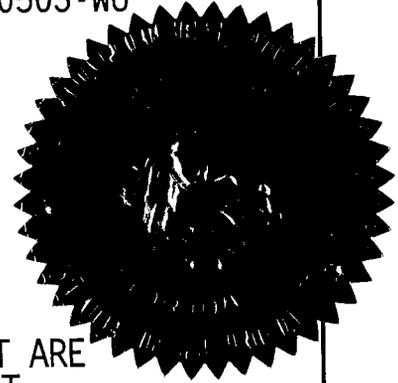


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 010503-WU

In the Matter of

APPLICATION FOR INCREASE IN
WATER RATES FOR SEVEN SPRINGS
SYSTEM IN PASCO COUNTY BY
ALOHA UTILITIES, INC.



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VOLUME 3

Pages 254 through 349

PROCEEDINGS: NEW PORT RICHEY, FLORIDA, SERVICE HEARING

BEFORE: CHAIRMAN LILA A. JABER
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER MICHAEL A. PALECKI

DATE: Wednesday, January 9, 2002

TIME: Commenced at 10:10 a.m.
Adjourned at 8:37 p.m.

PLACE: Clarion Hotel
5316 U. S. Highway 19 North
New Port Richey, Florida

REPORTED BY: TRICIA DeMARTE
Official FPSC Reporter
(850)413-6736

APPEARANCES: (As heretofore noted.)

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I N D E X

WITNESSES

	NAME:	PAGE NO.
1		
2		
3		
4	W. COLIN BRADBURY	
5	Direct Statement	261
6	Cross Examination by Mr. Wharton	270
7	DAVID ROWAN	
8	Direct Statement	274
9	Cross Examination by Mr. Wharton	277
10	DAVID BULMER	
11	Direct Statement	279
12	ROBERT WICKETT	
13	Direct Statement	282
14	STEPHEN LOGAN	
15	Direct Statement	288
16	SUSAN NOWACK	
17	Direct Statement	294
18	Cross Examination by Mr. Wharton	301
19	JAMES TURTLE	
20	Direct Statement	303
21	Cross Examination by Mr. Wharton	310
22	ANGELO DEPERGOLA	
23	Direct Statement	312
24	Cross Examination by Mr. Wharton	315
25	JOE KARAS	
	Direct Statement	316
	CYNDI SKIPPER	
	Direct Statement	320
	JOHN LEGG	
	Direct Statement	324
	NANCY WHITENER	
	Direct Statement	334

I N D E X (Continued)

WITNESSES

3	NAME:	PAGE NO.
4	CHARLES RIFKIN	
5	Direct Statement	334
6	DAVID J. LEWANDOWSKI	
	Direct Statement	339
7	Cross Examination by Mr. Wharton	342
8	CHARLES RIFKIN (Resumed)	
	Direct Statement	344
9	JOE KARAS (Resumed)	
10	Direct Statement	346
11		
12	CERTIFICATE OF REPORTER	349

13

14

15

16

17

18

19

20

21

22

23

24

25

P R O C E E D I N G S

(Transcript follows in sequence from Volume 2.)

CHAIRMAN JABER: Good evening. We're going to start this portion of the hearing in just a minute, but I wanted to explain to the customers here in the audience just a little bit about the procedure we'll follow in the case. I want to get the legal stuff out of the way, so bear with us here. I'm going to ask our Staff counsel to read -- just as he's finishing his sandwich, I'm going to ask him to read the notice for this hearing so we can get started.

MR. JAEGER: Pursuant to notice of hearing issued December 13th, 2001, this time and place has been scheduled for a formal hearing in the application for increase in water rates for the Seven Springs water system in Pasco County by Aloha Utilities, Inc. Specifically, we had the first customer session at 10:00, and this session is at 6:00 p.m. today.

CHAIRMAN JABER: Thank you, Mr. Jaeger. I'm going to have the parties introduce themselves to you and enter an appearance in this portion of the hearing. And we'll start with Mr. Deterding, Mr. Wharton.

MR. WHARTON: John Wharton and Marty Deterding, Rose, Sundstrom & Bentley, Tallahassee, representing Aloha Utilities.

CHAIRMAN JABER: Go ahead, Mr. Burgess.

MR. BURGESS: Commissioner, I'm Steve Burgess. I'm here for the Office of the Public Counsel. We represent the

1 citizens of the state of the Florida, or the customers in this
2 case.

3 CHAIRMAN JABER: Mr. Jaeger.

4 MR. JAEGER: Commissioner, I don't think we made --
5 you made our appearance for us this morning. I'm Ralph Jaeger,
6 with me is Lorena Espinoza, and we're here on behalf of the
7 Commission.

8 CHAIRMAN JABER: Great. Thank you. And I want the
9 customers to know that Representative Fasano is also a party in
10 the case and, of course, he's a customer of Aloha. He was here
11 this morning and made a very passionate, eloquent statement for
12 you. So I want you to know that he and Public Counsel have
13 been very excellent, excellent, actually, consumer advocates on
14 your behalf. So I didn't want you to think because he was not
15 here that he didn't make a statement on everyone's behalf.

16 On the Commission, the three Commissioners that you
17 see here today will be the three Commissioners that decide this
18 docket. We've got Braulio Baez here and Michael Palecki, and
19 I'm Lila Jaber.

20 Just to give you a brief update on the case and why
21 we're here, this company filed an application for a rate
22 increase for the water system at Seven Springs. So if you are
23 here and you are a customer of Aloha Gardens, I want you to
24 know that you are not affected by the potential rate increase.
25 And the word "potential" is very important because this is an

1 application that has been filed by the company. It has not
2 been approved yet. We have a lot of work to do before we
3 actually vote on this item.

4 We are just beginning the process of taking evidence
5 in this case, and we want to very much hear from all of the
6 customers that are here tonight. We heard from customers this
7 morning, from about 10:00 a.m. this morning until 4:45 this
8 afternoon. We will stay here tonight as long as it takes. The
9 Commissioners and I are committed to hearing from every single
10 customer that has signed up to testify.

11 If you do not wish to speak tonight but want us to
12 know your concerns, there is a blue sheet that you would have
13 received when you walked in. On the back is an area for
14 customer comments. Please feel free to fill that out in lieu
15 of speaking tonight and make sure that one of us receives it so
16 that we can put it in the proceeding of this item.

17 This is a formal hearing in the sense that I
18 eventually will need to swear you in to testify, and that is
19 for the purpose, of course, of allowing the parties to
20 cross-examine every single witness in this case. So do not be
21 taken back by questions from the Commissioners, from our Staff,
22 from the company, and from public counsel. They are really
23 just trying to fill the record of this case. And the best
24 example I can give you, we've heard some testimony this
25 morning, for example, on the odor of the water or the color of

1 the water. Don't be taken back by a question, what does it
2 smell like? That question is important because if it has a
3 rotten egg smell, that tells us one thing. If it has a sulfur
4 smell or a chlorine smell, then that tells us something else.
5 So don't be taken back by those kinds of questions.

6 Again, we will be here until the last customer
7 testifies. I want to introduce you to other Staff in the
8 audience because they are here to answer your questions
9 informally after you testify or via e-mail later on. In the
10 back here we have Tricia Merchant; she's an accountant. We
11 have Bart Fletcher; he's an accountant. He's also a witness in
12 the case. Ralph and Lorena have introduced themselves.
13 Marshall Willis is our chief Staff assigned to this case, so
14 he's our chief manager. Mike Wetherington is our engineer. We
15 have Richard Tudor here in the back. Paul Stallcup,
16 Kevin Neal, Bev DeMello. Please take advantage of these
17 people. If there are questions that I haven't yet answered for
18 you, or again, if you don't feel like testifying tonight, find
19 one of them, and they are very eager to help you.

20 With that, if there are customers who wish to
21 testify, I'm going to ask you to stand up and raise your right
22 hand.

23 (Witnesses collectively sworn.)

24 CHAIRMAN JABER: Thank you. Steve Burgess will be
25 calling you up one by one in the order that you signed up. For

1 the benefit of the court reporter, if you could, just spell
2 your last name for us when you come up, that would be very
3 helpful. Mr. Burgess, go ahead.

4 MR. BURGESS: Colin Bradbury.

5 W. COLIN BRADBURY

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

8 DIRECT STATEMENT

9 MR. BRADBURY: Good evening. Can everyone hear me?
10 (Audience responds yes.)

11 MR. BRADBURY: My name is Colin Bradbury, last name
12 B-R-A-D-B-U-R-Y. I live in Village 9 at Wyndtree subdivision
13 off East Lake Road. We have occupied the residence as a winter
14 residence since 1994. I would like to make five points to the
15 Florida Public Service Commission tonight.

16 Point one, the first one is about water and sewer
17 rates during periods when our residence is not occupied. I do
18 not use my winter residence for seven months each summer, and I
19 presently have to pay the minimum rate for 3,000 gallons per
20 month of water usage as well as the relevant sewer charge which
21 totals an amount of approximately \$22 a month. Aloha does
22 offer a lower vacation fee which is set so high that the
23 reconnect charge offsets the vacation fee saving. In other
24 words, I'm presently paying Aloha for something I am not using
25 seven months of the year. Now they want to raise the water

1 rates by 55 percent and eliminate the minimum gallon
2 requirement per month.

3 In reviewing their rate increase, I would request
4 that they need to also eliminate the minimum sewer rate charge
5 for nonusers on a vacation program. The policy that Aloha is
6 asking for with respect to its rate increase should also review
7 the minimum rate for the sewer charge, the vacation, and
8 reconnect charge. I don't mind paying for what I use, but it
9 is ridiculous to charge these very high rates for water and
10 sewer features that I do not use. Other private utilities such
11 as Verizon, the telephone company, Time Warner Cable, and
12 Florida Power offer reasonable vacation fee reduction rates
13 compared to Aloha's present rates.

14 Point two, during the second gentleman's testimony
15 this morning after Mike Fasano, the attorney for Aloha pointed
16 out that this gentleman's house was serviced by Aloha using
17 Pasco water in its system. Also, based on Mike Fasano's
18 testimony today that there were very few complaints of the
19 Pasco water system. This shows clearly that Pasco County has
20 mastered the treatment of its water source, whereas Aloha has
21 not learned how to treat Pasco County water. It would be
22 interesting to run a state-supervised test using the Aloha
23 transmission system for water be fed by Pasco treated water
24 into the subdivision to prove this damaging testimony. I am
25 willing to bet that if Aloha used Pasco's treated water in this

1 subdivision, the problem of black water would be eliminated
2 once and for all and if the total system was purged prior to
3 Aloha's treated Pasco water entering the system.

4 As I indicated earlier, I am a winter resident in
5 Florida who has continuously owned Florida single family
6 residential property since 1965. There have been properties in
7 the cities of St. Petersburg, Redington Beach, and
8 St. Petersburg Beach. My experience in those three cities has
9 been that I have never had to flush out a potable water system
10 after being away for over six months at a time. I could always
11 immediately drink or cook with the water directly from the tap.
12 However, in my eight years of using Pasco water during my
13 winter residence here supplied by Aloha, every fall I have to
14 initially use at least 300 gallons of water to flush out the
15 pipes and the hot water tank in the house. In addition, the
16 soft water unit that I put in has failed after three years due
17 to sludge buildup.

18 Point three, in this morning's testimony, the subject
19 of hydrant safety came up. In our village during the years
20 1994 to 1999, Aloha had flushed the main pipes for at least
21 one-half hour each time at the dead end of each waterline at a
22 frequency between two and five days a week.

