1		BEFORE THE
2	FLORIDA	PUBLIC SERVICE COMMISSION
3		FILED 5/25/2018 DOCUMENT NO. 03897-2018 FPSC - COMMISSION CLERK
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5	In the Matter of:	DOCKET NO. 20170141-SU
6	APPLICATION FOR INC WASTEWATER RATES IN	I MONROE
7	COUNTY BY K W RESOR CORP.	/
8		/
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10		
11	PROCEEDINGS:	SERVICE HEARING
12	COMMISSIONERS	COMMISSIONER DONALD J. POLMANN
13	PARTICIPATING:	COMMISSIONER DONALD J. POLMANN COMMISSIONER GARY F. CLARK COMMISSIONER ANDREW G. FAY
14	DATE:	Tuesday, May 15, 2018
15	TIME:	Commenced: 6:16 p.m.
16		Concluded: 7:46 p.m.
17	PLACE:	Tortuga Ballroom DoubleTree by Hilton Grand Resort
18		Key West
19		3990 S. Roosevelt Boulevard, Key West, Florida
20	REPORTED BY:	DEBRA R. KRICK
21		Court Reporter
22		PREMIER REPORTING
23	г	114 W. 5TH AVENUE ALLAHASSEE, FLORIDA
24		(850) 894-0828
25		

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7	ROBERT SCHEFFEL WRIGHT and JOHN T. LaVIA, III,
8	ESQUIRES, Gardner Law Firm, 1300 Thomaswood Drive,
9	Tallahassee, Florida 32308, appearing on behalf of
10	Monroe County Florida.
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14	J.R. KELLY, PUBLIC COUNSEL; ERIK L. SAYLER
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17	Tallahassee, Florida 32399-1400, appearing on behalf of
17 18	Tallahassee, Florida 32399-1400, appearing on behalf of the Citizens of the State of Florida.
17 18 19	Tallahassee, Florida 32399-1400, appearing on behalf of the Citizens of the State of Florida. KYESHA MAPP and JENNIFER CRAWFORD, ESQUIRES,
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1	APPEARANCES (Continued):
2	KEITH HETRICK, GENERAL COUNSEL; MARY ANNE
3	HELTON, DEPUTY GENERAL COUNSEL; Florida Public Service
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5	Florida 32399-0850, Advisors to the Florida Public
6	Service Commission.
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1 PROCEEDINGS 2 COMMISSIONER POLMANN: Good evening, everyone. 3 MR. WRIGHT: Good evening. 4 COMMISSIONER POLMANN: Welcome. Thank you for 5 being here. And thank you for your patience. We 6 were here all day working on the technical hearing 7 and we have tomorrow to continue that, so my 8 apologies for -- that ran a little bit longer than 9 we had hoped. 10 This is the customer service hearing for 11 Docket No. 20170141-SU, KW Resort Utilities 12 Corporation. Today is May 15th, and my watch says 13 we are at about 6:17. Let me call the hearing to 14 order. 15 Welcome everyone. Again, we have the parties 16 here. We have the utility, and we have two 17 intervenors as parties, the Office of Public 18 Counsel and Monroe County. 19 I would -- I am trying to follow directions 20 here, so just one second. 21 Let me first -- this is in -- I will probably 22 say this several times. 23 For the utility customers that are here, you 24 will have an opportunity to speak. Outside that 25 side door, you should find staff that will help you

1 sign in. If you plan to speak, we will need you to 2 sign up and you will be called to the podium in the 3 order in which you signed up, but we also have this 4 information sheet, the blue sheet, so please pick 5 up a copy of that. 6 Staff, if you will please read the notice for 7 me? 8 We are having microphone problems today. 9 MR. HETRICK: We don't have any mics on. 10 By notice issued April 2nd, 2018, MS. MAPP: 11 this time and place was set for a customer service 12 hearing in Docket No. 170141-SU. The purpose of 13 the customer service hearing was set out in the 14 notice. 15 COMMISSIONER POLMANN: Thank you, Ms. Mapp. 16 At this time, we will take appearance of 17 counsel, and we will start with the utility. 18 Bart Smith on behalf of KW Resort MR. SMITH: 19 Utilities Corp. There it is. 20 MR. FRIEDMAN: And Marty Friedman on by half 21 of KW Resort Utilities Corp. 22 Cynthia Hall from Monroe MS. HALL: Hello. 23 County Attorney's Office on behalf of Monroe 24 County, and I also have with me, Schef Wright from 25 the law firm of Gardner Bist, also representing the

1 County. 2 COMMISSIONER POLMANN: Thank you. 3 MR. KELLY: Good evening, Commissioners. J.R. 4 Kelly and Erik Sayler with the Office of Public Counsel. We represent the ratepayers of KWRU. 5 6 COMMISSIONER POLMANN: Staff. 7 Kyesah Mapp for staff. And I would MS. MAPP: 8 also like to enter an appearance for Jennifer 9 Crawford. 10 Ms. Helton. COMMISSIONER POLMANN: Mary Anne Helton. I am here as 11 MS. HELTON: 12 your advisor. Also entering an appearance for your 13 General Counsel, Keith Hetrick. 14 COMMISSIONER POLMANN: Thank you. 15 And again, let me begin by welcoming all of 16 you, and thanking you for joining us this evening. 17 This is our first day of the customer service 18 hearing. We will be here again tomorrow morning at 19 Please let your friends and neighbors know 9:30. 20 we are doing this in two parts, one this evening 21 and we will recess and then continue in the 22 morning. 23 We do sincerely appreciate your interest in 24 this petition, and it was filed by KW Resort 25 Utilities Corp. This hearing, the customer service

hearing, is designed so that we can hear from the customers. This is your opportunity to present us with your thoughts. We are very interested in any concerns or comments related to the company's request for a rate increase.

6 Because we want to focus on hearing from you, 7 we ask that you please turn off cell phones. It's 8 important to us for a couple of reasons so that 9 everybody can pay attention and listen to what's 10 being said, as well as we don't have any 11 interference with the recording equipment. So as a 12 courtesy, if you need to take a call, please step 13 outside and we will be grateful for the 14 consideration.

15 So we have here representatives from the 16 utility, from the company, and staff from the 17 Public Service Commission. They will be available 18 during this meeting and perhaps afterwards for some 19 period of time to discuss billing and service 20 issues with the customers.

At this time, I would like to ask the commissioners that are here with me to introduce themselves briefly, and then we will look at staff for the same.

So, Commissioner Clark.

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1 COMMISSIONER CLARK: Yeah. Good evening. 2 Gary Clark, Commissioner. I appreciate everybody 3 coming out tonight. I appreciate your 4 participation in this event. Your thoughts and 5 your concerns are very, very important to us, and 6 we would definitely encourage you to kind of let us 7 know what you are thinking and how you feel about 8 the potential rate increase.

9 COMMISSIONER FAY: Commissioner Andrew Fay. I 10 also appreciate everyone that's here tonight and I 11 believe you didn't come to hear me talk, we are 12 here to listen to you talk, so I look forward to 13 that.

14COMMISSIONER POLMANN: Thank you,15Commissioners.

16 I am Donald Polmann. I have had the pleasure 17 today of serving as the presiding officer. There 18 are actually five commissioners representing the 19 Public Service Commission, and I -- we have been 20 assigned here as a three-member panel for this 21 There are certain cases where all particular case. 22 five commissions are involved. There are other 23 cases where we have a panel of three, so in this 24 case, there are three of us at the technical 25 hearing.

1 At the conclusion of all of this, the staff 2 will bring forth a recommendation to the full board 3 at a point in the future, and we will address that 4 later. 5 I would also ask, as I mentioned, company 6 representatives that are here, other than the 7 attorneys, if we have folks in the room, they may 8 be up and about, but we have company 9 representatives here that will be available to 10 speak to customers, if you would just raise your 11 hand and identify yourselves, that would be great. 12 Thank you. 13 And let's go to Commission staff, just 14 identify -- just introduce yourself real quick, and 15 just identify what group you are working with so 16 the customers know who is with us. 17 MS. FRIEDRICH: My name is Marissa Friedrich. 18 I work in the Division of Economics, and we design 19 the rates and charges for utilities. 20 MR. MAUREY: Andrew Maurey, I work in the 21 Division of Accounting and Finance. 22 Amber Norris. I work in the MS. NORRIS: 23 Division of Accounting and Finance as well. 24 MS. KNOBLAUCH: Emily Knoblauch, I work with 25 the Division of Engineering.

COMMISSIONER POLMANN: Okay. And we have
 identified the attorneys.

MS. THOMPSON: I'm Kelly Thompson with the Division of Consumer Assistance and Outreach.

COMMISSIONER POLMANN: Okay. As I mentioned, staff will be able to assist you customers with any questions or other assistance that you need.

8 So this is an official public hearing that 9 will be transcribed and become part of the official 10 record. As such, you will need to be sworn in 11 before you present your comments, and we will take 12 care of that in just a few minutes.

Please note that your comments will also be subject to cross-examination. What that means is the parties, including Commissioners, may ask you questions for clarification in response to your comments.

