da, da.
17 This is where, I believe, Mr. Stallcup of the PSC
18 introduced the capband rate structure with SSU. And,
19 anyway, after that it became FWSC. I don't know how
20 that transition went. I don't know anything about that,
21 how that worked, but I do know this. It says that -- it
22 says that SSU had a lot of very successful profit-making
23 service areas, and they also had some high-cost systems.
24 But because of the large spread on where they were
25 making a profit, they didn't have to raise the rates.

1 I'm paraphrasing. They didn't have to keep the rates
2 very high for the high-cost systems because they could
3 afford to keep them low. But then they sold off -- SSU
4 sold off to the municipalities the good stuff. And then
5 FSSW (sic), or whatever their name was, they took over
6 those high-cost systems without the benefit of the
7 larger service areas where -- okay. So now they got a
8 sore thumb, high cost systems, high rates. And Aqua
9 bought those high cost systems from FWS, whoever they
10 are, FWSC. They bought those high-cost systems from
11 FWSC without the benefit of a lot of good service areas,
12 knowing, knowing that the rates were going to go through
13 the roof.

14 This is part of Aqua's business model, to buy
15 high cost systems. It's a known fact. I mean, it's
16 part of their business strategy. So then they come to
17 the PSC, and the PSC gives them a certificate, okay.
18 And here we are. We're in a monopoly, high-cost
19 systems, we're in a monopoly and we are here whether we
20 like it or not.

21 Mr. Stallcup has told me in the past contact
22 with him, hey, whatever it takes. The ratepayers will
23 pay whatever it takes to keep the company in business to
24 provide the service. Whatever it takes. And there is
25 no escape clause for us. So AFU purchased a collection

1 of smaller higher-cost systems without the benefit of
2 the larger systems that previously subsidized the
3 higher-cost systems. Without the benefit of
4 subsidization of larger systems, there is an upward
5 pressure on rates for these smaller systems. Okay.

6 Now, my question. So what this means to me is
7 that the Florida Public Service Commission is required
8 by law to give a certificate to an IOU that knowingly is
9 acquiring high-cost systems without the benefit of those
10 larger systems that were previously subsidized by an IOU
11 that was able to do that.

12 Question. Why did the FPSC give them a
13 certificate when they knew or when you knew the rates
14 were going to become unaffordable? Are you saying you
15 are required by law to give a certificate to a company
16 that knowingly is going to bring in a lot of problems
17 for the ratepayers? That's my question. Are you
18 required by law to accept anything that is put on the
19 table that meets the requirements? Are you required to
20 say, okay, we have to do this, or could you say, not
21 these, we're not going to give you a certificate for
22 those, because that is not going to be affordable, you
23 knew it when you bought it, and we know it, and we are
24 going to have problems from now on with it. Are you
25 required by law? I would like an answer to that

1 question.

2 **COMMISSIONER EDGAR:** Marshall, would you like
3 to take a shot at that?

4 **MR. WILLIS:** I will take a shot at it. The
5 statute does require certain requirements upon a company
6 purchasing any utility company. And if they do meet
7 those requirements, which I'm talking from memory here,
8 basically do they have the financial capability, they
9 have the knowledge to operate these systems, and the
10 ability to go out and get money, if they need, to invest
11 in the system. I think those are the three basic
12 requirements. If they meet those requirements, the
13 statute basically says the Commission should grant the
14 certificate.

15 So to answer your question, if a company comes
16 in who is well-qualified, which Aqua does own and
17 operate systems all around the nation. They are
18 qualified to operate systems. And in this case, if you
19 remember, Mr. Bussey, when Florida Water Service sold
20 all of those systems, the only thing left were the
21 high-cost systems, and they were put up for bid, and
22 Aqua was the only bidder for those systems. No city or
23 county government wanted to touch those systems. They
24 would not buy those systems. These were the only ones
25 left that would not be purchased from anyone else, and

1 Aqua was the only bidder for those systems. I hope that
2 answers your question.

3 **MR. BUSSEY:** Well, it raises another question.
4 You said should. Are they required by law? Does the
5 Public Service Commission have to authorize their
6 certificate or can they say no?

7 **COMMISSIONER EDGAR:** Mr. Willis, let me jump
8 in. And thank you for your background. I appreciate
9 that. It was very helpful.

10 **MR. BUSSEY:** I mean, the question wasn't
11 answered. I asked for a yes or no.

12 **COMMISSIONER EDGAR:** And I was about to try to
13 answer it.

14 **MR. BUSSEY:** Okay.

15 **COMMISSIONER EDGAR:** My understanding is that,
16 per the statute, if certain criteria as listed in the
17 statute are met, then the Commission, by law, has very
18 little discretion as far as issuing that certificate to
19 provide service. However, to follow that line of
20 reasoning, if you consider that reasoning, not
21 everything in the statute always seems reasonable to me,
22 but there it is. Then when you get to cost of service
23 and rate structure that then is a proceeding that, by
24 statute, falls to us for those investor-owned systems in
25 those counties that elected for that to come before us.

1 There are a number of counties in the state,
2 approximately half, who have chosen to take on that
3 regulatory function for themselves.