23 In the last two years, they do not flush at the dead
24 end of the waterline but along the line. Flushing of this line
25 is done by Aloha to raise the flow of water in order to

1 increase the level of chlorine in the water in that pipeline.
2 By flushing thousands of gallons of water in a 20- to 30-minute
3 period per occurrence from a hydrant, they get an instantaneous
4 minimum level of chlorine up before they shut off the hydrant.
5 Since the flushing action causes an artificially high chlorine
6 level at the hydrant once the flushing is done, the chlorine
7 level starts to drop from their measured level due to the
8 reduced flow that is normally there.

9 Aloha's problem of black smelly water is comprised, I
10 believe, of two defects in their treatment process as evidence
11 provided in testimony this morning by the first five gentleman
12 I heard. The two points I'd like to make is, one is the lack
13 of sufficient particulate filtering resulting in sludge buildup
14 in the waterlines, and point two, insufficient levels of
15 dissolved chlorine, and I use the word "dissolved chlorine,"
16 introduced into the water distribution system.

17 From a safety standpoint of view, the dead end
18 waterline flushing is much preferred than along the line
19 flushing due to scarring the inside of the waterline in order
20 to protect the use of the fine hydrant at the end of the line.
21 In my travels throughout this area of New Port Richey, Port
22 Richey, and Pasco in the last eight years during the time I am
23 here, I have never witnessed the flushing of hydrants to
24 increase the level of chlorine in the waterlines in any other
25 utility.

1 Point four, during this morning's testimony, someone
2 explained that the cost of treating the reclaimed sewer water
3 has risen due to more stringent government regulations. In
4 other words, the costs are increased due to government
5 requirements. The question I raise, is it possible that if
6 Aloha treated the potable water correctly at the front end to
7 prevent black water and sludge from occurring, that the cost of
8 treating the sewer discharge would actually drop? When setting
9 gray water treatment standards, the state government must
10 assume certain potable water standards going into the system in
11 order to issue gray water treatment standards for what comes
12 out.

13 Point five, if Aloha treats the potable water
14 sufficiently to eliminate the intense -- their own intense
15 flushing program, plus all the present customers having to
16 flush their system daily to clear their individual water
17 systems, Aloha would not need to purchase as much water from
18 Pasco County. This should substantially reduce the amount of
19 water purchased in the future from Pasco.

20 To sum up my points, I'm a retired professional
21 engineer, and I say you don't need to be a rocket scientist to
22 compare the processes of several relative potable water
23 treatment systems such as New Port Richey, Port Richey, or
24 Pasco County. From my understanding from Mr. Mike Fasano's
25 note this morning, or comments this morning, there are either

1 very few or nonexistent complaints about those water systems.
2 It is not fair for this State to permit Aloha Utilities to
3 treat its customers as second class residents compared with
4 other residents in the same county, city, or state.

5 The Aloha potable water problem has been proven to be
6 technically correctable by the organizations of New Port
7 Richey, Port Richey, and Pasco County water departments. It
8 must be the State's insistence that Aloha correct the situation
9 before any further rate increases. I am presently paying for
10 potable water, and I'm not receiving the potable water I paid
11 for. Thank you.

12 CHAIRMAN JABER: Thank you, sir. Mr. Bradbury, I
13 want to try to answer as many questions tonight as we can for
14 you. On the vacation rate, Mr. Willis, I'm going to ask you to
15 explain the concept and also, though, to look at Aloha's
16 vacation rate and its relationship to the reconnect fee,
17 because, frankly, sir, that's the first time we've heard that
18 testimony tonight -- all day today, so I'd like us to look at
19 it a little bit more.

20 MR. WILLIS: That will be looked at when we do the
21 final recommendation, but --

22 MR. BRADBURY: May I comment on that?

23 MR. WILLIS: Sure.

24 MR. BRADBURY: I recognize that in the blue pages on
25 Page 2, I believe, that there is an asterisk or a Number 2

1 point which says there's going to be a minimum -- no minimum
2 requirement for water. In other words, if I don't use any, it
3 doesn't cost me anything. In the case, they ignored -- or
4 there's nothing recommending that there be no charge for the
5 service charge --

6 CHAIRMAN JABER: Right.

7 MR. BRADBURY: -- or sewer charge. That's what I'm
8 complaining about there, and also the relationship of the
9 vacation charge versus the reconnect charge. I don't like to
10 disconnect in case there happens to be a fire behind our
11 particular property. We have a bush run by SWFWMD, and in case
12 my neighbor has to use another hose or before the fire
13 department gets there, I don't particularly want to disconnect.
14 The disconnect saving for seven months was like \$3 a month -- I
15 mean, \$21 and the reconnect charge is 15, thanks a lot.

16 CHAIRMAN JABER: As to your first point, there is a
17 cost of service associated with having the plant always
18 on-line, always available for service, and that's what we call
19 a base facility charge. So that's that minimum charge you will
20 see. It goes to pay the fixed costs of the plant that are
21 always there. The gallonage charge goes to your actual usage,
22 but that's different from the vacation rate, and we'll ask
23 Mr. Willis to explain the entire concept, and then I've
24 directed them to get a better analysis for the comparison
25 between the vacation rate and your reconnect charge. And we'll

1 include that in our analysis when we vote on this item.

2 MR. BRADBURY: Thank you.

3 MR. WILLIS: As far as -- let me just address the
4 gallonage charge, too, just to make it real clear. The current
5 rate structure the company is under has a minimum number of
6 free gallons that you don't get billed for, and that under the
7 proposed rate structure --

8 MR. BRADBURY: Pardon me?

9 MR. WILLIS: Under the proposed rate structure,
10 that's being out and now you're billed for every thousand
11 gallons.

12 MR. BRADBURY: I have to pay for 3,000 whether I use
13 zero or 2,999.

14 MR. WILLIS: That's included in the base charge,
15 that's correct.

16 MR. BRADBURY: Yes, that's correct. I don't mind
17 paying a base charge, but I believe it's a little -- it's out
18 of line relative to the situation.

19 MR. WILLIS: Now, as far as the vacation rate, or the
20 rate charged while you're gone, the company has certain fixed
21 costs, and this is something that we look at all across the
22 state of Florida because we have a lot of residents who go back
23 up North for a period of time. The company has certain fixed
24 costs whether the customers are here or not. They have to pay
25 for those costs, and that's what the rate is that you pay while

1 you're gone. It's designed to only pay for fixed costs. If
2 that wasn't there, then those costs would have to be shifted
3 over to the people who are here constantly all the time to help
4 pay for those costs.

5 MR. BRADBURY: Well, why don't they call it that? In
6 other words, a fixed base cost, forget about gallonage.

7 MR. WILLIS: Well, that's what the base cost is.

8 MR. BRADBURY: Okay. And it should be for both the
9 sewer charge and the water charge. I think that explains an
10 awful lot. Okay.

11 MR. WILLIS: The Commission tries to design -- in its
12 rate structure designs, they try and design a base charge to
13 cover those fixed costs that are there constantly, whether
14 water is being produced or wastewater is being treated. That's
15 what normally is being covered by the base charge. The
16 gallonage charge is to cover those variable costs, those costs
17 that aren't there if the water isn't being produced or the
18 wastewater isn't being treated. And that's how we try and
19 separate those out between a base charge and a gallonage
20 charge.

21 MR. BRADBURY: Right. Well, it's no different than
22 the telephone company. When I go off, my line is still there.
23 I can't use it, and I pay a base cost, but if I take a look at
24 those particular situations, they appear to be more reasonable.
25 In fact, in the case of Time Warner, they're zero. So -- and

1 yet, I still have the cable sitting there and everything ready
2 to go. So I'm not asking for a complete reduction of that
3 situation, I'm just asking for a review of it.

4 CHAIRMAN JABER: Thank you.

5 MR. WILLIS: That is something we are going to look
6 at.

7 MR. BRADBURY: Okay.

8 CHAIRMAN JABER: Mr. Bradbury, I want to thank you,
9 but let me make sure there are no questions for you before you
10 leave.

11 MR. WHARTON: We do have a few.

12 CHAIRMAN JABER: Go ahead.

13 CROSS EXAMINATION

14 BY MR. WHARTON:

15 Q Mr. Bradbury, were you here a few hours ago when the
16 witness from DEP testified that the treatment process that
17 might work for one utility might not work for a neighboring
18 utility?

19 A No.

20 Q So you didn't hear the DEP testimony this afternoon?

21 A No. Unfortunately, I had to leave after about the
22 fifth person testifying.

23 Q Did you stay for the technical portion of the
24 testimony in any of the prior hearings?

25 A Yes, I did.

1 Q Okay. Just so the people who weren't here this
2 morning understand what you're referring to, you had referred
3 to the second witness today?

4 A Yes.

5 Q And he had brought up a jar of water; right?

6 A He brought up what he had backwashed out of a system
7 that he had installed in his own house using three different
8 devices, and I believe it was the backwash of his filter.

9 Q Is it fair to say that the jar of water he had was
10 pretty black?

11 A Yes.

12 Q Would it surprise you to -- and in fact, the
13 questions we asked him were about whether or not he knew that
14 Aloha Gardens actually receives water that Aloha purchases from
15 the Pasco County Utilities Department; right?

16 A Yes. And he said he didn't know. Basically, you
17 told him that was the case.

18 Q Do you know if that's the case?

19 A No, I have no idea.

20 Q Would it surprise you to learn that all the water
21 that Aloha buys from the Pasco County Utilities Department has
22 already been fully treated by the Pasco County Utilities
23 Department?

24 A Then why is it poisoned in your system?

25 Q So again, you don't whether or not that jar of water

1 was, in fact, water that had been fully treated by the Pasco
2 County Utilities Department?

3 A This man swore to tell the truth.

4 CHAIRMAN JABER: Let me take an opportunity to do
5 something that I neglected to do when I was introducing the
6 procedure. For the sake of the court reporter, and because it
7 is my complete desire to make sure that we have a complete
8 record in this proceeding, I need to ask the audience to bear
9 with us, let each customer testify on their own, and not with
10 interruption. And we will move as quickly as we can in this
11 proceeding, so we can get you all home safely tonight. But I
12 really need you not to speak over the witness so that the
13 court reporter captures the answer. Thank you.

14 Go ahead, Mr. Wharton.

15 BY MR. WHARTON:

16 Q Let me just conclude in this way, Mr. Bradbury.
17 Would you agree that if you learned that that particular
18 customer was receiving water that Aloha purchases from the
19 Pasco County Utility Department and that that water is fully
20 treated by the Pasco County Utility Department, you would have
21 to rethink the testimony you gave at the beginning about
22 Aloha's failure to treat that water that they bought from Pasco
23 County?

24 A Well, first of all, I assumed that you were buying
25 untreated water, and I admit that. Okay. And all I was trying

1 to say was, here is untreated water flowing into Aloha. You
2 have Aloha's water going into other systems, and you had
3 changed it from being to Aloha-sourced water into an Aloha
4 system. Now you've changed it from a Pasco water into an Aloha
5 system. And since Pasco doesn't have a problem with their --
6 has a lower complaint rate, I felt that the situation was that
7 something went wrong in the handling of the water from Pasco.
8 I didn't know it was being treated. In fact, because it's
9 being treated by Pasco, I think you've got a bigger problem.

10 Q But you now -- if that is in fact the case, you
11 rescind your testimony about, that the problem is in the
12 treatment process?