You may have noticed the speaker sign-up forms. If you do plan to speak, please make sure that you sign that so we have your name and address for the record. And if you do not want to provide verbal comments, you don't want to speak here today, please provide us with written comments; in fact, you can provide both.

If you have not received a handout, we have

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Reported by: Debbie Krick premier-reporting.com those, feel free to pick one up. On the last page of that, there is a form for all your comments. It's designed so you can mail that directly to us. And whether you provide verbal comments here today, or provide anything in writing or by email, all of that information will be considered as we review the full proceeding.

8 At this point, I would like to invite the 9 attorneys for the parties to give a brief 10 introductory statement. We will begin with the 11 utility, KW Resort, and then we will hear from the Office of Public Counsel, and then Monroe County. 12 13 And at the conclusion of that, if the utility has a 14 closing remark for a minute, then we will come back 15 around and we will get to the customers. And 16 again, I appreciate your patience. We just got to 17 go through some formalities here. 18 So, Mr. Friedman or Mr. Smith. 19 MR. FRIEDMAN: Mr. Smith. 20 MR. SMITH: Good evening. Bart Smith on 21 behalf of KW Resort Utilities Corp. I would like 22 to thank all the customers for coming here tonight. 23 It's an important part of the process. This is 24 your opportunity to speak regarding the proposed

25 rate increase.

Today we are requesting a revenue increase to \$3,682,216 in general revenue. That is the total revenue. That's not what the requested increase is. The reason for this increase is a couple of capital projects and some hurricane expenses.

6 The capital projects are the chlorine contact 7 chamber, which is approximately 15 to 18 years old 8 and is required to be replaced. Rehabilitation to 9 the two older plants, which were built in 1983 and 10 Some increases in salaries due to you now 1994. 11 having three plants, as well as operating at AWT, 12 which is a state mandate.

13 And finally, a increase -- finally, there was 14 expenses, unfortunately, from Hurricane Irma. The 15 generator from the plant was destroyed beyond 16 repair. We had to replace that generator. It's a 17 requirement that the utility be able to operate at 18 all times. Some of you may have heard the same 19 thing happened to the City of Key West as well, and 20 they have replaced their generator.

21 The office was also destroyed as well. That 22 And there are additional costs is being replaced. 23 due to overtime and rental costs due to the 24 hurricane. 25

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We have requested all of these costs.

We

1 believe they are reasonable, and prudent, and 2 necessary to operate the utility. We understand 3 that this does result in a rate increase, but we do 4 believe that these costs are prudent for the utility to operate and a prudent investment. 5 6 And we thank you for your time tonight. We 7 thank you for your comments. If there is any 8 individual questions, we do have Chris Johnson, President of the utility and Greg Wright, the 9 10 Vice-President of the utility. 11 Thank you again for your time. 12 COMMISSIONER POLMANN: Thank you, Mr. Smith. 13 Okay, we are going to Mr. Kelly. 14 MR. KELLY: I am going to turn my back to you 15 guys so I can talk to you. 16 COMMISSIONER POLMANN: Oh, no, go ahead. You 17 are here for the customers. 18 Thank you, sir. MR. KELLY: 19 Good evening, I have met some of you. My name 20 is J.R. Kelly. I am with the Office of Public 21 Counsel, I am here with Erik Sayler, and we 22 represent you, the customers. And we are not part 23 of the Public Service Commission. We are a 24 separate office. And our sole purpose in our 25 office is to represent customers in front of the

1 Public Service Commission in cases like this, where 2 a utility is asking for a rate increase. 3 You heard Mr. Smith talking about, they are 4 asking for certain expenditures, and so forth; and 5 we are contesting a number of those. And I will 6 just give you just -- I am not going to talk about 7 all of them obviously, but I will just give a 8 rundown of some of the major ones. 9 First off, KW was just in a year ago and got a 10 rate hike, and they are back in now, less than a

11 year, the ink hadn't hardly dried on the last order 12 when they filed their last rate case. And they are 13 asking for anywhere from about a 55 to 58 percent 14 rate like to their current rates. We don't believe 15 that's reasonable, and we don't believe that they 16 have proved up their case.

17 A couple issues we have contested, they are 18 asking for up to \$288,000 for a new modular office 19 We don't dispute that they need a new building. 20 office building, however, they haven't come forth 21 with any competitive bids. They have not come 22 forth with any signed contracts with licensed 23 approved contractors. We don't think that's a 24 prudent way for a business to operate, and we are 25 contesting that until such time as they follow the

prudent steps to come forth and prove up a reasonable price if a new building.

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3 Another excessive request they are making is 4 in what is called working capital. They are asking 5 for almost \$600,000 more than what this same 6 commission approved for them just a year ago. 7 There is no basis for that, and there is no 8 justification. We think it's a ridiculous ask, and 9 we are going to contest that and ask the Commission 10 to hold them to the exact same level that they 11 approved just a year ago.

12 The Commission -- excuse me, the utility is 13 also asking to implement a pension plan. We don't 14 argue that a pension plan could be good for 15 employees. However, the pension plan they have 16 approved, No. 1, can be terminated at any time by 17 the utility. No. 2, they can voluntarily 18 contribute or not contribute. That's up in the 19 terms of the pension, and we just don't believe 20 that what they are set forth is reasonable for the 21 employees, more importantly, reasonable for you, 22 the ratepayers, to pay for. 23 The last thing is they are asking what we 24 believe is an excessive number of new employees

25 based upon their historical staffing count. And we

are going to ask the Commission to hold them to a reasonable level and not award them what we believe to be an excessive number of employees.

4 The bottom line is, when -- and there are 5 other adjustments that our county expert and our 6 engineering expert are going to be making. But the 7 bottom line is this, we don't believe that they 8 have met the burden of proof to ask for roughly 9 more than a half of what they are asking for, and 10 that's going to be our argument to the Commission 11 on your behalf to keep your rates as low as 12 reasonable, and at the same time give the utility 13 the opportunity to earn a fair and reasonable 14 return on their money, but more importantly, 15 provide you with safe, adequate reliable service at 16 an affordable price.

17 Thank you. I appreciate your being here. 18 Please take the opportunity and advantage of this 19 to address the Commission. Your comments are very, 20 very important, and trust me, they do want to hear 21 from you.

22 COMMISSIONER GRAHAM: Thank you, Mr. Kelly. 23 MS. HALL: Commissioners, I also am going to 24 turn my back to you.

25 COMMISSIONER POLMANN: Please, go right ahead.

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MS. HALL: Thank you.

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Ladies and gentlemen, my name is Cynthia Hall,
and I am an Assistant County Attorney from Monroe
County, Florida. And Monroe County is here for a
couple of reasons.

First of all, like you guys, we are a rate paying customer, but also we are here because Monroe County, and my commissioners, two of whom are here tonight and are going to talk to you, we care very much about the people who live out and work out of South Stock Island.

12Our -- I am going to draw back, as my County13Administrator would say to the 35,000 foot level.

The big picture here is, as far as the County is concerned, is that we are opposing the rate increase request because the utility is coming back here after only one year and asking for, roughly, a 60 percent rate increase on top of the 60 percent rate increase that they got last year.

I am like you. I know how hard it is to earn a living, and how to make your dollars go where you need them to go. And we just think that that is untenable.

We also are aware of the fact that that would place those wastewater rates ahead of any of the other wastewater utilities here in Monroe County. We don't think that's fair.

Our position is we believe that, once again, the utility has over represented its costs and underrepresented the revenue that we think is going to happen as a result of the growth that all of us see happening out on particularly South Stock Island.

9 And all of us -- you guys know what's going 10 You can go out there and see the beautiful new on. 11 Perry Hotel and Stock Island Marina Village and 12 Oceanside, and all of the development that's all 13 And all of it is gorgeous, but we happening. 14 believe all of it represents growth that has not 15 been adequately taken into consideration that will 16 result in to many revenues.

17 So as everybody has said, that's enough of me. 18 I really thank you for coming out. This is your 19 time to speak. I have only done one other Public 20 Service Commission hearing, it was a year ago, but 21 I can tell you that my experience is that the 22 commissioners and the staff really do listen to 23 you, and they listen to the concerns that they 24 have, and they will even follow up with you 25 afterward to see if they can get some resolution if

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1 it's at all possible.

So thank you very much for being here.
COMMISSIONER POLMANN: Thank you, Ms. Hall.
Okay. Customers who want to speak today, as I
mentioned, there is the sign-up forms, and I need
to give you some instructions.

7 We want every customer who signed up to have 8 the opportunity to speak, and we are going to have 9 some time on this based on a number of customers 10 that we have. We normally will limit that -- or we 11 have in the past limited that to three minutes 12 based on the number of customers and some time 13 limits, but it would appear that we don't have a 14 tremendous number, so I think we are going to be 15 pretty liberal on that.

16 We have here a light system that's green, 17 yellow and read. You are probably familiar with 18 that from driving around town. Well, hopefully you 19 When you get to yellow, you will have about a are. 20 minute left. And when you get to red, we ask that 21 you try to wrap up your comments. 22 And I already said it, but take care of your 23 cell phones, please.