4 Pasco County is not one of those. So when it
5 comes to rate structure, and cost, and issues of service
6 that then comes to us in those counties for those
7 systems, and that is part of what we are doing here
8 today, looking at those areas, hearing testimony, going
9 to additional evidentiary testimony in order to reach
10 the decisions based on the record within the discretion
11 that we have.

12 **MR. BUSSEY:** Let me close with just one
13 comment, and it's brief.

14 **COMMISSIONER EDGAR:** Yes, sir.

15 **MR. BUSSEY:** Because we have no choice, we are
16 locked into this once they have the certificate. There
17 is no way out, except for abandonment. And under the
18 thing for abandonment, the county is required to take it
19 over immediately and then negotiate the sale, so on and
20 so forth.

21 The company has acquired these high cost
22 systems. We all know that they are a real serious
23 problem, that's why the rates are so darn high for
24 everyone. Pasco County wants to buy those systems, but
25 they won't negotiate, because it's part of their

1 moneymaking plan. If there was an escape clause other
2 than abandonment, would you guys consider pulling the
3 certificates for the areas like Pasco County, those
4 three service areas?

5 **COMMISSIONER EDGAR:** Is that a question to me?

6 **MR. BUSSEY:** Yeah.

7 **COMMISSIONER EDGAR:** Okay. Mr. Bussey, I can
8 only speak for myself, of course. However, I can tell
9 you this, any option legally under the statutes that is
10 before us will be given absolute full consideration. I
11 also can share with you, and I know you already know
12 this, but for everyone else and anybody who doesn't,
13 Senator Fasano, Representative Legg, Representative
14 Brodeur, Senator Alexander, and others, but those in
15 particular I know are very involved in these issues. I
16 certainly recognize, again, not trying to speak for
17 anybody but myself, I can say that the Commission
18 recognizes that there are issues with some of the older
19 systems and some of the legacy issues and the costs. We
20 can only do what the statute allows, and clearly
21 abandonment has some issues with it, as well.

22 A larger answer, a more comprehensive answer
23 for issues with our infrastructure, especially in small
24 systems, is something that we are all looking for.

25 **MS. MADDEN:** I am merely seeking clarity so we

1 know how to proceed. And I appreciate your
2 forthrightness to my questions, because I believe this,
3 I believe that the PSC could be more assertive with
4 current statute to protect those who have no other place
5 to go for protection because of the monopoly situation.

6 I believe you should be bending over backwards
7 to protect the ratepayers to whatever degree you can at
8 whatever expense it is to the company. And I also
9 believe that there are some constraints you can't do
10 anything about, and it requires legislative action. And
11 I would hope that you would encourage whatever changes
12 need to be made, because to not do so would be an
13 injustice to the ratepayers. Thank you very much.

14 **COMMISSIONER EDGAR:** Thank you.

15 Commissioner Brown.

16 **COMMISSIONER BROWN:** I have a question for
17 Mr. May. And I may have had a question to address to
18 Mr. Bussey, and if you would like me to address him
19 first.

20 **COMMISSIONER EDGAR:** You may.

21 Mr. Bussey, I'm sorry to keep you going back
22 and forth.

23 **MR. BUSSEY:** No, that's fine.

24 **COMMISSIONER BROWN:** But I understand that Mr.
25 May would like to ask you a question, and then we will

1 go from there.

2 **MR. MAY:** Mr. Bussey, I don't want to belabor
3 the hearing any, but in the last case you appeared at a
4 number of different customer hearings, and I was going
5 to hold some of other my questions for further meetings
6 provided that you are going to be there.

7 **MR. BUSSEY:** Oh, yeah. Yes, we will see you
8 tomorrow.

9 **MR. MAY:** We will chat later. Thank you.

10 **MR. BUSSEY:** Okay.

11 **COMMISSIONER EDGAR:** Commissioner Brown.

12 **COMMISSIONER BROWN:** Mr. May, this is a follow
13 up to something that Mr. Bussey raised. And I don't
14 know if you are going to be prepared to discuss it here
15 or at the hearing, but I just wanted to express my
16 interest in knowing about the negotiations with Pasco
17 County, and where the company is in the process of that.
18 Either here or at a later date I would like that.

19 **MR. MAY:** As in any business negotiations,
20 obviously there are certain confidential aspects of
21 those. I will say that my client is always willing to
22 discuss different avenues, different alternatives, and
23 has had discussions in the past with Pasco County.

24 I think it would be premature for me to talk
25 about those issues now, but we certainly will be in a

1 position to talk about them and advise the Commission if
2 things progress. But, you know, the policy of my
3 client, of Aqua Utilities is to have an open-door policy
4 and to discuss, you know, different potential solutions,
5 different potential transactions as they might arise.

6 **COMMISSIONER BROWN:** And my question is has
7 the utility received an offer from Pasco County to
8 purchase the system?

9 **MR. MAY:** No.

10 **COMMISSIONER BROWN:** Okay. Thank you.

11 **COMMISSIONER EDGAR:** Commissioner Balbis.

12 **COMMISSIONER BALBIS:** Thank you, Madam Chair.