13 A No, I don't.

14 CHAIRMAN JABER: Please -- Mr. Bradbury, I am so
15 sorry for the interruption. The court reporter cannot make a
16 distinction between Mr. Bradbury's voice and anyone else's
17 voice in the audience. Please bear with us, and let's make
18 sure we've got order in this proceeding.

19 Mr. Bradbury, I don't think she heard your answer.
20 Mr. Wharton, ask your question again.

21 BY MR. WHARTON:

22 Q Well, I will ask a more simple question. Your
23 testimony earlier assumed that the water purchased from the
24 Pasco County Utilities Department was raw water?

25 A That is correct.

1 MR. WHARTON: Okay. We don't have anything else.

2 MR. BRADBURY: Well, I'd like to just clarify the
3 situation because what I was presenting tonight as my point was
4 that if you use Pasco-treated water and just ran it right
5 straight through a purged Aloha system, you shouldn't have a
6 problem, but you do. That's the point I'm trying to make.

7 Now, I wasn't aware of that when I walked in this
8 door. I thought that you were dealing with untreated water
9 from Pasco, and you are treating it. But if they have learned
10 how to treat it to handle their system out of their wells being
11 fed through your system, then your system is the contaminator,
12 and that's the decision that I have come to tonight. Thank
13 you.

14 CHAIRMAN JABER: Thank you, sir.

15 (Witness excused.)

16 CHAIRMAN JABER: Mr. Burgess.

17 MR. BURGESS: Joseph Hanlon. Joseph Hanlon. If
18 Mr. Hanlon is not here, David Rowan.

19 DAVID ROWAN

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

22 DIRECT STATEMENT

23 MR. ROWAN: Hello, my named is David Rowan,
24 R-O-W-A-N. I live in Foxwood in Trinity. I am a full-time
25 resident. I would also say that I'm a relative newcomer to

1 Florida. I started my life in Detroit, lived there for nearly
2 30 years. I lived in the Los Angeles area, the Houston area,
3 and prior to coming to Florida, I lived in Washington D.C. for
4 21 years. I had a home in Palm Harbor in Pinellas County, and
5 the point here is that in all these places that I lived, water
6 was not a problem. You turned on the tap, you knew you got
7 quality water, and it really wasn't a problem. However, for
8 the first time in my life, I've experienced water that smells
9 like sulfur, and the water pressure is very low.

10 So the bottom line in my testimony, and I'm making it
11 very brief, is that I object to any sort of rate increase if
12 the quality of the water from a utility is not up to standards
13 and is not adequate compared to the rest of the country. I
14 really object to letters from Aloha Utility telling me how
15 wonderful the quality of the water is when visitors come to my
16 home and tell me that my water stinks. It's just not
17 acceptable in the United States of America in my experience, in
18 my travels, in my many moves to be subjected to this type of
19 water. So again, I just object to a rate increase. I think
20 they ought to improve their quality of their water and get the
21 pressure up where people can take a shower and feel like they
22 are taking a shower. And that's all I have to say.

23 CHAIRMAN JABER: Mr. Rowan, I wanted to ask you about
24 the low water pressure. Do you notice that it's really poor
25 during certain times of the day?

1 MR. ROWAN: I think in the morning it's a lower
2 pressure. I didn't bring the figures with me, but when I
3 bought that new home, I had it inspected by a home inspector,
4 and he told me the water pressure was below par. And at the
5 time, I was so busy I didn't really think about it. But I can
6 tell you that it's not like anything I've ever experienced.

7 CHAIRMAN JABER: All right. And with respect to
8 those letters that you get from Aloha, tell me how often it is
9 you get correspondence from Aloha.

10 MR. ROWAN: I was looking in my file. There was
11 quite a thick document that I got in the end of 2000, and it
12 was very technical. I couldn't understand it. I have gotten
13 on the Internet thinking I would have the water tested myself,
14 but they want a lot of money. They want \$200, \$300 to test the
15 water, so I'm not willing to pay that. But I do buy my
16 drinking water from the grocery store. I don't drink this
17 water.

18 CHAIRMAN JABER: All right. Mr. Willis, with respect
19 to the low pressure, we've heard that several times today, and
20 make sure you have analysis in the recommendation regarding the
21 lower water pressure. And please call or contact later on in
22 the evening, Mr. Rowan, and get some more information on the
23 times where he's experiencing low water pressure and whether
24 it's constant.

25 Let me just ask you, Mr. Rowan, so that the record is

1 complete, do you find that that situation is a constant thing?
2 Is it every day you have low water pressure?

3 MR. ROWAN: Yes. I have never had a situation where
4 I felt like I was getting a lot of water pressure. And
5 sometimes it's lower than other times, but it's just not
6 adequate compared to the other places that I've lived. That's
7 very simple. I mean, Pinellas County didn't have that problem.
8 So, you know, I'm really here concerned, all my neighbors are
9 concerned. I'm trying to do the right thing, trying to raise
10 the issue.

11 CHAIRMAN JABER: Thank you. Are there any questions
12 for, Mr. Rowan?

13 MR. WHARTON: Yes, just a couple.

14 CHAIRMAN JABER: Go ahead.

15 CROSS EXAMINATION

16 BY MR. WHARTON:

17 Q Sir, have you ever contacted Aloha about your water
18 pressure concerns?

19 A No, I haven't.

20 Q Do you know whether federal law requires Aloha to
21 send its customers certain reports about the water quality?

22 A Well, you being a lawyer, you'd probably know that a
23 lot more than I would. What is the answer?

24 Q Do you know though --

25 A What is the answer? What is the answer? What is the

1 answer to that?

2 Q What do you think it is?

3 A Well, you tell me.

4 CHAIRMAN JABER: Mr. Rowan, we don't allow him to
5 testify. He has to prefile testimony to answer that question.

6 MR. ROWAN: Okay.

7 CHAIRMAN JABER: But I can tell you that they have
8 sponsored witnesses, and if you'd like, Mr. Burgess, I'm sure
9 on your behalf, can ask that question.

10 MR. ROWAN: Well, let me put it this way. I worked
11 for 31 years for the U.S. General Accounting Office in D.C.
12 That's part of the Congress. I've seen a lot of reports. I've
13 written reports to the Congress, and the wording in the report
14 from Aloha was, I would say untruthful.

15 BY MR. WHARTON:

16 Q Did you say that you lived in Pinellas County?

17 A Yes.

18 Q Are you aware of the fact that Pinellas County just
19 spent over \$9 million to address these same types of problems?

20 A I have lived here in this county for 15 months. I'm
21 not really keeping up with Pinellas County.

22 MR. WHARTON: That's all we have.

23 CHAIRMAN JABER: Thank you. Thank you, Mr. Rowan,
24 for your testimony.

25 MR. ROWAN: Thank you.

1 COMMISSIONER PALECKI: Thank you.

2 (Witness excused.)

3 CHAIRMAN JABER: Mr. Burgess.

4 MR. BURGESS: David Bulmer.

5 DAVID BULMER

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

8 DIRECT STATEMENT

9 MR. BULMER: Good evening.

10 CHAIRMAN JABER: Good evening.

11 COMMISSIONER PALECKI: Good evening.

12 MR. BULMER: The last name is spelled B-U-L-M-E-R;
13 it's Dave Bulmer. I think we have two concerns here. One, the
14 water quality. Well, there's no disputing, the water quality
15 is poor. It's the poorest I have ever seen anywhere, but
16 that's not why I came here this evening. My concern is what
17 they want to charge us. And every time I turn around, every
18 six months, they are wanting to increase the charges. Now, I
19 have to ask the reason and are they justified? If they're
20 justified, I'll pay whatever is justified and reasonable.

21 Now, it seems now they want to increase our rates
22 because they are going to have to be buying water from Pasco,
23 which is very expensive, during peak times. Well, the answer
24 to that is, if you're having to buy it during those times,
25 let's penalize the people who are water hogs who are abusing it

1 at those peak times, or stop all building. If you have a
2 limited amount of water, then you cannot keep bringing more
3 people in to share it. Sooner or later you're going to have to
4 buy it from Pasco. We don't want to buy it from Pasco.
5 Penalize the people heavily who use a lot of water. You know
6 the people who overwater their lawns at night and so on. It's
7 easy, it's on their water meter.

8 My other concern with the rates are this. Last
9 April, Aloha was hooking up water to a new house across the
10 road that had just been built. Now, I was there personally and
11 saw this. The fellow operating the backhoe had never operated
12 one before. He ripped out the waterline across the road so
13 badly that it broke in my lawn. It was close to the end of the
14 day. Now, on overtime, they ended up bringing out the dream
15 team from Aloha: Twelve men, eight trucks, one backhoe. And
16 this is all on overtime. Guess who's paying?

17 This was caused by an unqualified operator. They
18 only needed three people to repair it, thousands of gallons
19 going down the street. I watched these guys. I'm telling you
20 it was the Keystone Cops. This is the problem with Aloha in a
21 nutshell. The next morning when they come out to fill in the
22 hole, to fill in the hole, it took eight men, half a dozen
23 trucks, all morning. I mean, it is funny, but the joke's on
24 us.

25 The problem is, Aloha is a monopoly. I hear from

1 people tonight how they have become arrogant, indifferent.
2 This is common with monopolies. They have to be held
3 accountable, and that's why we're here this evening. And the
4 only way to hold them accountable is before these Commissions
5 and in the pocketbook. They are inefficient. I mean, I saw
6 it. They are unproductive, and this all goes to poor
7 management, and it's got to stop. It starts at the very top,
8 and from what I saw, it went right down to the bottom. I mean,
9 these people were -- they had everything but a barbeque going
10 that night. And when they were finished, they didn't even fill
11 the hole in properly. And they left my water turned on all
12 summer when they watered the lawn with my water.

13 You know, there are ways they can increase their
14 efficiency. One would be with preauthorized debits for people
15 to pay out of their bank accounts. Now, this would really cut
16 down on their paperwork. Most businesses do this today. I'm
17 gone for six or seven months of the year. I have no problem
18 paying the base charge. I guess it should be reviewed, but
19 because I'm gone and I don't want to be late paying my bills, I
20 have to leave a deposit, a substantial deposit. Why? Because
21 Aloha is inefficient. Basically, that's all I've got to say.

22 CHAIRMAN JABER: Mr. Bulmer, tell me more about their
23 leaving your water on all summer. What were the circumstances
24 there, and how did you get that resolved?

25 MR. BULMER: Well, when I come back in the fall, they

1 left it on. Obviously, they put in new sod right there and
2 watered it. I left it off in case there's a break in the line
3 or something in the house, then I would be faced with thousands
4 of dollars in charges. You know, it was just left on all
5 summer. It's not something I want.

6 CHAIRMAN JABER: All right.

7 MR. BULMER: Of course, I can't say specifically they
8 did it because I wasn't standing there and saw them turn it on,
9 but circumstantial evidence is there.

10 CHAIRMAN JABER: Okay. All right. Any questions for
11 Mr. Bulmer? Thank you, sir.

12 COMMISSIONER PALECKI: Thank you.

13 (Witness excused.)