24 Mr. Kelly, who just spoke to you with the 25 Office of Public Counsel, he will be calling the

1 names, and we will do that in turn in the order in 2 which you signed up. And for convenience, I think 3 Mr. Kelly will be calling the next speaker, and 4 then the person who will follow so you will know 5 who is next. 6 Okav. We will be swearing in all of you, and 7 it's a simple affirmation. And so at this point, 8 if you will stand with me, and anyone who intends 9 to speak, make comments, I would ask you to stand 10 and raise your right hand. 11 (Whereupon, public speakers were sworn.) 12 COMMISSIONER POLMANN: I do. Thank you. 13 Now, when it's your turn, you come up to the 14 microphone here, please, and, again, on the record, 15 all of this is being recorded. In order to have 16 the record clear, we ask that you state your name 17 and address, and everything is being transcribed. 18 This is an official part of the record that goes 19 into the docket, and we want to make sure that we 20 capture everything that you identify. 21 If you have any material that you are Okay. 22 bringing forward that you want to leave with us, 23 depending on the nature of that, we may take that 24 in as an exhibit, and we will address that when the 25 time comes.

1	Okay, Mr. Kelly, are we ready?
2	MR. KELLY: Yes, sir.
3	COMMISSIONER POLMANN: Okay, please proceed.
4	MR. KELLY: The first speaker is Commissioner
5	Danny Kolhage?
6	COMMISSIONER POLMANN: Just a note here, I
7	think we have a couple of County Commissioners
8	signed up, and the County is a party to the
9	proceeding, and we will take testimony from the
10	County Commissioners here, not as County
11	Commissioners. We will take comments and testimony
12	on the record here from the Commissioners as
13	private citizens who are customers of the utility.
14	So, sir, we simply ask that you come forward
15	as a customer and not a representative of the
16	County. Thank you.
17	MR. FRIEDMAN: Mr. Polmann, may I interpose an
18	objection? These the two County Commissioners that
19	are here are not customers of the utility, and
20	therefore, it's not appropriate for them to testify
21	at all because there is only the only capacity
22	for which they would testify, since they are not
23	customers, would be as County Commissioners.
24	And as you pointed out, the County chose to be
25	a party to this proceeding, and by doing so, has to
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1 follow the same rules as everyone else, which is 2 all their witnesses have to file prefiled 3 testimony --COMMISSINER KOLHAGE: We were allowed last 4 5 year. 6 MR. FRIEDMAN: -- these County Commissioners 7 have not done so, and it's inappropriate to allow 8 them to make any comments at this hearing. MR. KELLY: Commissioner Polmann, I would 9 10 object to Mr. Friedman's comments. 11 No. 1, this commission has always allowed City 12 Commissioners, County Commissioners that represent 13 the people that elect them into office to speak at 14 these proceedings. I have never, ever, in my 10 15 plus years, ever heard of them not being allowed to 16 speak. 17 No. 2, senators and elected representatives of 18 the state have always been allowed to speak, too, 19 whether they have been customers or not. They are 20 elected officials, and they speak on behalf as a 21 voice of the people that put them into office. 22 So I respectfully disagree with Mr. Friedman 23 and would ask that you be allow them to speak. 24 COMMISSIONER POLMANN: The only difference, 25 Commissioner Polmann, is the fact that in those

other cases that J.R. talks about, the person who testified was not a party. And I think we had a case recently where the prehearing, the hearing officer did exclude testimony in a situation like this where the County chose to be a party, and by doing so, they cannot have somebody testify.

7 I understand all of the situations where we 8 allow politicians to get on their soapbox, but this 9 is a different situation because the County chose 10 to be a party, and that sets them apart from all 11 the other cases that --

12 MR. KELLY: And my last comment is, they are 13 available, they can be cross-examined right here in 14 front of by Mr. Friedman or Mr. Smith.

15 COMMISSIONER POLMANN: Mr. Kelly, I appreciate 16 your comments on that, and I did note at the 17 beginning that customers who are -- and we did say 18 customers that could be cross-examined based on 19 their comments.

I also would note this is a customer service hearing, as you are well aware. And in your comments, you are here representing the customers. Your office's involvement here is on behalf of customers. We are all well aware of recognizing the elected officials who represent folks who are

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in the service area who may or may not be customers.

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3 I would tend to agree, although I don't know 4 if for a fact, that those elected officials who 5 have spoken before us on prior dockets have not 6 been a party, so I think that is an important 7 distinction. I am going to look over at the 8 counsel here for a comment in a moment, but I will 9 ask Monroe County for a comment, but let's take a 10 comment, and I imagine you are going to object and 11 then give me a comment, but let's not debate this 12 too long.

MR. WRIGHT: Certainly, Commissioner.Briefly.

15 One, Commissioner Kolhage testified in the 16 last hearing 16 months ago, 18 months ago. This is 17 not unprecedented at all. In fact, disallowing 18 their testimony would be unprecedented.

19Two, they are not testifying parens patriae.20They are not testifying on behalf of Monroe County,21per se. They are, as Mr. Kelly correctly and22eloquently stated it, presenting another voice of23the people whom they represent, just as a state24representative or state senator would, or United25States Congress person would --

1	COMMISSIONER POLMANN: Thank you, Mr. Wright.
2	MR. WRIGHT: his testimony should the
3	Commissioner's testimony should be allowed.
4	Thank you.
5	COMMISSIONER POLMANN: Commissioner Fay.
6	COMMISSIONER FAY: Thank you, Mr. Chairman.
7	The clarification that I would ask for, if you
8	would give deference to it, is for the parties to
9	clarify that they are customers. Mr. Friedman is
10	speaking, I guess on their behalf, that they are
11	not customers of the utility. I wouldn't apply
12	that presumption. I would want to ensure that as
13	an individual that that's the case outside of the
14	debate that we are having, and if they are. It
15	seems that you are assuming it's appropriate.
16	MR. FRIEDMAN: Absolutely.
17	COMMISSIONER FAY: If they are not, then
18	that's a different discussion.
19	COMMISSIONER CLARK: Mr. Chairman, the only
20	point I we do have a couple of customers that
21	said they had to leave by 7:00. We promised to
22	take those individuals first. We are pushing seven
23	o'clock now, and we haven't begun this process yet,
24	so would you consider letting those individuals go
25	first?

1 COMMISSINER KOLHAGE: Yeah, I would be happy 2 to step back and let them come forward. 3 COMMISSIONER POLMANN: That would be great. 4 And I will confer with my advisor here later while 5 they ponder what you are saying. 6 Mr. Kelly, do you know those customers that 7 have a schedule issue? 8 MR. KELLY: I know who it is, but I don't know 9 her name. 10 COMMISSIONER POLMANN: Yeah, can we -- those 11 who have a time constraint, can you just identify 12 If there is one, please come forward. yourself. 13 If there is a number of them, please identify 14 yourself. 15 Yes, ma'am. 16 MS. TURNER: Sue Turner. 17 COMMISSIONER POLMANN: Okay. Can you please 18 pull that microphone up. 19 Sue Turner -- is that better? MS. TURNER: 20 Sue Turner, I am a resident of Harbor Shores, 6800 21 Maloney Avenue in Stock Island. 22 COMMISSIONER POLMANN: And are you a customer, 23 ma'am? 24 MS. TURNER: I am a customer, yes. 25 COMMISSIONER POLMANN: Thank you. (850)894-0828 Premier Reporting

MS. TURNER: I am actually going to read you some comments that are from another one of our residents at Harbor Shores who could not be here tonight because she's away at a conference, but her comments are:

6 We, the Harbor Shores homeowners, feel that we 7 should not be paying for the expansion of the Key 8 West Resort Utilities so that they are able to 9 service multiple million dollar resorts, hotels and 10 restaurants.

And as the Cynthia Hall so aptly put it, there is a lot of development on Stock Island, and there will be more customers and more revenues for Key West Resort Utilities as those things happen in the coming years, and we don't think that they've taken that into account.

Second point is this is the third time that they've raised the rates in order to of pay for advanced wastewater treatment, and so we wonder why they are coming back so quickly for another rate increase to pay for this when they already got that rate increase.

Harbor Shores itself is considered a hybrid. As a general service and a residential customer, that means we pay more than we would as a

1 residential or a general service by itself. We pay 2 a residential rate and we also pay general service 3 fees for things like maintenance, backflow and 4 testing, yet there is no evidence that Harbor 5 Shores is actually costing Key West Resort 6 Utilities more money to provide services than any 7 other residential customer. As a matter of fact, 8 we believe that we are actually saving them money 9 with efficiencies because they send us a bill for 10 all of our customers and we may with one check.

11 Key West Resort Utilities is also asking to 12 raise their rates to cover equipment destroyed by 13 Hurricane Irma, and we feel that since they are 14 considered a critical facility under FEMA and 15 Florida Public Assistance, that they should be able 16 to recover most of their lost funds to pay for 17 those things through FEMA.

I am sure they have applied for FEMA funding, maybe they haven't. The other utilities in the Key West and Monroe County area have worked diligently to make application to FEMA and document all of their losses, and they pay a pretty hefty reimbursement.