13 I have a question for Mr. May. It's along the
14 same lines, although it has to do with a different area
15 that was addressed I believe it was Monday in a customer
16 service hearing. And can you update us on the Lake
17 Osborne Estates issue with Lake Worth Utilities,
18 because, again, those additional costs are passed on to
19 the --

20 **MR. MAY:** Absolutely. And, again, for fear of
21 testifying, I will give you -- I'm an attorney, so I
22 will give you kind of my understanding, and we will
23 certainly address this formally with a witness under
24 oath on November 3rd. But negotiations, discussions
25 with Lake Worth Utilities are ongoing. My client is

1 doing everything it can to try to work out a better
2 wholesale relationship with that utility, and as I
3 indicated, discussions and negotiations are ongoing.

4 **COMMISSIONER BALBIS:** Thank you.

5 **COMMISSIONER EDGAR:** Thank you.

6 Ms. Christensen, before we wrap up, anything
7 additional from your office?

8 **MS. CHRISTENSEN:** No. We have nothing further
9 to add.

10 **COMMISSIONER EDGAR:** Ms. Klancke, anything
11 else that we need to do while we are still on the
12 record?

13 **MS. KLANCKE:** No additional matters at this
14 time.

15 **COMMISSIONER EDGAR:** Okay. Mr. May, anything?

16 **MR. MAY:** No, ma'am.

17 **COMMISSIONER EDGAR:** Okay. Commissioners,
18 anything additional?

19 Commissioner Balbis.

20 **COMMISSIONER BALBIS:** Thank you, Madam Chair.

21 I would like to thank all of you for coming
22 here today and providing comments. I find it especially
23 helpful with specific issues. You know, I think it's
24 very easy to correctly assume that everyone would like
25 their utility bill lower, no matter what it is. So with

1 that general theme, I understand. But I really
2 appreciate the specific comments. The issue with fire
3 hydrants, the systems. You know, perhaps if that is
4 possible we can provide relief on home insurance rates
5 or other relief, so those specific issues, again, I
6 appreciate. And it's something that our staff will
7 follow up on, that issue and other issues brought up.
8 But I just wanted to thank everyone for coming here.

9 And I do apologize for being a bit late.
10 There were some issues with traffic. But, again, I will
11 read and listen to your comments that were made previous
12 to my arrival, and I just wanted to thank you for
13 coming.

14 **COMMISSIONER EDGAR:** Thank you.

15 Commissioner Brown.

16 **COMMISSIONER BROWN:** Thank you.

17 And I would reiterate Commissioner Balbis'
18 comments. We are very appreciative for all those that
19 spoke, as well as attended, and we'll keep your comments
20 in consideration during the hearing. Thank you.

21 **MR. MAY:** Madam Chair, I did have one final --
22 just to reiterate Mr. Fox's offer. He is here. I know
23 that everyone has made a very significant effort to come
24 out today, and he is available to discuss any of their
25 concerns and to go over any of their issues with respect

1 to their bills after the meeting. So I just wanted to
2 reiterate that offer.

3 **COMMISSIONER EDGAR:** Thank you. And I would
4 not that Aqua obviously does have other staff here, as
5 well, who can help with specific questions, or concerns,
6 or at least I know will try to. And our staff are here,
7 as well, if there are any questions that anybody would
8 like to speak to them, or more directly without having
9 to come to the microphone.

10 I will note that we have earlier this week
11 held similar proceedings in Greenacres and in Fort
12 Myers. Tomorrow we will be in Oviedo, and then later in
13 the month Gainesville, Palatka, Eustis, Chipley, New
14 Port Richey, and Lakeland. And all of those dates are
15 on the blue sheet that we have brought to your attention
16 a few times.

17 I would like to say thank you for everyone
18 coming out to be here. Please do share all of this with
19 friends, and neighbors, and other family members. There
20 are a variety of ways to get comments to us. We want
21 them. We seek them. And I would like to personally
22 thank everybody for their patience while we have moved
23 through this this morning. So with that, everyone drive
24 safe. And we are adjourned.

25 (The service hearing concluded at 12:21 p.m.)

1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

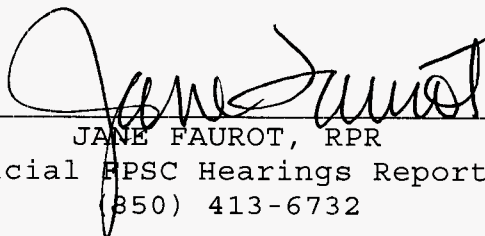
3 COUNTY OF LEON)

4
5 I, JANE FAUROT, RPR, Chief, Hearing Reporter
6 Services Section, FPSC Division of Commission Clerk, do
7 hereby certify that the foregoing proceeding was heard
8 at the time and place herein stated.

9 IT IS FURTHER CERTIFIED that I
10 stenographically reported the said proceedings; that
11 the same has been transcribed under my direct
12 supervision; and that this transcript constitutes a
13 true transcription of my notes of said proceedings.

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

19 DATED THIS 12th day of September, 2011.

20
21
22
23
24
25


JANE FAUROT, RPR

Official FPSC Hearings Reporter
(850) 413-6732