14 CHAIRMAN JABER: Mr. Burgess.

15 MR. BURGESS: Robert Wickett.

16 ROBERT WICKETT

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

19 DIRECT STATEMENT

20 MR. WICKETT: Good evening.

21 CHAIRMAN JABER: Good evening.

22 MR. WICKETT: My name is Robert Wickett,

23 W-I-C-K-E-T-T. I have live in Trinity Oaks. I've lived there
24 for nine years, and I've lived in the New Port Richey area,
25 downtown New Port Richey for 30 years, so I've been a resident

1 of this Pasco County for 41 years. We have never had a water
2 problem with the City of New Port Richey, and this will cut
3 across the first gentleman that gave the very excellent
4 presentation. I think he hit a lot of the nails on the head.
5 I wish I would have been that prepared, but I didn't come here
6 to argue rates and everything except the situation where the
7 water is not very good.

8 We have never been in this situation before.
9 Downtown New Port Richey, we never had a water problem. In
10 fact, I gave testimony, a gave a talk here, comments, downtown
11 New Port Richey at the library two years ago. It was in the
12 fall of the year. It was in the library, and Mr. Fasano and
13 his aide were there. And when I said that I lived in New Port
14 Richey and used New Port Richey water for 30 solid years and
15 never had a complaint, never even dreamed that people would
16 ever have bad water. It just never entered my mind. And I'm a
17 retired quality engineer. It just never entered my mind.
18 Fasano's aide went to the water department to say that previous
19 year how many complaints that they had against the city water.
20 Out of -- I don't know how many people is in New Port Richey,
21 30,000 or so, whatever the number is, they had six complaints
22 in one year and four of them were related to the tear up of the
23 water mains at Grand Boulevard and Main Street. So they really
24 had nonexistent complaints.

25 This was a time when they were pushing this deal

1 that, oh, it's your copper pipes. That is not true. We've
2 lived -- my mother and dad lived in a home in New Port Richey
3 on a river for ten years. They never had a water problem. I
4 came down here, lived down here in a new home on Wyoming Avenue
5 with copper pipes, and we never had a water problem. Like I
6 said, we never even envisioned that we could ever have a
7 problem. We moved to Aloha, and we started having the
8 problems.

9 Now, in my area where we live, we did not have the
10 problems immediately, and I don't know why. But previous
11 Commission meetings here, they were explaining about different
12 areas where the waterlines go and who gets what and who's at
13 the end of the line. Natures Hideaway is supposedly at the end
14 of the line, or something like this. So everybody is giving
15 out their comments on what's causing this, and then they always
16 come back to the copper pipes. Well, I don't believe the
17 copper pipes is doing it. I think it's the equipment that
18 Aloha is trying to use to get probably more profit, and they
19 got us strangled. We can't do anything.

20 We live in this area that they own this utility area.
21 And I've seen -- since being here so long, I've seen how these
22 areas have -- people got in and claimed these -- actually put a
23 claim on them years ago, and I don't even believe this has ever
24 been able to happen but it has. So Aloha has theirs; Mad
25 Hatter has theirs. But we have relatives that have Pasco

1 County water, and they have no problems. And the last time I
2 testified, we got a call from Aloha. They wanted to send out
3 an engineer to talk to us, and he explained all of this, how
4 bad the water is through the whole state of Florida. He
5 mentioned Ocala. He mentioned St. Augustine. It's riddled
6 with problems. I said, but you never see it in the paper. The
7 previous gentleman said about Pinellas County. If they have a
8 problem, you never read -- and we get the Metro section of the
9 St. Pete Times. There would be some article sometime about
10 somebody else having a problem except just this particular area
11 with Aloha. So what I'm trying to say is, I believe they have
12 inadequate equipment. They are cutting costs. They don't --
13 if New Port Richey can provide good water -- potable water, so
14 can Aloha.

15 It's kind of embarrassing when you're going to have a
16 group of people over to the house and the first thing you do is
17 run to Publix and buy bottled water. We have never in our life
18 had to do that. We had a Christmas party. Number one on the
19 list, get bottled water. We don't want any surprises.

20 The other thing is, on Thursday, December 27th in the
21 morning before lunch, we noticed about four or five Aloha
22 trucks at the Commerce Center on the north side of Mitchell
23 Boulevard, on the north side. That's near the Meese (phonetic)
24 Complex and all that. Four or five trucks rolled over there.
25 They were doing something. We did not drive over there because

1 we were on to see my mother who recently passed away in a
2 nursing home. We were waiting to go see her. The next
3 morning, I got up to shave and brush my teeth. I turned on the
4 bathroom spigot and out comes all this dirty water. Now, it
5 doesn't happen very often. We have not had bad water, maybe
6 periodically three or four times a year, but it's really bad.
7 But this day, after they were fooling around over there and the
8 next morning this happened, that tells me it's not my copper
9 pipes, it's their system. So whatever they were doing over
10 there got into our system, and it was bad, I mean. And the
11 water is brackish, and it's like stale water. It's not -- I
12 couldn't say it smells like eggs. That's a pretty strong
13 smell, but it's brackish, and it doesn't seem very good.

14 So now is -- like meek lambs, we go out and buy
15 bottled water whenever we're going to get company, but I still
16 go and drink the tap water hoping that it's safe to drink.

17 COMMISSIONER PALECKI: Mr. Wickett, could you
18 describe the work they were doing over there and what the
19 proximity to your home is?

20 MR. WICKETT: I'd say -- we live right inside the
21 north entrance of Trinity Oaks which is on Mitchell Boulevard,
22 and they're on the other side. I would say the distance across
23 there is properly a half a mile or something like that. I
24 couldn't say. It could be, like, a mile maybe, half a mile to
25 a mile, because it's in the area where the gentleman had the

1 company that -- I forget what the name of it was, Well Built
2 Company, the gentleman that left this area because of the poor
3 water, that's where the trucks were, over in that area.

4 COMMISSIONER PALECKI: And were they digging or
5 excavating?

6 MR. WICKETT: That we don't know. We were going to
7 see my mother because she was passing away, and we did not
8 stop. We just saw the trucks there.

9 COMMISSIONER PALECKI: Do you know the approximate
10 dates that you're talking about?

11 MR. WICKETT: Oh, yeah, the date they were there was
12 on December 27th, a Thursday, because I wrote it down.

13 COMMISSIONER PALECKI: That's just two days after
14 Christmas this year --

15 MR. WICKETT: Yes, right.

16 COMMISSIONER PALECKI: -- of this past year.

17 MR. WICKETT: And on the 28th on Friday, I went into
18 the bathroom to shave and brush my teeth and stuff, and that's
19 where I got the dirty water. So I said to my wife, something
20 happened. But they keep pushing this copper pipe thing, which
21 living in New Port Richey for 30 years and never having a
22 problem with copper pipes, I -- that's the reason I brought
23 this note in about the condition. That it happens when they do
24 some work in the area. So other than that, that's all I have
25 got to say, but I appreciate everybody coming down here from --

1 all you people who come in and listen to us, because we're
2 being strangled a little bit. We can't do much about it.

3 CHAIRMAN JABER: Thank you, Mr. Wickett. Let me ask
4 you a question on the bottled water. And I hear you say that
5 you actually try to drink the water when it's clear, so maybe
6 you're not the right person to ask about this, but as customers
7 come up and testify, I'd be interested in knowing how much
8 money you have to spend a month on bottled water. So can you
9 give me an estimate?

10 MR. WICKETT: Not really. My wife does the shopping,
11 so I don't know, but we have it available. We don't use it all
12 the time. We have it in emergency, see.

13 CHAIRMAN JABER: Okay. Thank you, sir.

14 MR. WICKETT: My wife plays mah-jongg, and she has
15 the group over twice a week. They go to each other's homes.
16 So when they're coming by, you better have bottled water
17 because they all live in Trinity Oaks or Fox Hollow.

18 CHAIRMAN JABER: Thank you, sir.

19 MR. WICKETT: Okay. Thank you for listening.

20 COMMISSIONER PALECKI: Thank you.

21 (Witness excused.)

22 MR. BURGESS: Stephen Logan.

23 STEPHEN LOGAN

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

DIRECT STATEMENT

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CHAIRMAN JABER: Mr. Logan, is it L-O-G-A-N?

MR. LOGAN: Yes. Stephen Logan, it's L-O-G-A-N. I live in 4436 Wimco Court which is New Port Richey in River Side Village Estates, which is the -- it would be the Seven Springs area for Aloha. I built this home seven years ago in -- it will be March. I had no inclination of the water quality until I started talking to a few people that had lived up in Veterans Village and had problems with their water. I spent a lot of money on this home. I upgraded the plumbing to my specifications for even a water softener that would be put in the garage. I had the plumber do a loop, what they call a loop, where you can cut the loop later and put the softener in.

I was in the home six months. I cut that loop, and I do all my own work, I might say. I cut that loop. I put that softener in. When I cut that loop, to my amazement was the collection of what I'll call black water of a grease substance that's coated on the inside of the copper tubing. When this black water comes up, you'll mainly see it when you turn on your hot water a lot, because the hot water is actually melting it off the walls off the copper pipe on the inside.

And as far as this sulfide, whatever you want to call the big fancy word of the corroding of the copper, I think that's hogwash. I think the problem is within whatever Aloha is not doing to the purification of this water. I've lived in

1 Florida for 23 years. I moved here when I was 22 years old. I
2 work for the City of Clearwater. I know a lot of people in the
3 water department, and we've discussed this problem. I believe
4 that no matter whose water you put through the pipe, like the
5 first gentleman stated, their equipment and all their piping
6 that they use is contaminated. And it would take one hell of a
7 Roto-Rooter and some type of chemical to get this black stuff
8 out. And I don't think that a person should have to pay an
9 increase in water rates when the quality of water is garbage.

10 It's just -- you know, you're trying to raise a
11 family. As a young man -- a lot of the people here I see are
12 older than me, and I'm a young man and I work hard for my
13 money, and I just see things go up, up, up. And since I've
14 been in this house for seven years, I've seen these rates on
15 what I would call as I do an average water bill from \$28 in
16 1995 to go to about 93 now with garbage, you know, your sewer
17 and lights. And I do have a big lot, I might say. I have a
18 quarter acre with the house, but I do stay within my water
19 restrictions and my times, and I have cut on the water.
20 Everybody says, oh, you've got a nice lawn. Well, it's not as
21 nice as some of them I have seen.

22 But it's still ridiculous to ask for this kind of
23 money for water that my wife don't even want to take a tub bath
24 in, an \$800 garden tub, so when you run water you've got this
25 black stuff floating around. You go to wipe it off, it's like

1 grease. It's black. It's garbage. And I probably waste
2 20 gallons of water trying to flush the pipes out before she
3 could even use a garden tub. And I don't think there's one
4 woman in this place that would set their body in a garden tub
5 with black water like that and not think they weren't going to
6 get some type of infection. So I think something needs to be
7 done, and I don't think a water rate is going to help the
8 problem.

9 The problem needs -- someone needs to come in
10 engineering-wise and fix the problem. Now, where I'm at, the
11 piping and all the utilities was put in back in the '70s. It
12 was formerly Roy Speers' property. And he had all this
13 developed through the county under their code back in the '70s.
14 And them pipes were there for probably over eight, ten years
15 not in use, not flushed until the homes started being built.
16 So this contamination is in the walls of these pipes. And I
17 have heard of Trinity, Chelsea Place, and Wyndtree. All of
18 them are having a problem, and it's all that are serviced by
19 Aloha.

20 And I'm here mainly -- I mean, like I say, I use a
21 lot of gallonage because of a big lot. You have deed
22 restrictions, you've got to keep up your property. I'm not,
23 you know, against a rate when you do have to raise a rate
24 because we do all have costs involved in running a business,
25 but I've just seen rates go out of roof, and I haven't seen no

1 more quality -- improvement of the water. I just think it's
2 ridiculous, it really is.