Also, that's all I have to say related to Harbor Shores, but I am also on the board of the Florida Keys SPCA. We are -- just built and opening soon, in a month or so, a new animal control facility on Stock Island, so we also will be subject to these rate increases. And, again, we have the same concerns about why they are coming back so soon for a new rate increase, and why it has to be so much.

8 And we can understand things like needing to 9 do a pension plan for your employees. We would 10 love to do a pension plan for our employees at the 11 FK SPCA, but we don't have the money. And we 12 understand that, but I can also understand the 13 County Attorney's comments about their concerns on 14 that, too.

15 So I think that's all I have to say.

16 COMMISSIONER CLARK: Thank you.

17 COMMISSIONER POLMANN: Thank you, ma'am.

18 MR. KELLY: Was there another person that19 needed to speak to leave by 7:00?

20 COMMISSIONER POLMANN: Other than everybody?

21 Okay. Well, thank you.

22 Mr. Kelly.

23 MR. KELLY: I would go back to the beginning
24 of the list, Commissioner Danny Kolhage.

COMMISSIONER POLMANN: Are we going to have

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1	the same issue here?	
2	MR. FRIEDMAN: I am making the same objection,	
3	unless he can say he is a customer, and my	
4	understanding he is not. If he is, I will	
5	UNIDENDIFIED SPEAKER: It's a public	
6	hearing	
7	MR. KELLY: I would ask that you look at the	
8	notice, it says: Members of the public who wish to	
9	present testimony urged to appear promptly.	
10	MS. HELTON: Mr. Chairman.	
11	MR. FRIEDMAN: This is a formal administrative	
12	proceeding.	
13	COMMISSIONER POLMANN: Okay. I am looking to	
14	my legal advisor.	
15	MS. HELTON: Thank you.	
16	Normally the Commission does take a broad	
17	stance when we have a public testimony portion of	
18	the hearing and we want to hear, you all want to	
19	hear from everyone that takes the time out of their	
20	busy schedule to come and give you comments.	
21	However, we are as Mr. Friedman just said, we	
22	are under a little bit different confines here.	
23	We are in an evidentiary hearing governed by	
24	Chapter 120. And an order establishing procedure	
25	has been entered, which says that each party shall	

file all testimony and exhibits that it intends to sponsor pursuant to the provisions laid out in the order establishing procedure.

Monroe County has intervened as a party in this case, and I believe that it would be inappropriate to allow two County Commissioners to present testimony to you in their official capacity as County Commissioners.

9 And as far as previous precedent, that is 10 exactly what the Commission did in the UIF case, 11 the last rate case when a county commissioner 12 wanted to present testimony to you in a service 13 hearing when that county had intervened in the 14 docket.

MR. WRIGHT: Commissioner, I reiterate my
 point. These Commissioners are not testifying on
 behalf of Monroe County. They are testifying as
 voices of their constituents.

19 COMMISSIONER POLMANN: Thank you, Mr. Wright. 20 It's difficult for me to make that distinction. Ι 21 understand what you are saying, and I see that part 22 I am also understanding that the of the argument. 23 County, as a body politic, made the decision to be 24 here as a party to the hearing. And I believe -- I 25 may be speculating, but it would be my expectation

that the County Commission made that decision, not the County Attorney.

3 So as a body, they chose to be here. And if 4 that, in fact, is true, then I am going to not 5 allow that because we are taking the comment as 6 testimony under oath.

7 MR. WRIGHT: And we presented the testimony --8 we have proffered at this time the testimony of 9 three witnesses in the technical hearing, the 10 formal evidentiary proceeding. This is the 11 customer hearing, public testimony is ostensibly, 12 per the notice as published by the Commission and 13 KWRU, welcome. This is voices of the people.

14 COMMISSIONER POLMANN: Understood. In this 15 case, the County Commissioner is a special person, 16 being a party; and as I understand it, unless I am 17 corrected, in a pure sense, he was involved in the 18 decision to be a party, and I see him as an elected 19 official having made that decision as not 20 representing here today simply the public, but 21 necessarily a part of the decision to be an 22 intervenor. 23 MS. HALL: Chairman. 24 COMMISSIONER POLMANN: Ms. Hall. 25 MS. HALL: Chairman, and not to prolong the

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1 debate, but because I think this is a very 2 important point, if Mr. Friedman's logic is 3 extended, then none of the customers standing 4 behind me, or sitting behind me, could stand up and 5 speak because Office of Public Counsel is sitting 6 next to me, and they represent the rate paying 7 customers, so we would end up with a very empty 8 meeting.

9 But in addition, sir, if this would help --10 while we do not agree with this approach, if it 11 would help, I think each one of my commissioners 12 happens to have an independent affiliation or 13 reason for being here.

In one case, one is a realtor who has sold
property to a property owner affected by the rates,
and the other one has been asked to represent the
point of view of a different customer.

So if that would help move us along, I can offer that.

20 COMMISSIONER POLMANN: Well, I appreciate 21 that, but the appropriate time to have raised that 22 would be prior to the hearing when we were 23 considering whether to accept intervenors or not. 24 I think it's too late to come forward and say, I 25 have an interest in this because I have a customer

1 to whom I am a realtor. 2 MS. HALL: Mr. Chairman, we didn't know that 3 this issue was going to come up until it came up. 4 COMMISSIONER POLMANN: Well, as Ms. Helton 5 identified, the Commission has addressed this issue 6 not that long ago. 7 But, sir -- Mr. Chairman, they MS. HALL: 8 spoke in -- both of them spoke --9 MS. HELTON: Mr. Chairman, I --10 COMMISSIONER POLMANN: We are going to cut 11 this off, and if you want to provide written 12 comments from the commissioners, then my legal 13 staff will address that and communicate back to you 14 whether or not it's acceptable. We are not doing 15 that here now. 16 So I am sorry, we are not going to allow the 17 County Commissioners to participate at this point. 18 There is another mechanism for them to do that. As 19 I identified at the beginning of the hearing, this 20 is for testimony on the record verbally. Anybody 21 can provide comments, whatever comments that they 22 had planned to make, they can do so. I am not 23 prepared to allow that here now. I have been 24 advised by my legal counsel, and she identified the 25 appropriate reason that I am going to stand by.
1 COMMISSINER KOLHAGE: Can you ask him why I 2 was allowed last hearing? 3 COMMISSIONER POLMANN: I don't have any idea. 4 MR. FRIEDMAN: We didn't object last time. We 5 are objecting this time. 6 COMMISSIONER POLMANN: I was not here, sir. Ι 7 was not an on the Commission. I am not an 8 I am looking to the attorney, and we are attorney. 9 moving on until Ms. Helton tells me otherwise. 10 Mr. Chairman, I was just going to MS. HELTON: 11 say I think that you have heard from the parties. 12 I think that we can move on now and take testimony 13 from other individuals that are here for taking 14 time out of their day to speak. 15 COMMISSIONER POLMANN: Mr. Kelly, I note the 16 objections, and I see everybody over on that side 17 of the room shaking their head. That's on the 18 record. We don't have a camera, whatever, please 19 move on. 20 MR. KELLY: Nancy Hillman. 21 My name is Nancy Hillman. MS. HILLMAN: I am 22 a customer of Key West Resort Utilities. I live on 23 Miriam Street. I have lived at that address since 24 I have a long history with this utility. 1984. 25 When we first moved back to Key West in 1984,

1 our bill, when we bought the place, was \$11 a 2 We were the new kid on the block, and all month. 3 our neighbors insisted that we go to Key West High 4 School for a meeting, and Tallahassee was to be 5 there. I was home-schooling my children, and I 6 thought it a great opportunity to show them what a 7 good old town hall meeting was like, and they 8 surely found out, because the utility wanted their 9 rate to go to \$50 at that time. 10 I will say that usually every August, like the 11 sun comes up and down, the utility asks for a rate 12 increase. I can count on it. I can bank on it. 13 I know what's going on on Stock Island. I see 14 all the new buildings. There are restaurants. 15 There are hotels. They are money making entities. 16 If you are going to do that, then you pay. 17 My husband is a Vietnamese Veteran, he is on 18 oxygen, otherwise he would be here with me right 19 We are a single family, we are on a fixed now. 20 income. I wonder how many government officials go 21 to the grocery store and cannot understand that 22 there is inflation in the good ole U.S.A. 23 I understand from the newspaper that the 24 County is picking up the tab of infrastructure for 25 18, whatever they are, for Key West Resort

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1 Utilities. Now, when the County picks up that tab, 2 the taxpayer is the one that really picks up the 3 tab. And when I hear people talk about FEMA, 4 that's the federal government. The federal 5 government, nor the state government, nor the 6 county government has a money tree. It all comes 7 out of the taxpayers.

8 On Social Security, we only got a one or 9 one-and-a-half percent raise on a fixed income, and 10 the utility wants a raise of that enormous amount, 11 you are going to push people out, people who have 12 been here for a long time, so only the ultra rich 13 Take a good long look at the state will live here. 14 of California and the state that California is in 15 today.

I was raised on a farm in Upstate New York.
My mother and father were dairy farmers. They
never had a paid vacation. They never had a health
care plan. They got through it. I am tired of
giveaway programs.

We are one small family on Stock Island, and that is an exorbitant rate. And besides that, Key West Resort Utilities makes money with their golf course. They use the water. And I asked the County, what about the new park, where is that

1 watering to go come from for the fancy new turf? I am tired of it. America is tired of it. 2 3 Thank you. 4 MR. FRIEDMAN: No questions. 5 (Applause from the audience.) 6 COMMISSIONER POLMANN: Thank you. Okay. We 7 need to hold the applause, please. Thank you. 8 The next speaker is Andy Birrell. MR. KELLY: 9 COMMISSIONER POLMANN: Is their anyone who's 10 come into the room that has not been sworn, 11 customers that intend to speak? 12 Thank you. 13 My name is Andy Birrell. MR. BIRRELL: My 14 wife and I own 5635 MacDonald Avenue. 15 COMMISSIONER POLMANN: Can you please move the 16 mic over in front? Thank you. 17 MR. BIRRELL: We sit there, we built a 18 building. It was erected two years ago. We have 19 no septic tank. We have no sewer system. We don't 20 have the infrastructure in the road to hook my 21 building up to. 22 I would like to start my -- oh, by the way, I 23 did file a complaint with the Public Service 24 Commission, and we've been going back and forth on 25 that.

1 I would like to start my complaint with the 2 previous owner of the property that I own now was Braswell, and he, in 2005, applied -- or got a permit to be hooked up to the sewer system. He didn't get hooked up, so this is a decade-old problem.

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7 In 2014, I started a conversation with Kevin 8 Wilson of the County and Chris Johnson of Resort 9 Utilities about getting hooked up, promises, 10 stories, blaming, excuses, became the reality of my 11 monthly calls.

County versus Resort Utilities: Each one had 12 13 a version of why there was a delay in getting 14 hooked up. At first, I didn't know who to believe, 15 but now it's pretty clear to me who's playing games 16 at my expense.

17 The picture I got from the County versus 18 Utilities -- Resort Utilities is that Resort 19 Utilities won the bid to do the job for providing 20 sewer needs for the public. After a few years, 21 they decided they needed more money, so they used 22 people like me to leverage to get money out of the 23 County.

24 The arm-twisting has stretched over many years 25 at the at a cost to many folks like me. Those

stories should be told, but I am here to say that the public should not be hammered for, you know, just a request of a resort utility that I can't see from my perspective of sitting there waiting, waiting with promises that they deserve a rate hike.

7 It's obvious to me that they are not doing 8 something right, and I am waiting for the sewer 9 hookup while paying taxes, insurance, utilities. I 10 can't rent my property, and I can't use my property 11 basically without a septic system.

I am not the only one that is in my position. There is a bunch of others that can't get hooked up. I thought they were coming tonight, but I am the only one that seems to have showed up.

16 The Public Service Commission needs to 17 determine who is responsible for putting the 18 infrastructure in the street, and if they conclude 19 that it was Resort Utilities, there was monies -- I 20 have been told that there was always monies set 21 aside to pay for people like me. Maybe it wasn't 22 the amount of money that they want, but if that 23 money was sitting there and there is people like me 24 that are sitting waiting to be hooked up at a great 25 expense, and if the Commission determines that

1	there was money that could have been used to hook
2	us up, then what more do you need to understand
3	that Resort Utilities isn't doing a good job for
4	the taxpayers?
5	And that's all I have to say.
6	COMMISSIONER GRAHAM: Thank you, sir.
7	MR. FRIEDMAN: Can we ask him one?
8	COMMISSIONER POLMANN: Did you have questions
9	for the customer?
10	EXAMINATION
11	BY MR. SMITH:
12	Q Mr. Birrell, are you aware that on March 21st,
13	2018, a contract with the County was signed that will
14	provide the infrastructure for your property?
15	A I read that in the paper. The last
16	communication of February something from Resort
17	Utilities matter of fact, I brought the letter
18	said that I am responsible. If I want sewer, I can pay
19	for the infrastructure, the vacuum system and all the
20	engineering, and I can have it now. But what about the
21	year before that and the year before that, and all the
22	time that I have been waiting? And there is other
23	people that have been waiting for just as many years as
24	I have. They have no septic tank and they have no
25	sewer, so therefore, they can't rent out, like, the back
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1	of George Quintana's garage, he can't rent the back of
2	it because there is no sewer there.
3	Anyway, I don't know to this day whether I am
4	supposed to hire the engineer and have that engineer
5	design the infrastructure that would go in the road or
6	whether all I have to worry about is getting the line
7	from my building out to the street. Nobody has told me.
8	Nobody has called me.
9	COMMISSIONER POLMANN: Mr. Smith, do you have
10	another comment?
11	MR. SMITH: I would ask Mr. Johnson and
12	Mr. Wright are here. They can assist him right now
13	and explain where they are at on putting in the
14	infrastructure so he connect.
15	COMMISSIONER GRAHAM: So, sir, you can have
16	some follow-up with the utility folks who will
17	answer those questions specifically.
18	Commissioner Clark, do you have a comment?
19	COMMISSIONER CLARK: Yeah, just for
20	clarification. So do you live at this location?
21	Do you have a house there how?
22	MR. BIRRELL: It is a residential building.
23	It was pretty much built it was pretty much
24	built in it took two years to build it, so from
25	2014 to 2016 it went up, and then from there but

1 in 2014, I started talking to Kevin Wilson and 2 Chris, and saying, hey, when are you guys going to 3 hook me up? And they would say, oh, yeah, you are 4 on the list. You are going to get done. 5 And then there was things like, oh, we are 6 having a lawsuit. They don't have any money to pay 7 you -- to pay to hook you up. We don't have the 8 capacity. 9 Then right before -- right before Irma hit, 10 there was markings in the street, I thought it was 11 going to get hooked up, but then something about 12 they had to fix -- oh, they had to fix over by 13 their utility, they were going to do that first, 14 and then as soon as that was done, then they were 15 going to come over and take care of us. 16 COMMISSIONER CLARK: But your house is 17 finished and you said you don't have a septic tank? 18 MR. BIRRELL: Yeah. 19 COMMISSIONER CLARK: And you don't have sewer, 20 so no one is living there? 21 No, it's just sitting there. MR. BIRRELL: 22 COMMISSIONER CLARK: Okay. 23 MR. BIRRELL: It's hundreds of thousands of 24 dollars that I pay taxes on, I pay utilities, I 25 pay, and it's just sitting there.

COMMISSIONER CLARK: You also keep alluding to that they will pay for it. Is there some sort of agreement that you are aware of that the County has with Key West Resorts that they actually pay -- the County actually pays for the infrastructure improvements?

7 MR. BIRRELL: No. I have just always been 8 told that there is money that's set aside in the 9 overall comprehensive -- I mean --

10 COMMISSIONER POLMANN: That's the County 11 budget.

12 I mean, I got to tell you the --MR. BIRRELL: 13 to prove to the Public Service Commission, I asked 14 the County to give me some paperwork that would 15 identify why it is that Resort Utilities is going 16 to get paid, and they sent 200, 300 pages, which I 17 forwarded on to the Commission that -- I mean, I 18 couldn't understand it, but it was legal law 19 language that theoretically they were going to get 20 paid, you know, maybe --

21 COMMISSIONER POLMANN: What I would -- thank 22 you for your comments. This is helpful that we 23 hear from you, and their representative here, who I 24 think can answer some, if not all, of your 25 questions about the infrastructure and how to get

1 connected in terms of there being some funds or 2 something like that. 3 We certainly don't want that sitting here 4 today, but I think there is also some assistance 5 directly from the County know, whether that's from 6 the folks sitting here or elsewhere. I am sure 7 there is -- I understand you need more information. 8 I expect to pay just as MR. BIRRELL: 9 everybody else. From 2003, they were responsible 10 for designing, paying for the pipe that goes from 11 their building and whatever, the vents and the 12 backflow things, and whatever --13 COMMISSIONER POLMANN: Right. 14 MR. BIRRELL: -- but not the -- not the 15 infrastructure, not the vacuum system that's in the 16 road. 17 COMMISSIONER POLMANN: There is a mechanism to 18 take care of your questions here tonight to get 19 that ball rolling. And if you continue to have a 20 problem with that, then we have folks on our staff 21 that look forward to hearing from you, and they are 22 here today also to give you some contact 23 information, and you can communicate with us. 24 So I appreciate you being here and bringing 25 this forth. I think you made the right contacts.

1 Thank you, sir. 2 Mr. Chairman? MS. HALL: 3 COMMISSIONER POLMANN: Yes, Ms. Hall. MS. HALL: Mr. Birrell mentioned having a 4 5 document. If we sent it in, could it be made part 6 of the record? 7 COMMISSIONER GRAHAM: Are these standard 8 County documents? 9 MS. HALL: No. 10 MR. BIRRELL: I have my correspondence that I 11 have been communicating with the Commission. Ι 12 would like to enter that into the record. 13 Ms. Hall, I don't know COMMISSIONER POLMANN: 14 how to get it into the record without the customer 15 identifying it for us. 16 Maybe he can do that. MS. HALL: 17 MR. BIRRELL: Okay. We start off -- there is 18 a lot of pages here, should I do it afterwards? 19 COMMISSIONER POLMANN: Mr. Birrell, can you 20 please provide that to Ms. Crawford? Can you 21 assist Mr. Birrell and see if we can identify what 22 it is? 23 Sir, can you provide that to the staff 24 attorney? I just want to try and identify it and 25 see how we can help you get that on the record.