3 I've lived in Pinellas County for 22 years. I lived
4 in Oldsmar for 11 years prior to building this home. I built a
5 home there by U.S. Homes. Oldsmar would get their water, from
6 what I understand, from the county of Pasco in the wellfields,
7 ship it to Logan (phonetic) Water Department in Pinellas
8 County, filter it, and then send it out to Oldsmar. I was
9 through that whole house. I never had this problem. You could
10 pull the toilet tanks off of the back of the toilets there in
11 Oldsmar, there were no black stuff laying down on the bottom of
12 the toilets you've got to wash out every three months.

13 I think the most that you would get from the water
14 from Pinellas would be a little extra green corrosion on the
15 copper because of the high chlorine that they put in the water,
16 you know, to kill bacteria and so forth. But until I come up
17 here to Pasco and started building this house and then found
18 out what the water quality was from Aloha, I'm just sickened
19 with it, and I've got a lot of money in this house. And that's
20 about all I have to say.

21 CHAIRMAN JABER: Mr. Logan, one of the things the PSC
22 has struggled with the last year and a half is finding a way
23 through a brochure or a pamphlet to get to consumers before
24 they buy homes in some of these areas. And we have -- through
25 an interagency project we initiated a year and a half ago, the

1 Department of Community Affairs and the Public Service
2 Commission have actually put together a brochure on copper
3 pipes and copper corrosion. But since you have built homes in
4 different areas and you've lived here for a while, give me some
5 insight on where those brochures should be sent so that new
6 home -- people who are building new homes or people who are
7 buying homes in areas that they may not be really familiar with
8 can go and receive this information before they even purchase
9 or build.

10 MR. LOGAN: I would say, if you're going to get water
11 from Aloha Utilities and you are buying property that -- I
12 might say Roy Speers. My home was built by Interphase which is
13 phase one homes which is owned by Aloha. They have everything,
14 like the other gentleman said, tied in together. So when they
15 came in and bought all this property and started selling lots
16 and people started building, well, now they can service them
17 with water. Well, that water is attached to their deed
18 restrictions as well. So if they don't pay a water bill, they
19 can put a lien against their house. So any area I would say
20 within the Aloha and Pasco County, people need to beware.

21 And I was told when I first bought that the water
22 wasn't as great by Aloha. And this was by my wife's cousin,
23 that he was renting a place in Veterans Village. And I
24 thought, oh, well, you know, people are really, you know,
25 picky, but it was true. The water is garbage. It smells like

1 sulfur. I just had a nephew's mother-in-law come down for New
2 Year's from Connecticut. And the first thing she said, she
3 says, your water is garbage. It smells like rotten eggs.

4 CHAIRMAN JABER: But it was a family member that made
5 you aware. It wasn't a builder or an association or even the
6 county?

7 MR. LOGAN: No. My wife and I asked the builder when
8 we bought -- how is the -- oh, the water is fantastic. You
9 couldn't ask for better water. That was the first thing out of
10 their mouth. And then I had a salesperson that had drinking
11 water in their icebox, and some gentleman that come in, he must
12 have knew the area, he was looking at some of the new model
13 homes, like, you know, older people will, and the first thing
14 he asks, he says, well, who's the water? And she said Aloha.
15 And he says, well, forget that, and he walked out the door.
16 And this was in 1994.

17 CHAIRMAN JABER: Thank you. Are there any questions
18 for Mr. Logan? Thank you, sir.

19 COMMISSIONER PALECKI: Thank you.

20 (Witness excused.)

21 MR. BURGESS: Susan Nowack.

22 SUSAN NOWACK

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

25 DIRECT STATEMENT

1 MS. NOWACK: My name is Susan Nowack, and I have been
2 living in Park Lake Estates since 1994, and I have watched the
3 quality of my water go totally down. A couple of years ago, I
4 had to put a water conditioner on the outside of my house
5 because I was having problems with the water. I've got buildup
6 in the pots even with the conditioner. And they told me after
7 they tested my water that I had toxic waste in it. It had
8 arsenic in it. It had 15.5 grams of chlorine which for 250
9 gallons, or whatever it was, and that was too much. And I was
10 told to run the water once the conditioner was put on the
11 outside. The water came out of my kitchen faucet black greasy
12 sludge.

13 Now, I've had this conditioner two years, and we
14 change it every time it needs it. Lately, I have noticed I'm
15 getting the buildup again on my pots, yellow, the ring with the
16 white stuff. My toilets are turning black. They are getting
17 yellow rings around them. I am having difficulty cleaning
18 them. I have to use a pure water filter besides the
19 conditioner on the outside of my house. I have yellow stains
20 and black stains in my shower which are very difficult to get
21 rid of.

22 But my big beef with Aloha is, they can't
23 consistently bill me for any particular time. I've been
24 fighting with them for three or four years now, and they will
25 read a meter, and it will have the same amount at the beginning

1 and at the end. For instance, I have a two bills here. On --
2 okay. This bill goes from 1/15/01 to 2/14/01. The usage is
3 1,160 gallons. My bill was \$35.33. Okay. The next month I
4 have 1,120 gallons. My bill is \$71.90. Okay. Then I have a
5 bill for 3/15/01 to 4/6/01, that's \$35, so it goes up and down.
6 I have to read my meter. I have been fighting with them about
7 it. They're very rude to me. They hang up on the phone.

8 My neighbor and I have our meters in the same box.
9 And they came out and said that my neighbor's meter had to be
10 changed because it was going around too slow. Then another
11 lady came -- wait a minute. This isn't all of it. And we
12 would not let the guy change the meter. And he threatened to
13 have us arrested and call the police on us, but we were
14 standing there by the meter. We said, no, it's working. So
15 the next week a lady came out, and she said, yes, it is
16 working. There's nothing wrong with it. Within the next week,
17 they changed her meter. And in the process, my pipe was broken
18 one foot from the box. Now, I never had a leak before they
19 changed the meter, and I came home after they changed the
20 meter, and my box was full of water. So I called Aloha
21 Utilities, and I explained I have a -- I don't know what the
22 problem is, but my box is full of water. There is something
23 wrong.

24 They came out, and I said, call me and tell me what
25 you found out. They came out and shut off the water. And I'm

1 waiting, waiting for a call. Of course, never heard. I had to
2 call them, and they said, you have a leak. Well, I had to call
3 a plumber to fix the pipe, which inadvertently had to have been
4 broken when they did this. They said, oh, no, it's between the
5 house and the meter. The break is between the house and the
6 meter. It's your responsibility. So I had to pay to have the
7 pipe fixed that they, I'm sure, broke. My neighbor is
8 convinced they broke it. Whether it was accidental, whatever
9 happened, I don't know, but it wasn't broken before they
10 changed the meter.

11 As far as a rate increase, I don't think so because
12 my bill -- this last bill is back up. It's \$62 I think I
13 paid -- 64.72, my last bill. It keeps going up. Now I'm
14 paying -- now, this is how much water I used. I'm never home.
15 I'm rarely home. I'm only home three or four days a week. I
16 have a sprinkler system, but I'm going according to the rules.
17 I maintain it. There are no leaks. There are no problems with
18 my sprinkler system. I used 7,380 gallons of water of which my
19 sewer charge is \$39.16. My water charge is \$14.79, and my bill
20 is 64.72. Back in 1994 when I bought the house, my bill was
21 like \$35, \$25. And I have seen a consistent rate increase,
22 consistent. Every time I turn around, they want another rate
23 increase. They are rude to their customers. Their quality of
24 water is the worst I have ever experienced in my whole life.

25 And I have lived in Pinellas County in Dunedin, and I

1 could drink the water out of the pipe in Dunedin. I never had
2 a problem with yellow rings or anything problem to that effect.
3 I've lived in New York, around the city and outside of the
4 city, and I have never had a problem with my water. It has
5 always been clean. This water is filthy.

6 And I looked at my toilet. I cleaned it two days
7 ago. I looked at it. It's filthy dirty again. And, boy, even
8 the water in the tank has got this yellow sludge and stuff in
9 it, and it's not from my pipes. And I'm probably going to have
10 to put another conditioner on my house. The last one cost me
11 \$2,500. I'm going to probably have to put another one on
12 because this isn't working anymore. And I'm still angry with
13 them about the pipe, even though they have -- oh, no, it was an
14 act of God.

15 CHAIRMAN JABER: Ms. Nowack, I want our Staff to look
16 at the bills that you referenced, the ones that go up and down
17 back to back. So if you don't mind --

18 MS. NOWACK: Oh, I have one more point.

19 CHAIRMAN JABER: Go ahead.

20 MS. NOWACK: In August of '97, I was going to be away
21 for the month of August. I went to Aloha Utilities and I said,
22 I'm not sure exactly how much my bill is going to be, so I will
23 pay you in advance \$50. When I get back, which will probably
24 be after the due date of the next bill, I will pay you the
25 balance. I got home, and they were threatening to shut off my

1 water. They already had my 50 bucks. I think they needed
2 five more dollars. This kind of consumer relationship is not
3 what you would call good. Florida Power, there's no problem.
4 Verizon, there's no problem. Anybody else, there's never a
5 problem, but Aloha Utilities hates their customers.

6 CHAIRMAN JABER: Let me ask you. Excuse me, excuse
7 me. The court reporter cannot pick up your name and your
8 testimony. So let me follow up on what you just said. When
9 you told them that you would pay them \$50 in August --

10 MS. NOWACK: I went down to the office and paid them
11 \$50, and I said, I'm going to be away for the next month. I
12 will not be back. Is there going to be a problem? I will pay
13 the balance as soon as I get back, which I did.

14 CHAIRMAN JABER: Did you see them make any notation?
15 Did they --

16 MS. NOWACK: She said, oh, yes, we'll take care of
17 it, and that was it. But I had a nasty letter in my office
18 that my bill wasn't paid -- they already had my \$50 -- that my
19 bill wasn't paid, and they were shutting off my water if I
20 didn't pay immediately.

21 CHAIRMAN JABER: I'm really interested in how they
22 follow up with the consumers. Did you see them note it on a
23 computer? Did you see --

24 MS. NOWACK: No, I did not see them. But they
25 assured me -- the ladies in the office said this would be taken

1 care of, it would not be a problem. I would not have to worry
2 about my water, but I had a nasty letter when I got home.

3 CHAIRMAN JABER: And when you called to let them know
4 there was water in your meter and they shut the water off, you
5 had to follow up with --

6 MS. NOWACK: Oh, yes, they never -- I said, call me
7 back and let me know what the problem is. I waited until
8 four o'clock that day. Finally, I said, I better call them,
9 and they said, oh, you have a leak.

10 CHAIRMAN JABER: What time do they close? Do you
11 know?

12 MS. NOWACK: 4:30, I believe, 4:30, 5:00, something
13 like that. So I had to follow through. And I've had a lot of
14 fights with them. I've gone before the Public -- I've sent
15 many letters to the Public Service Commission. I can't
16 understand why New Port Richey pays half the water bills that
17 we pay. They don't have the complaints that we have. They
18 have good water. Why can't Aloha Utilities get their act
19 together and give us decent water? Are their executives paid
20 too much money?

21 Oh, the guys can't read the meter, they estimate, so
22 I have to fight with them about that. The problem is, I have
23 to read my own meter half the time to make sure that the usage
24 is correct. And I mean, this has been going on for three, four
25 years, and I just don't get it. Don't they get it?