1 Commissioner? MR. WRIGHT: 2 COMMISSIONER POLMANN: Yes, sir. 3 MR. WRIGHT: This is not unusual for customers 4 to come to service hearings with documents and have 5 them admitted into the record. 6 COMMISSIONER POLMANN: I understand. I am 7 just trying to --8 MR. WRIGHT: Just --9 COMMISSIONER POLMANN: -- see how we identify 10 it. 11 You also, Mr. Chairman, to answer MS. HALL: 12 Commissioner Clark's question. Yes, the County, as 13 Mr. Smith mentioned a little while ago, on March, 14 was it 28th? 15 MR. SMITH: 21st. 16 21st, 2018, the County did, in MS. HALL: 17 fact, enter into an agreement. It was made one of 18 the exhibits before. I don't have my exhibits in 19 front of me. It's called Extended Work Agreement, 20 or whatever its official title is, Additional Work 21 Agreement whereby the County is giving \$566,000 to 22 the utility for this additional infrastructure 23 work. 24 COMMISSIONER POLMANN: It was identified as, 25 at least part of it was one of the exhibits today.

1	MS. HALL: Thank you.
2	COMMISSIONER POLMANN: Ms. Helton, should we
3	proceed and come back to that?
4	MS. HELTON: Could we yes.
5	MS. MUIR: It's in my office, so I think we
6	have it all.
7	MS. HELTON: Yeah, I believe this is all the
8	information that the Commission currently has in
9	the I can't remember what CATS stands for,
10	consumer
11	MR. KELLY: Commissioner, but it's not part
12	I would like it marked as an exhibit offered by
13	this witness to go into the record.
14	MS. HELTON: Well, I was not able to finish
15	what I was going to say.
16	I believe that it is appropriate to identify
17	this as an exhibit. What I was trying to say is
18	the that Commission has also already, I believe,
19	received this information; but we are here taking
20	testimony right now from Mr. Birrell and I believe
21	that it is appropriate to take this as an exhibit.
22	The real question is, do we have the means tonight
23	to make a copy of it or
24	MR. BIRRELL: I brought copies.
25	MS. HELTON: You have the copies? Then I

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1 believe we can take this as an exhibit, Mr. 2 Chairman. 3 COMMISSIONER POLMANN: Okay. 4 MS. HELTON: So it should be identified as 5 Exhibit No. 125. 6 COMMISSIONER POLMANN: Exhibit 125. Sir, 7 could you please come back to the microphone and 8 spell your name for all of us? 9 MR. BIRRELL: My name is Andrw Birrell, 10 B-I-R-R-E-L-L. 11 COMMISSIONER POLMANN: Thank you, sir. 12 And Exhibit 125, Mr. Birrill, as a customer --13 It's my correspondence with the MR. BIRRELL: 14 Commission, then also with Resort Utilities and 15 also with the County. It's, like, the whole 16 package. 17 MR. KELLY: Could I suggest you just call it 18 Birrell -- excuse me, Birrell correspondence, Mr. 19 Chairman? 20 COMMISSIONER POLMANN: It's a composite 21 exhibit essentially. So it's correspondence 22 composite exhibit, is that acceptable? 23 Correspondence composite exhibit? 24 MR. KELLY: Sure. 25 COMMISSIONER POLMANN: I think, with all the

1 discussion we've had here, we are pretty clear what 2 it is. 3 (Whereupon, Exhibit No. 125 was marked for 4 identification.) 5 COMMISSIONER POLMANN: Mr. Birrill, I think we 6 have what we need. I appreciate you bringing all 7 of that forward. Thank you, sir. 8 Mr. Kelly, you have another customer? 9 MR. KELLY: Yes, sir. The next speaker is 10 Ms. Diane Beruld -- is it Beruldsen? 11 MS. BERULDSEN: Yes. 12 COMMISSIONER GRAHAM: Your name and address. 13 My name is Diane Beruldsen, 25 MS. BERULDSEN: 14 A 7th Avenue. I am a customer, and I was told to 15 make five copies, so I have five copies, can I hand 16 you? 17 Staff can handle that. COMMISSIONER POLMANN: 18 MS. BERULDSEN: There is five copies. 19 So my issue is a little different. Last year, 20 in November, I get a bill from the company, and I 21 write off a check. They don't take credit cards, 22 so what I do is, instead of mailing a monthly 23 check, I send off 300. I am the kind of person I 24 always pay my bills on time, I don't owe anybody 25 any money, and I send the check off. And then I

1 think, whoa, wait a second, something is wrong 2 here. And then I look back into my checkbook, and 3 the month prior I sent them another check for 300. 4 So now I paid \$600 for what? 5 And then I call up the company. And I didn't 6 qet Chris, was he not available. So I spoke to a 7 woman, I think it was Judy. Their accountant 8 wasn't in that day. So Judy looks at my record and 9 she sees one check for \$300, but it's not reflected 10 on my bill. 11 My bill is on a postcard. Look how small this 12 is, and this is my -- my concern, how the heck do 13 you get information that's imperative that's normal 14 billing procedures on this little postcard? So I 15 raised my concern with her on that issue because I 16 can't understand it. I don't understand what these 17 numbers mean. 18 And so anyway, from that conversation, the 19 next month I waited for my bill to come in and my 20 check -- my checks were still not reflected on the 21 bill. So now what I am going to do is that's when 22 I started to email Chris. Chris is a very busy 23 man, and he says, Ms. Beruldsen, perhaps email 24 would be easier to correspond with me, so I did. 25 So on December 4th last year, 2017 -- and this

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1 is now from the package that I gave those five copies include: Chris, did you read the comment in 2 3 the Citizen's Voice today? The utility is really 4 squeezing money from people who don't have it. 5 Chris, it gets harder and harder. The people in 6 Stock Island are working poor. Yes, you now have 7 new expensive hotels, can't you get money from 8 those developers? Please read the comment and stop 9 squeezing the working poor.

10 Also, your website is not up-to-date. It 11 shows that I, myself, my account is T005, owes the 12 company money. When I called your office today, 13 the woman told me I have a credit but the company 14 you use in California cannot provide up-to-date 15 information.

16 That's what she explained, she couldn't.
17 Why -- why do you send me an email telling me
18 to click on this website link when the wrong
19 information is up.

20 And then on the next page, I have included 21 that comment from the Citizen's Voice about their 22 billing.

23The next page, February 14, Chris, your24billing is difficult to read. You send customers a25small card, no return envelope, cannot pay with

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credit card. The information is limited because the card is so small.

3 City Electric offers customers the opportunity 4 to use a method pay using credit card. They charge 5 customers the extra money they pay for using the 6 credit card. By using the credit card, it allows 7 me to pay automatically. It keeps account of all 8 my payments to your company, the money gets to your 9 company, and it's not lost in the mail. I save 10 money for postage plus I get miles.

In addition to difficulty in your billing, the card you mailed to my house neglected to show my payments made in October 2017, and I mailed another \$300 check in November 2017, which still has yet to be cashed. Maybe that was lost in the mail or your company never cashed it, but I wish you would joint modern world of billing to make it easier for us.

18 Also, I have called up your office and spoke 19 to Judy, who acknowledged the accounting was not 20 correct. I thought I would see the adjustment in 21 my recent bill card, but, no. For my bill this 22 month, February, I mailed you proof of payment from 23 my bank to your company and asked for an updated 24 bill to be sent to me. I sent it to you by U.S. 25 Post Office through mail, and I am waiting for a

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cleanup on my account.

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From your website, I downloaded the Excel spreadsheet for my account. It doesn't tell me what your company charged me each month, how much I had to pay.

6 Take a look in this email attachment, and it's 7 While I have you reading these email included. 8 that machine, that lift station you have at 9 Bernstein Park with the red light, it is noisy. Is 10 it supposed to make so much noise? I spoke to one 11 of your drivers who visited the machine, and I told 12 him so. He said the company was to get a new 13 We were to get a replacement system, is that true? 14 for your machine -- for your machine out in 15 Bernstein Park on 5th Street, and this is why I am 16 so frustrated, and then you see that Excel 17 spreadsheet.

18 COMMISSIONER POLMANN: Ms. Beruldsen, what is 19 it your intention to read this entire handout? 20 MS. BERULDSEN: It goes fast, but you know 21 what, there is no more -- there is so few people 22 speaking here, I thought you were going to be 23 relaxed about the timeframe, and also there is 24 people here who are dying to hear what I have to 25 say they are here behind me.