1 CHAIRMAN JABER: Thank you, Ms. Nowack. Are there
2 any questions?

3 MR. WHARTON: Yes.

4 CROSS EXAMINATION

5 BY MR. WHARTON:

6 Q Ms. Nowack, who tested your water?

7 A I have it right here, and I have the test results
8 too.

9 Q Yeah. Would you be willing to share a copy of those
10 with us?

11 A Well, I don't have a copy. This is the only copy I
12 have. You will have to make your own.

13 Q Could we make arrangements to --

14 A No, I'm keeping this. It was Florida Water
15 Utilities, Incorporated of Tampa.

16 CHAIRMAN JABER: Ms. Nowack, would you be willing to
17 send our Staff and the --

18 MS. NOWACK: You already have a copy. You have a
19 copy of it already.

20 CHAIRMAN JABER: Tell me the date so we can track it.

21 MS. NOWACK: This was done -- let me see.

22 BY MR. WHARTON:

23 Q Ms. Nowack, is this a water softener company?

24 A It was a water softener and conditioner. I did not
25 have the softener put on. I just had the conditioner put on.

1 Q But I mean, that was who did the testing?

2 A Yeah, it was -- yes. And it was done -- wait a
3 second. I have to find the form. I thought I had it here.
4 Okay. It was done 6/1 of 2000.

5 Q Do you know whether that was done on-site, or was it
6 something where you got the result back in a couple of weeks?

7 A It was taken right in my kitchen in front of me.

8 Q Okay. They did it right there in the kitchen in
9 front of you?

10 A Yes, they did. And when we went over this, they said
11 that it shouldn't have 15 p.p per 250 milligrams of chlorine in
12 it. The kit has four different things here which were all
13 high.

14 Q But in your testimony earlier --

15 A I've been exposed to toxic water in upstate New York,
16 and I sent away to New Hampshire for \$35 and had my water
17 tested for toxic waste. I really this -- I don't know if I
18 have the company's name anymore, but it can be found. I really
19 think we should send our water away to this place in
20 New Hampshire and test it for toxic waste because obviously
21 it's the sludge in your pipes. And my problem with clean and
22 dirty water -- and this pot with the yellow ring around it, and
23 I have to scrape and scrub and try and clean it, and that's
24 just boiling water in it.

25 Q But is it safe to say that as we sit here today,

1 you've never sent the water away and had it actually tested by
2 a lab?

3 A Not this water, but I have had it tested, yes. I
4 have had it tested at my house.

5 Q Well, by a laboratory I said.

6 A No, because I don't know of any laboratory right
7 here, but I would gladly send it away to New Hampshire. You
8 would be surprised what you'd probably find in it.

9 MR. WHARTON: That's all we have.

10 CHAIRMAN JABER: Thank you. Thank you, ma'am, for
11 your testimony.

12 COMMISSIONER PALECKI: Thank you.

13 (Witness excused.)

14 CHAIRMAN JABER: Mr. Burgess.

15 MR. BURGESS: James Turtle.

16 JAMES TURTLE

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

19 DIRECT STATEMENT

20 MR. TURTLE: I'm James Turtle, T-U-R-T-L-E, just like
21 the kind that crawl and snap. I represent the residents of the
22 T. A. T. Civic Association. We have a community of
23 2,287 homes. I have called Aloha Utilities regarding their
24 manholes that are in the streets because they are caving in,
25 and people drive down and naturally their cars have problems

1 with the holes in the roads. And it goes months and months in
2 order to try to get those taken care of, and that was after
3 them for a main drag. It was over six months, and still
4 nothing was done, but fortunately, the county came by and
5 repaved the whole street and that eliminated our problems. So
6 maybe they're waiting for the rest of our repairs that we're
7 working on, trying to get them done, so they don't have to pay
8 for the repairing of those manholes that are sinking in.

9 Recently, Aloha wanted a rate increase at the last
10 meeting that I went to, and they said that they were being
11 evicted from their building. Their building was owned by them,
12 so they were evicting themselves and building a real nice
13 building. That building now is being renovated for apartments,
14 so I imagine they didn't do too bad on it, but yet they wanted
15 the ratepayers to pay the \$850,000 for that new building. This
16 is their way of thinking, you know, that we should pay for
17 their assets like this.

18 I had read in the paper many times where they were
19 asked to provide documentation and records of how their assets
20 were and how much was being spent on this and that, and this
21 was not provided. Do you have up-to-date records tonight that
22 will tell us what justifies this rate increase that they want?

23 CHAIRMAN JABER: They have filed what they consider
24 their cases. We call it minimum filing requirements, and all
25 that means is, they have submitted engineering schedules, rate

1 schedules, and accounting schedules, but the case is not
2 complete until the parties cross-examine that information,
3 until our Staff reviews and cross-examines it. And we have
4 Staff witnesses that also testify on the issue.

5 MR. TURTLE: Okay. I would hope that they
6 judiciously go through those records. A 55 percent increase
7 when Social Security is being raised less than 3 percent seems
8 unjustifiable. They use the test rate according to the
9 brochure here of 2001 to justify rate increases, and that was
10 pretty good because that was last year, and it showed recent
11 figures. I am concerned, though, where maybe that last year
12 they may have expended more moneys in order to -- for different
13 things that looked like they were buying assets that something
14 they will have down the road and will be able to turn around
15 and deduct as business expenses and things like that to get
16 this rate increase now, put it all into one year type of thing
17 and build it all up so, say, 2001, we really need a rate
18 increase because we have cost us so much money in the last year
19 and use that as a justification. So what was the figures then
20 for 2000 or 1999? Maybe they didn't buy much during those
21 years, they wanted to put it all in one year.

22 CHAIRMAN JABER: It's my understanding, and our Staff
23 can correct me if I'm wrong here, Marshall, but they selected
24 the 2001 projected test year because that's the contract year
25 they would be entering with Pasco County for the purchase of

1 water. They are projecting their expenses because of the
2 purchase of water from Pasco County.

3 Marshall, do you need to elaborate on that a little
4 bit?

5 MR. WILLIS: Let me elaborate a little bit. The 2001
6 test year is the most recent test year that the company could
7 have at this point. We're projecting to 2002 because that
8 would be the time period that we would be looking at setting
9 rates if they're to be changed in this case. We try and get
10 the most current information. And if we need to, we can make
11 the 2002 information reflect what needs to be reflected to take
12 into account the consumption of customers, customer growth, and
13 everything we need to take into account so that when the rates
14 go into effect, it's the proper picture that you might want.

15 MR. TURTLE: So you were not receiving information on
16 their rates and things like this for 1999 and 2000 to compare
17 that against what they're presenting to you for 2001. They did
18 not provide you adequate records for those years that you had
19 previously requested at one time, did you?

20 MR. WILLIS: No. We haven't had a problem with
21 getting information for previous years. I didn't understand
22 that to be the question. I thought the question was, why did
23 we use the 2001 test year?

24 MR. TURTLE: I understand, but what I'm saying is
25 that according to newspaper articles that we have read here

1 locally, there has been problems with this company not
2 providing records to you people to justify rate increases.

3 CHAIRMAN JABER: You know, I think you're talking
4 about a limited proceeding that we actually denied. Back in
5 the early part of 2001, the PSC denied a request for a rate
6 increase.

7 MR. TURTLE: Right.

8 CHAIRMAN JABER: And this Commission -- I was on that
9 panel, which is why I think that's what you're talking about.
10 This Commission denied that request because we said we didn't
11 have an accurate picture of all of the expenses for a given
12 year, so that's what you're talking about.

13 MR. TURTLE: Yeah, and that's what I was looking at.

14 We called -- our association called Aloha Utilities
15 this last week saying that we have got to do repairs on our
16 swimming pool. We have got 27,000 gallon capacity in our
17 swimming pool. We have got to drain all the water out of there
18 and get it repaired and then fill it back up again. Well, we
19 know that we are going to be charged for water and so we
20 called -- or the sewage based on our water rate. So we called
21 and said, now, look, what we want to do is pump that water out
22 of our swimming pool out onto our lawn, because we've got a
23 pretty good acreage there at our facility, pump that water on
24 our lawn, make our grass grow greener, and use it there rather
25 than put it down the sewer system. And we wanted a price break

1 on it.

2 They said, well, we will only charge you for the
3 first 10,000 gallons, you know, which may be fair to some
4 people, but I'm going to pump it out on our lawns out there,
5 they're not going to be treating it, and yet I'm going to be
6 paying sewage rates on that 10,000 gallons that I'm putting on
7 my lawn. Somehow -- you know, that's a lot of water and a lot
8 of expense that it's going to cost us to pump the water out on
9 our own lawn. It doesn't seem justifiable. I know, again,
10 that's a minimum of 10,000, but that's still not justifiable
11 for us.

12 CHAIRMAN JABER: Exactly right. Earlier in the day,
13 we did ask our Staff to take a look at the wastewater cap and
14 the percentages that we use as a proxy to determine the
15 wastewater rate, and I believe that's what you're talking
16 about, but let me make sure the company gave you the right
17 information. They did explain that there is a cap.

18 MR. TURTLE: 10,000 gallons, yes.

19 CHAIRMAN JABER: Mr. Willis, why don't you take an
20 opportunity for this evening's customers to explain how the
21 wastewater rates are calculated in the 80/20 percent
22 calculation.

23 MR. WILLIS: Sure. I'll be happy to do that,
24 Chairman Jaber. Wastewater rates are calculated to be
25 collected based on your water consumption. And the reason for

1 that is that it's very difficult to put a measuring device on a
2 residential pipe coming out of your home for wastewater, and
3 they just don't make something like that available. So we have
4 to come up with a method to calculate how to bill consumers for
5 residential wastewater use.

6 We've been using -- as a Commission had been using a
7 method to bill it based on your wastewater. And in doing that,
8 we look at customers' consumption, and we develop -- the
9 first thing we develop is a cap. The cap normally has been
10 running between 8,000 to 10,000 gallons normally. Sometimes it
11 actually gets lower in very low use systems, but normally it's
12 between 8,000 to 10,000 gallons. For this system it's 10,000
13 gallons. That's what we use. You are not billed for any
14 consumption, water consumption -- or you are not billed for any
15 wastewater consumption based on your water bill above
16 10,000 gallons.

17 Now, in the calculation of wastewater rates, we have
18 figured into our calculations that normally in Florida about
19 20 percent of the first usage of water doesn't go back to the
20 wastewater system. Now, that varies between customers. It may
21 vary. Some may be more, some may be less. We understand that,
22 but we're trying to work with averages here so we can work up a
23 rate for everyone.

24 When we look at the water rates, we make that
25 calculation so that we take into account in those rates that

1 we're trying to only bill you for 80 percent of that usage, and
2 we do that by factoring down the rate that's applied to your
3 bill. What you will see is a rate applied to each thousand
4 gallons, but that rate has been factored down to take into
5 account that 20 percent on the average will not ever go back to
6 the wastewater system. It's used for other purposes. Anything
7 above the cap of 10,000 gallons we're presuming is being used
8 for irrigation purposes and will never come down the wastewater
9 system from a residential customer.

10 MR. TURTLE: I understand where you're coming from.
11 I was in environmental health 26 years, and I used to go
12 collect water samples, and I used to do the laboratory analysis
13 on these water samples. And if I seen stuff like that in our
14 pipes in the federal reserve that I was on, I would close it
15 down, I would close that down. That exceeded the
16 government's -- federal government's turbidity when you see
17 this. The federal government wouldn't allow that on their
18 reservation, so Aloha couldn't pump out here to make dill, I
19 can tell you that, but yet our customers around here have to
20 tolerate this.