1 COMMISSIONER POLMANN: Well, I understand --2 MS. BERULDSEN: There is not much. I will 3 read it faster for you want. 4 Please, you did allow the Commissioner speak. 5 Please let me speak. Are you going to cut me off 6 here now? Is that -- or am I allowed to continue? 7 COMMISSIONER POLMANN: Well, you have had five 8 minutes, ma'am. 9 MS. BERULDSEN: Okay. 10 COMMISSIONER POLMANN: I am not cutting you 11 I just want to know if you to read the entire off. 12 We are going to accept this as an exhibit. thing. 13 I'm going to read this MS. BERULDSEN: 14 because -- and I am almost finished, by the way. 15 I'm almost finished. 16 COMMISSIONER POLMANN: I don't think so, 17 but -- unless there are other customers that want 18 to get up and speak. 19 MS. BERULDSEN: It looks like I am the last 20 one. 21 COMMISSIONER POLMANN: Mr. Kelly, how many 22 other customers do you have? 23 MR. KELLY: Two. 24 MS. BERULDSEN: Okay. 25 COMMISSIONER GRAHAM: Go ahead, ma'am.

1 MS. BERULDSEN: Okay. Thank you. Thank you. March 23rd, Chris sends me an email that he is 2 3 very busy. I send him a return email. Chris, I am 4 busy, too, and grateful you finally answered my 5 email. I wait for you to address my concerns. 6 To make this simple for you, your company 7 should use the same billing system City Electric 8 uses because it's very comprehensible. Your rates 9 have been fluctuating from month to month, no 10 A payment of mine was not cashed explanation why. 11 or received. A payment of mine was not originally 12 recorded. Sending each month a check is almost 13 out-of-date in today's world. This is my number

one priority for Key West Resorts, to use acomprehensive billing system.

16 I have sent you a copy of my electric bill in 17 this attachment. You can is see all the 18 information they send their customers. They are 19 very comprehensive, especially when your company 20 has tried and actually raised its rates over the 21 past some years, you need to be very transparent. 22 I wish you would have compassion for the 23 I have made valid points which you did customers. 24 not address from the beginning. My account has 25 been charged a penalty even though I communicated

with you several ways. I mailed, phoned and emailed your company my concerns about updating my billing. You should take off these additional fees from my account and credit my account.

5 And then he writes me back. This is very 6 interesting.

March 29th, Ms. Beruldsen, first of all, thank you for take the time to call my attention to important viewpoints that I am certain are shared by many of the utility's customers. I wanted to make sure each concern was addressed so I left your questions exactly as you wrote them and I respond to each below the questions.

14 Where I say your company should use the same 15 billing system City Electric uses because it's very 16 comprehensible, his answer: If KW Resort Utilities 17 were to change billing systems, it would cost the 18 utility thousands and thousands of dollars to make 19 the system change. Further, an electric company 20 billing system may not be the best billing system 21 for a wastewater utility. When choosing a billing 22 system comparative size of the utility is a major 23 For example, there are some billing factor. 24 systems with licensing fees that are tens of 25 thousands of dollars for the license alone, and

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these systems can be great for utilities with hundreds of thousands of customers to absorb these costs, but the smaller utilities, large enterprise billing systems can be cost-prohibitive. Key West Resort Utilities is very sensitive costs, because in the end, like any business, costs are passed to the customer that are using the service.

8 Then I say your rates have been fluctuating 9 from month to month, no explanation why. He 10 The rates fructuate only when the State explains: 11 of Florida Public Service Commission approves a 12 rate change. When this occurs, the utility sends 13 every customer a notice which is separate from the monthly bill, giving notice of change rates. 14

15 Your bill will fructuate each month is your 16 bill is calculated using the amount of water 17 consumed, using the FKAA water meter reading, 18 multiplied by a gallonage charge. As the amount 19 water used increases and decreases, the monthly 20 bill will increase and decrease proportionately. 21 This rate plus usage billing method inherently 22 creates a different or fluctuating bill amounts 23 from month to month.

A payment of mine was not cashed or received,
I asked. He says: Both the utility accountant

Kaitlin and Judy, the utility billing manager, have looked into this. The utility didn't cash this check as it was not received by the utility. All checks that are received are processed in a timely manner.

Not so. They cash them in about two, three weeks afterwards, and this is a good reason why you should use credit cards.

A payment of mine was not originally recorded.
Their billing -- now I'm going go to summarize.
Their billing company don't process the information
correctly. They have a problem with their -- the
company in California.

14 And then I am going to speak through, because 15 I do feel like I don't want to take up so much of 16 your time, but in another question I asked Chris, I 17 says: My account has been charged a penalty even 18 though I communicated with you in several ways. 19 Because when I got this bill, I thought it was 20 incorrect. I wanted to see where -- what I was 21 paying for. It never was explained in a 22 comprehensive way. 23 And this is Chris' answer, and this is 24 profound: The January 2018 -- his answer is: The

January 2018 bill payment was due February 28th,

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2018. You made this payment by check in person on March 15, 2018, when you met with the utility's billing manager Judy. The utility was given an order by the State of Florida to charge a late fee when payment isn't received by the due date.

6 So he is blaming it on the State of Florida. 7 He is the boss. He is the President. He is the 8 one who could make -- charge me this late fee or 9 And that late fee is profound, because of all not. 10 the stress, the time, the effort I have made to 11 communicate with this man over here, and I get his 12 secretary, or I get his vice-president, I get all 13 of these other people and I am still not satisfied. 14 I still don't -- I still get a postcard, which I 15 still don't understand.

And he can charge me a minuscule \$7, it's principle, but it's profound, because it's the way the company is treating everybody in Stock Island. They are zapping us.

And I want to say also I am very sorry you didn't let our commissioner speak, because it is a public meeting. And I really resent that, because we need -- this is public input, and we need to have as much help as we can.

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1 be comprehensive. Explain what we are paying for, 2 how much we have paid, and it should be accounted 3 on that bill. 4 And then finally, I almost neglected to 5 explain, on this station they have in Stock Island, 6 every time it floods, the red light goes off, and 7 there is an alarm. And now today, you know, with a 8 simple rain, it floods, okay. 9 Sunday, 12:00 noon, that alarm went off, and 10 it was still on. And I had called on Sunday at one 11 o'clock, I called their answering service, and 12 Monday, throughout the day, that alarm was still 13 on. 14 I live right across the street from that 15 station. At the very least, turn off your alarm. 16 That red light -- you know, that red light is going 17 to go on when it rains. Let us have some peace and 18 quiet at least. 19 And thank you very much. 20 COMMISSIONER POLMANN: Thank you, ma'am. 21 Mr. Kelly. 22 MR. FRIEDMAN: Are you going to identify her 23 exhibit? 24 COMMISSIONER POLMANN: Ms. Beruldsen, you 25 provided a copy for which you were reading.

1 MS. BERULDSEN: Yes. 2 And I think it's COMMISSIONER POLMANN: 3 appropriate us to enter that item into the record 4 as an exhibit. Do you have any issue with that? 5 MS. BERULDSEN: No. I would like for you to. 6 Did anybody have any questions? Did anybody 7 have any questions for me? No? 8 COMMISSIONER POLMANN: We will include the 9 package you handed out as Exhibit 126. 10 (Whereupon, Exhibit No. 126 was marked for 11 identification.) 12 COMMISSIONER POLMANN: And similar to Mr. 13 Birrill, this will be correspondence composite 14 exhibit from Ms. Beruldsen. 15 One more thing, though. MS. BERULDSEN: You 16 know, we are -- I think we have been addressing the 17 billing, the rate increase, but I don't think 18 anyone has asked -- you know, I remember this 19 company came to the public in the early years, I 20 have been here since 2000, are these -- is this 21 company qualified? Are they knowledgeable? Do 22 they know how to service sewer? Because maybe the 23 company just doesn't know what they are doing, and 24 here we are, let's ask that as a first question. 25 COMMISSIONER POLMANN: We appreciate your

1	comments. Thank you.
2	Mr. Kelly, please proceed.
3	MR. KELLY: Excuse me, the next speaker is
4	Javier Garrido.
5	COMMISSIONER POLMANN: Please give us your
б	naming and address, and you were sworn?
7	MR. GARRIDO: Yes, sir. Yes, sir.
8	My name is Javer Garrido. I represent JG
9	Rentals, 6310 2nd Street in Stock Island.
10	COMMISSIONER POLMANN: And you are a customer,
11	is that correct?
12	MR. GARRIDO: Yes, sir. I have more than one
13	account with Resort Utilities.
14	COMMISSIONER POLMANN: Okay.
15	MR. GARRIDO: And we've owned the property
16	since the '80s. At the time we were on a septic
17	system, a faulty one at times. I have dealt with
18	the faulty system, and I appreciate Key West Resort
19	Utilities. They take care of a service that I
20	don't care to do, and I haven't had a backup since.
21	But I am here more to represent my tenants.
22	All my tenants are low income workforce
23	families, some of which are subsidized by Section
24	8. I passed on the increases in wind insurance, a
25	large increase in flood insurance, and, you know,

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they are spread pretty thin.

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I understand the storm increased all of our costs, and I am here really to represent them. The increase in the utilities at this time would -- I have no choice but to pass it on to my tenants in which they are a dying breed, so to speak, of when it comes to the workforce.