21 CHAIRMAN JABER: Thank you, Mr. Turtle.

22 MR. WHARTON: I do have one question.

23 CHAIRMAN JABER: Go ahead.

24 CROSS EXAMINATION

25 BY MR. WHARTON:

1 Q Sir, do you realize that yourself and the members of
2 your Association will not be affected by this rate increase?

3 A The water that we use in that clubhouse -- I
4 understand you're doing it over here right now, but just like
5 last year when you wanted to charge \$850,000 for that new
6 building, it wasn't going to go against us, but what you guys
7 do, you hit this community one time, this community another
8 time, this community another time instead of getting us all at
9 the same time, that way all these people that are coming here
10 are small representation, but you just spread it out and try to
11 get us all at a different time. Yes, I realize that.

12 Q But you do understand Aloha Gardens --

13 A Yes, I do, but I'm prepared for you when you finally
14 come over to Aloha Gardens and want your 55 percent increase
15 over there where we've got a smaller number of people.

16 Q Now, you've never personally filed any complaints,
17 have you?

18 A Never have. I use the water out of Lake
19 Conley (phonetic) for doing my yard. I use as little water as
20 possible. I believe in water conservation because every time
21 you turn around, you'll be reading the paper where the
22 Commissioners have said, let's build another 1,000 or 2,000
23 houses here or there, and I know that Florida is going to run
24 out. I'm on a recent move back to Florida. I came here in
25 '41, but I went away to the military for a lot of years, and

1 this is the 23rd house that I've lived in, and I've been
2 married 44 years. And I've never had anything that looked like
3 that coming out of any of my drains out of any of those 23
4 homes.

5 CHAIRMAN JABER: Thank you, Mr. Turtle.

6 COMMISSIONER PALECKI: Thank you.

7 (Witness excused.)

8 CHAIRMAN JABER: Mr. Burgess.

9 MR. BURGESS: Forrest Newmeyer.

10 CHAIRMAN JABER: Mr. Newmeyer. Mr. Burgess, I don't
11 see Mr. Newmeyer. Angelo Depergola.

12 ANGELO DEPERGOLA

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

15 DIRECT STATEMENT

16 MR. DEPERGOLA: My name is Angelo Depergola, and I
17 live at 1329 Hovershan Drive.

18 CHAIRMAN JABER: Thank you, sir.

19 MR. DEPERGOLA: You're welcome. I've lived in
20 Florida for 31 years. I moved down here from New York. I've
21 lived in Pinellas County for 30 years. I used to drink water
22 from the tap, me and my family, never had any water softener.
23 I've lived in this house that I live in now for 17 months.
24 Besides having stinky and lousy, miserable water, I have had
25 four leaks in my house, four freaking leaks, excuse my

1 language. It's costing me a lot of money. They blame the
2 pipes.

3 I was born in Italy. They have buildings over there
4 for 4,000 5,000 years with copper pipes. There is no such a
5 thing as leaks in pipes. It's because of the water we have
6 here, and I think you people ought to do something about it
7 because this is a joke. We've been pushed around. We pay
8 taxes so we can be represented the proper way. We are decent
9 people. We are working people. We pay taxes. We don't want
10 to be pushed around anymore from these bandits. That's what
11 they are.

12 My last leak, it's costing me \$500. You can look at
13 these pipes, how filthy they are inside. My plumbers say to
14 me, I will not come back and fix your leaks because you need
15 new pipes throughout the whole house. It's the water that is
16 creating this mess. I lived a mile away in Pinellas County in
17 Crescent Oaks. I lived there for six years. My water bill
18 every two months was \$65 to \$70 tops, including the sewer. I
19 never bought water from Publix to drink or cook. I'm paying an
20 average of \$80 a month with Aloha Utilities. I have to buy
21 water to drink. I have to buy water to cook. And when I take
22 a shower, my body smells worse than before. It's because of
23 the water. We need to do something about it and do it now.

24 I mean, people have lived in this community for
25 eight, nine years and have used Aloha water. I mean, don't you

1 listen to these people? Do you think they are fooling around,
2 every one of them? Do you think they are playing games? I
3 mean, you people ought to do something about it once and for
4 all. Punish these people, please do. Punish them severely.

5 The American soldiers are fighting the Taliban in
6 Afghanistan. We have the Taliban in the Aloha water
7 department. So please, I ask and beg of you to do something
8 about these people. They are not human. I need new pipes in
9 my house. It's going to cost me \$5,000 to replace the pipes,
10 or I'm going to get poisoned.

11 My wife washes clothes, and they're full of stains,
12 each and every one of them. We have got to keep buying new
13 white underwears, whatever they are, socks, once a month. My
14 water bill that I buy to drink and cook, it's about \$6, \$7 a
15 week besides the \$80, \$85 a month that I pay for Aloha
16 Utilities. So far it's costing me almost \$3,000 for the leaks
17 that I had in my house. I think I am going to hire myself a
18 lawyer and sue Aloha besides what I need to replace the pipes.

19 I'm a working man. I work hard for my money. I
20 don't go around and steal it. I don't abuse anybody. I'm a
21 businessman. I treat my customers with white gloves. I go the
22 extra mile for my customers. I am a custom tailor by trade. I
23 make sure that my customers are served properly, honestly, and
24 on top of that, I stayed in business with recommendation. All
25 I hear tonight, disappointment from Aloha customers, nothing

1 but sad stories from decent people. How long is this going to
2 go on? How long is this going to go on?

3 I had a house in St. Petersburg in Seminole that was
4 built in 1968 with copper pipes. My ex-wife still lives there.
5 No water softener, no leaks, and she drinks the water from the
6 tap. I have Aloha water; I can't drink that water. It smells;
7 it's dirty. Pretty soon my blond hair is going to turn black
8 if nothing is done about it. So please, please, punish these
9 people. They need to be punished. Thank you.

10 CHAIRMAN JABER: Thank you, sir.

11 COMMISSIONER PALECKI: Thank you.

12 CHAIRMAN JABER: Questions? Mr. Depergola.

13 MR. DEPERGOLA: Do you want my pipes?

14 CHAIRMAN JABER: If you'd like to leave them here for
15 us to take back to Tallahassee, you're welcome to do that.

16 MR. DEPERGOLA: I want to keep at least one. Look at
17 the inside.

18 CHAIRMAN JABER: The counsel for Aloha wants to ask
19 you a couple of questions.

20 MR. DEPERGOLA: Sure.

21 CROSS EXAMINATION

22 BY MR. WHARTON:

23 Q Sir, do you intend to replace the piping in your
24 house with copper piping or plastic piping?

25 A What's the difference? Let me ask you a question.

1 Q Well, can you answer my question, please.

2 A No, I'd like to have copper piping because they last
3 longer. They have been around for centuries.

4 MR. WHARTON: That's all we have.

5 CHAIRMAN JABER: Thank you. Thank you, sir, for your
6 testimony.

7 MR. DEPERGOLA: Can I ask him a question?

8 CHAIRMAN JABER: You can ask him, and I'll try to
9 make sure that there's an answer from our Staff. He's not
10 allowed to testify.

11 MR. DEPERGOLA: Okay. All right. No, what I'm about
12 to say, we all drive cars; right? Each and every one of us.
13 We put good gasoline in there. Why do we put good gasoline in
14 there? The gasoline is purified so the engine and the car can
15 run smooth. What happens if you put lousy gas in there? How
16 far is the engine going to last? That's what Aloha is doing to
17 us, putting dirty water in our system. Thank you.

18 CHAIRMAN JABER: Thank you.

19 COMMISSIONER PALECKI: Thank you.

20 (Witness excused.)

21 MR. BURGESS: Joe Karas.

22 JOE KARAS

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

25 DIRECT STATEMENT

1 MR. KARAS: Okay. Name, you want last name?

2 CHAIRMAN JABER: Sure.

3 MR. KARAS: Karas, K-A-R-A-S, Joe is first. I live
4 in -- you want the address?

5 CHAIRMAN JABER: Tell me what subdivision. That's
6 really all we need.

7 MR. KARAS: Heritage Lake.

8 CHAIRMAN JABER: Thank you, sir.

9 MR. KARAS: Is that it?

10 CHAIRMAN JABER: Yes, sir.

11 MR. KARAS: Okay. Aloha is certainly getting the
12 works here, aren't they, huh? About the only good thing I can
13 say, you've got a good name there, "Aloha," and that's about
14 it. And I don't think Hawaiians would like that. Okay. Now,
15 I got marked here, "lousy, smelly water." I guess you've heard
16 that enough times. Pasco water, now, how long have you had --
17 you've been using Pasco water? Who do I address that to? You?

18 CHAIRMAN JABER: Mr. Wharton, are you -- any of your
19 water source coming from Pasco County?

20 MR. WHARTON: Yes.

21 CHAIRMAN JABER: For Seven Springs, not Aloha
22 Gardens.

23 MR. WHARTON: Yes.

24 CHAIRMAN JABER: And how long?

25 MR. WHARTON: For several -- for many years,

1 Commissioner, but in a small amount for Seven Springs.

2 MR. KARAS: Well, may I ask what you mean by "many
3 years"? Would you say seven, eight, nine, ten, or what?

4 CHAIRMAN JABER: What I'll do, Mr. Karas, is after
5 you are done testifying, I'll make sure our Staff
6 engineer looks up the information -- it's in the testimony --
7 and he gets with you right after you testify, and we'll have
8 that information for you.

9 MR. KARAS: Okay. Also, I wanted to know, what water
10 did they use before they tapped into Pasco water? Can they
11 answer that?

12 CHAIRMAN JABER: Most of the water that is provided
13 not by just this utility but most of the private utilities in
14 the State are from the aquifer and from the main water source.
15 Now, Pasco County, the reason they are at issue in this case is
16 the Water Management District has said that Aloha has exceeded
17 its water use permit, the amount of water that they can take
18 from the aquifer. They are taking too much. And one of the
19 suggested approaches is that Aloha purchase water now from
20 Pasco County, or increase their purchases from Pasco County.

21 MR. KARAS: All right. Now, can I ask, how you --
22 how should I say that? How do they make their water clear, or
23 what do they put into it or --

24 CHAIRMAN JABER: DEP and the Water Management
25 District but DEP primarily has very strict standards on how to

1 treat the water before it's provided to the customer. And the
2 treatment addresses chlorination, it addresses removing
3 sulfides and many, many other kinds of things. It has to meet
4 a certain standard before it can be provided to the customer.

5 MR. KARAS: All right. Let's see. I've been here --
6 originally out of Michigan -- I've been here maybe 12, 13
7 years, and the water has really been nasty as far as I'm
8 concerned, smelly. It seems like it's got rust. Most of the
9 time, you'll get a lot of black too.

10 Okay. Let's see. As far as I live there and the
11 lawns, we don't use their water, and I think what's probably
12 coming out of the well right there is probably better than what
13 Aloha is pumping too. And I think that should be about it.
14 Have you got any questions for me?

15 MR. WHARTON: No, sir.

16 MR. KARAS: Well, I hope you do better, anyway.
17 Let's see. Who's on our side? You're on our side, the
18 consumer?

19 CHAIRMAN JABER: We're on your side. We're on your
20 side.

21 MR. KARAS: And that's all Aloha here?

22 CHAIRMAN JABER: And the Office of Public Counsel
23 represents the consumers. And Representative Fasano is an
24 Intervenor and a customer in this case, and Mr. Wood is a
25 customer and an Intervenor in this case. And I would very much

1 like to think that Aloha is on the side of its customers too.