And with that being said, I think if we can all sharpen our pencil and maybe get a little bit more efficient over the next few years, and maybe pass on this increase at the time being, we can revisit this at a later date.

Like I said, I have more than one account. I do pay on time. And like I said, I do appreciate the utility company, because it's a job I don't want to do.

17 Thank you.

18 COMMISSIONER POLMANN: Thank you, sir.

19 Mr. Kelly.

20 MR. KELLY: The next speaker is Bobby 21 Mongelli.

MR. MONGELLI: Okay. Thank you.
My name is Robert Mongelli. I own two big
restaurants, and -- Half Shell and the Hogfish Bar
and Grill and Roostica on Maloney Avenue. I own

three rental units in Harbor Shores, affordable housing units for my employees. I own a dock at Bama 1 (sic). I have been around Stock Island about 16, 17 years.

5 I have had a lot of help from Key West Resort 6 Utilities over the years. I feel the pain because 7 I have been there trying to hook up the vacuum pits 8 myself five years. But I am not really here to 9 talk about hooking up vacuum pits and how long it 10 took the commissioners to help us get it done. Ι 11 know it's been awarded to a company finally. Ι 12 think Haskins Plumbing has the contract. Hopefully 13 we will be seeing some construction soon so I can 14 flush the toilet at a rental that I rent from 15 Mr. Quintana that has a brand new bathroom but I 16 can't flush the toilet. That should open hopefully 17 happen soon, I'm hoping.

18 The reason I am up here is because I feel, 19 because I have seen the development. I was there 20 in the beginning. I have seen the development. Ι 21 see money. I have see, per them selling Oceans 22 I see a \$300 million marina Edge for \$250 million. 23 across from me. I see a new development coming in, 24 Roy's Trailer Park. I see new single family homes 25 behind Murray's.

1 I feel, to be fair, the brunt of these 2 payments should be done on the developer's side. Ι 3 see consumption from resorts 10 times more than 4 residential units. I understand it, because I saw 5 the construction at Key West Resort Utilities, I 6 saw it every day, the work that was being done for 7 one year straight. So I know there was damage over 8 there, but I don't think it's fair to push it on to 9 the residents, the small residents there. I think 10 the developer should be paying the brunt of it.

11 I know there was an increase last year, 12 because we talked about it last year. They got 13 some money last year. I believe the equipment 14 should have been insured. If you have hurricane 15 damage, it should have been insured, everybody else 16 I personally haven't raised my prices was insured. 17 in my restaurant in over a year, and I am not going 18 to because I can't.

So I am here mostly for the little person. 19 20 There is a lot of money on Stock Island, and there 21 is a lot more money coming. We all see it. 22 Everybody sees it. The streets are flooding and 23 they are raising the streets right now, the County 24 is paying for it. But the County has been helping 25 me for five years. For five years the

1 commissioners have been helping me try to just hook up, I don't know, 10, how many places have I hooked 2 3 up, commercial places I hooked up, commercial 4 businesses? I don't know, but finally we are 5 getting it done. It took a long time, and the 6 County paid some of it, Key West Resort Utilities 7 will pay some of it, and we are finally going to be 8 able to get some stuff done.

9 So I am asking you nicely, don't pass it on to 10 Don't pass it on to the single the employees. 11 family homes. Don't pass it on to the poor people, 12 because I know what's going to happen, we are going 13 to have to raise the rents. It's the only way that 14 we do it, we are going to have to raise the rents. 15 So every little penny helps.

16 All right, thank you very much. 17 COMMISSIONER POLMANN: Thank you, sir. 18 Do we have anyone else from the public, 19 customers who would like to address the Commission, 20 comments on the record? 21 We have added two exhibits, 125 and Okay. 22 126. We will enter those into the record as we 23 described them during the proceeding here. 24 (Whereupon, Exhibit Nos. 125-126 were received 25 into evidence.)

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1 COMMISSIONER POLMANN: Closing remarks, Commissioner Clark? 2 3 COMMISSIONER CLARK: Mr. Chairman, I was just 4 wondering, I realize that, from an official record 5 perspective, you ruled regarding the County. But 6 at the conclusion of the official record, is there 7 anything that this commission could do to at least 8 have some discussion with the County? I certainly 9 would like to have at least some input from them as 10 a customer. 11 Ms. Helton, you apparently have something to 12 say really bad over there. 13 MS. HELTON: I do. I do. Can I get my 14 statute book? 15 COMMISSIONER CLARK: Sure. 16 COMMISSIONER POLMANN: While you are looking 17 at that, I will look to Commissioner Fay if he has 18 any closing comments. 19 COMMISSIONER FAY: Thank you, Mr. Chairman. 20 COMMISSIONER GRAHAM: I think we are speaking 21 to the customer at this point, not the parties. 22 COMMISSIONER FAY: So as a lawyer, I won't 23 speak any legal jargon. I just -- the one thing I 24 wanted to comment on, I heard that, our last 25 speaker, that there is some pretty good food at

1 those restaurants, so I don't know if that's true 2 or not. That's just what we've heard. 3 MR. KELLY: It is. We were there last night. 4 I can definitely corroborate that. MS. HALL: 5 COMMISSIONER POLMANN: Excellent. 6 MR. SAYLER: You can have some friendly cross 7 on that one. 8 COMMISSIONER POLMANN: I have seen, since I 9 have been here a couple of days, what appear to be 10 some really good places to eat. 11 To the customers, we really appreciate you 12 coming out. We had a little bit of a challenge 13 I do apologize again for that getting started. 14 delay, and I am sorry we had to move back and forth 15 here on the issues. We will have a comment from 16 Ms. Helton in a moment. But thank you for coming 17 out and participating in this customer service 18 hearing. 19 And really, back here, we are going to recess 20 in a moment. We will be back here tomorrow morning 21 at 9:30. We will take additional public comment 22 and testimony, please let your friends and 23 neighbors know we had the session in the evening, 24 we will have a session in the morning. 25 And, Ms. Helton, you are going to deal with

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the matter that's on the table?

2 MS. HELTON: And my boss is always telling me, 3 you need to figure out a way to not say no to the. 4 Commissioners, but unfortunately here, Commissioner 5 Clark, we are in a Chapter 120 proceeding, and 6 there are rights assigned to the utility, and there 7 are rights assigned to the parties. And I 8 appreciate your desire to want to hear from the 9 County Commissioners, however, I have to tell you 10 that, as I understand the law, I think that that is 11 inappropriate.

12 They have intervened as a party in this case. 13 They know how to file prefiled testimony. They 14 actually have three witnesses who have filed 15 prefiled testimony, which you will hopefully be 16 hearing from tomorrow, and I recommend to you that 17 because we are governed by Chapter 120, unless the 18 utility will agree to an informal conversation here 19 now, I don't think that that is appropriate. 20 COMMISSIONER CLARK: Your objection is noted. 21 COMMISSIONER POLMANN: I don't think that was 22 an objection. That was advice. 23 Mr. Smith or Mr. Friedman, do you have any 24 comments, and no comment is as good as any comment. 25 We agree with everything that

MR. FRIEDMAN:

1 Ms. Helton said. It would be inappropriate to have 2 any conversations with the commissioners directly 3 in this proceeding.

4 COMMISSIONER CLARK: Let me clarify. I was 5 not indicating any direct conversation. I was 6 asking for us to reconsider just allowing them to 7 come and speak. I will be very candid about that. 8 I am sorry. That's my bad for MS. HELTON: 9 not letting you finish your sentence. I apologize 10 for that, Commissioner Clark.

11 COMMISSIONER POLMANN: Okay. I am not going 12 to entertain any further discussion on this.

13 As I indicated previously, if the County, as a 14 party, wants to provide any comments into the 15 record with regard to this proceeding in writing 16 from a Commissioner or Commissioners, the parties 17 can address that if and when it occurs. But as I 18 stand right now, I am not going to allow the 19 testimony here at the customer service hearing, nor 20 tomorrow.

21 So we will stand in recess for this evening. 22 We will be back here at 9:30. And as of now, we 23 are off the record. Thank you.

24 (Whereupon, the proceedings adjourned for the
25 evening at 7:46 p.m.)

1	CERTIFICATE OF REPORTER
2	STATE OF FLORIDA) COUNTY OF LEON)
3	
4	
5	I, DEBRA KRICK, Court Reporter, do hereby
б	certify that the foregoing proceeding was heard at the
7	time and place herein stated.
8	IT IS FURTHER CERTIFIED that I
9	stenographically reported the said proceedings; that the
10	same has been transcribed under my direct supervision;
11	and that this transcript constitutes a true
12	transcription of my notes of said proceedings.
13	I FURTHER CERTIFY that I am not a relative,
14	employee, attorney or counsel of any of the parties, nor
15	am I a relative or employee of any of the parties'
16	attorney or counsel connected with the action, nor am I
17	financially interested in the action.
18	DATED this 25th day of May, 2018.
19	
20	Debbri R Kaici
21	Allotre à ruce
22	DEBRA R. KRICK
23	NOTARY PUBLIC COMMISSION #GG015952
24	EXPIRES JULY 27, 2020
25	