2 MR. KARAS: You would?

3 CHAIRMAN JABER: I would like to think that.

4 MR. KARAS: May I ask where you live and which water
5 you get?

6 CHAIRMAN JABER: I live in Tallahassee, and we
7 receive service from the City of Tallahassee.

8 MR. KARAS: Good water?

9 CHAIRMAN JABER: It is, it is good water.

10 MR. KARAS: Comparable to Aloha?

11 CHAIRMAN JABER: It is not black when I receive
12 water.

13 MR. KARAS: Okay. I think that's about all I can
14 say.

15 CHAIRMAN JABER: Thank you, Mr. Karas.

16 COMMISSIONER PALECKI: Thank you.

17 (Witness excused.)

18 MR. BURGESS: Cyndi Skipper.

19 CYNDI SKIPPER

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

22 DIRECT STATEMENT

23 MS. SKIPPER: Hi, my name is Cyndi Skipper, and I
24 live in Bell Rieve (phonetic) in Fox Hollow. I also have a
25 letter here from my father who also lives in Bell Rieve in Fox

1 Hollow. He left the country yesterday, but he did leave this
2 letter that I would like to submit. I won't read it, but I'd
3 just like to submit it into the proceedings or whatever is
4 going on.

5 CHAIRMAN JABER: Ms. Skipper, what is your father's
6 name?

7 MS. SKIPPER: My father's name is Von Rogers,
8 R-O-G-E-R-S.

9 MR. WHARTON: And we didn't get her name, I'm sorry.

10 CHAIRMAN JABER: Cyndi Skipper.

11 MS. SKIPPER: My name is Cyndi Skipper,
12 S-K-I-P-P-E-R. I'd like to comment first on something that
13 Mr. Bradbury said earlier today about, you know, him being away
14 and his bill being high or whatever. And my parents don't live
15 here all of the time either. They live out of the country, and
16 I pay all of their bills. I pay, you know, Aloha, credit card,
17 everything. And for that house being empty and my house having
18 four people living in it who shower and use the toilets and
19 launder clothes and bathe and everything, their water bill
20 during some months is higher than my water bill, and I don't
21 understand that. And I have written Aloha a letter and have
22 not gotten any response from them at all. I wrote that letter
23 in the summer.

24 But I'd just like to say that I strongly oppose
25 another rate increase for Aloha Utilities. I believe that

1 Aloha has neglected its fiduciary duty to provide quality water
2 to the customers, and it has not taken appropriate action to
3 improve either business processes or operations processes. I
4 believe that Aloha has squandered past profits, and I do not
5 believe that the customers of Aloha should be required to
6 replace these funds through increased rates and get the same
7 quality of water that they are currently receiving.

8 I have supplemental water in my home. I have a
9 Zephyrhills thing that I pay for every month. I do not drink
10 the water. I do not like to bathe in it. I believe that my
11 children come out of the swimming pool cleaner than out of the
12 bathtub, and that's using no soap. And I think that there is
13 definitely something wrong there. It has a bad taste. It has
14 a bad smell. My sister comes over and asks why the ice cubes
15 are yellow. And I said, well, I don't know. They are probably
16 old. I don't use the ice. We have a refrigerator with in the
17 door water and ice. We have a filter on that, but I still
18 won't drink that water, nor will I use that ice. We have a
19 water softener coming in. And I just do not believe that the
20 water quality is something that I want to put in or on my body.

21 What I'd like to know, I know that the proceedings
22 here tonight are like -- are kind of yes or no to a rate
23 increase, but I want to know what is going to be done about the
24 quality of the water. What actions do we need to take or can
25 we take to get the quality of our water improved? That's what

1 I want to know.

2 CHAIRMAN JABER: Ms. Skipper, let me try to address
3 that right now. This case is not just about the increase. And
4 part of our review of their rate application, we do look at
5 quality of service. It's almost the very first issue in the
6 proceeding we have before us. So as soon as our Staff gathers
7 all the information from the testimony, from the
8 cross-examination, and takes a thorough review of the
9 testimony, they will prepare a recommendation in late March for
10 us to consider, and tentatively, we are scheduled to vote
11 April 2nd on the entire application and that will include
12 taking a look at Aloha's quality of service.

13 MS. SKIPPER: So you will be able to require them to
14 increase the quality of the water that they're providing?

15 CHAIRMAN JABER: We will hopefully have a range of
16 options. And the reason I can't give you a yes-or-no answer
17 right now, I don't want to mislead you, I haven't finished
18 looking at the evidence.

19 MS. SKIPPER: No, I understand that, but that is
20 something that could happen?

21 CHAIRMAN JABER: It could absolutely happen. And if
22 you think back about what the Commission did a year and a half
23 ago, you may recall, we found their quality of service
24 marginal, and we initiated an interagency project to look at
25 this very issue. And that process is ongoing, and

1 recommendations were had out of that process. We also ordered
2 a management report to look at. We sent our Staff to review
3 their operations and their communication with their consumers.
4 We ordered that a pilot project be conducted to look for the
5 best possible solution to the black water problem, and there is
6 testimony about that pilot project in this proceeding. So
7 we're going to look at that as well. It is a critical issue.
8 Before any rate increase can be considered, we will look at
9 quality of service.

10 MS. SKIPPER: Okay. That's all I have.

11 CHAIRMAN JABER: Thank you, ma'am. Are there any
12 questions? Thank you.

13 MS. SKIPPER: Thank you. Who gets the letter?

14 CHAIRMAN JABER: I do. Thank you.

15 (Witness excused.)

16 MR. BURGESS: Commissioner, John Legg.

17 CHAIRMAN JABER: Mr. Legg.

18 JOHN LEGG

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

21 DIRECT STATEMENT

22 MR. LEGG: Hello, my name is John Legg, L-E-G-G. I
23 live at 4133 La Pasida. That's Riverside Village. We are
24 serviced by Aloha, Seven Springs. What I would like to do is
25 just kind of lay out -- I purchased my home, which is in

1 Riverside Village, in I believe 1998. I believe it was built
2 in 1992 when I first purchased the home. I'm just kind of
3 reiterating what other people have already articulated earlier.
4 When I turned the water on, when the water came out, it was
5 very black, very dirty, very -- I don't want to use the word
6 "too oily," but it left like an oily residue, if you will, on
7 the sink, cabinet. I don't want to say it was real oily, but
8 it was dirty and grimy.

9 I called Aloha, asked them what the issue was. They
10 said, well, it may have been that your home was vacant for a
11 while before you moved in. They suggested that I, you know,
12 run the water for a little bit to clean it out, and then it
13 should -- and if it proceeded, I should call them back, and
14 they would examine it. I did that, I believe, in May of 1998.
15 I did that. The water to this day is always cloudy when I use
16 it. If I don't use the water for more than a week at a time
17 and I turn it on, it will be brown and oily again, not to the
18 extent as it was the very first time, but it has some oily
19 residue.

20 I would like to maybe ask a question of Mr. Marshall
21 or Mr. Burgess if they don't mind. To the Public Service
22 Commission Staff, is Aloha required to have a certain fund set
23 aside under their initial rate request for maintenance?

24 MR. WILLIS: Part of what we always consider when we
25 develop rates for a company are the normal annual maintenance

1 that a company has to do to maintain the system. That's the
2 normal requirement we look at, among the many things.

3 MR. LEGG: So they have always been required to have
4 a maintenance budget, if you will, ever since they took over
5 the system?

6 MR. WILLIS: Well, they should budget for
7 maintenance. What I'm talking about is, we have allowed a
8 normal maintenance amount for this company in the rates to
9 properly maintain the system.

10 MR. LEGG: Okay. Mr. Burgess, in looking at their
11 record, have they been using their funding for their
12 maintenance properly in the past few years?

13 MR. BURGESS: I'm sorry?

14 MR. LEGG: On the maintenance. I know that Aloha has
15 been under the gun, if you will, for their maintenance of their
16 water. Have -- in this rate request, have you had an
17 opportunity -- it may be a little too early, but have you had
18 an opportunity to look up how much money they're setting aside
19 for maintenance of their system under this rate increase?

20 MR. BURGESS: Yes. We have had an opportunity to
21 look at how much they are budgeting for maintenance expense and
22 for all the expense items.

23 MR. LEGG: Does that maintenance expense, does that
24 supersede the price that they're paying the attorneys for the
25 rate increase?

1 MR. BURGESS: My understanding is -- or my
2 recollection is that the total amount that they are paying or
3 estimating to pay for the rate increase is in excess of
4 \$400,000.

5 MR. LEGG: Annually?

6 MR. BURGESS: No, that would be for this particular
7 rate increase.

8 MR. LEGG: So I'm just trying to understand
9 correctly. So they are only asking for \$400,000 per year to
10 maintain -- for maintenance for their program, or that's in
11 addition?

12 MR. BURGESS: I would have to go back and look at
13 specifically with regard to the maintenance expense question.
14 I'd have to go back and look at what they've got in their
15 filing requirements. One of the things, though, is the term
16 "maintenance" is a little bit -- has a little bit of latitude
17 in how it's interpreted, because you can look at the total
18 operating and maintenance expense, or you can look at just
19 specific items which incorporates a very broad number of
20 expense items, or you can look at just specific items that are
21 for maintaining a particular item. And so I'd have to -- we
22 have to go over the books specifically to make that
23 determination.

24 MR. LEGG: Well, let me get to the point, I guess.

25 MR. WHARTON: Chairman Jaber, I think that the

1 testimony from Mr. Burgess has got to stop. I mean, you said
2 the same thing to us earlier.

3 CHAIRMAN JABER: Mr. Wharton, he wasn't testifying.
4 He was answering a question that --

5 MR. WHARTON: He's giving his opinions about
6 expenditures, testimony that is not yet given.

7 CHAIRMAN JABER: Mr. Wharton, he was not testifying.
8 He was answering a question that the customer asked him, and I
9 have allowed you all to answer questions that the customers
10 have asked you. Let's be flexible here. But I will try to
11 address your question head-on.

12 There is an issue in every rate proceeding that
13 addresses operation and maintenance expense, and that is
14 thoroughly reviewed by our Staff. The company does file
15 information on that because they have the burden of proof in
16 this case. So they filed information on it. Our Staff will
17 cross-examine. Our Staff has conducted discovery on the issue
18 so has your attorney, the Office of Public Counsel. They have
19 also filed testimony.

20 Every single expense that the utility seeks is
21 reviewed in a rate proceeding, and what are reasonable and
22 prudent expenses get included in what we call rate base. And
23 it's that rate base that the company is allowed to earn a rate
24 of return on.

25 MR. LEGG: I guess I'll ask two questions, and I'll

1 direct this to you. Is the attorneys fees for filing a rate
2 increase, is that part of the acceptable expenditures that will
3 be billed to the consumers?

4 CHAIRMAN JABER: Reasonable and prudent rate case
5 expenses, that's what we called it, not just the attorneys fees
6 but also the accountant and the consulting fees and the
7 engineering fees. Those get included, but they are reviewed.
8 And I don't want to say they're audited, but they are reviewed
9 and cross-examined, and our Staff conducts depositions of those
10 witnesses. In fact, if I'm not mistaken, Mr. Deterding is
11 actually testifying in this case later on, properly Friday,
12 about the rate case expense, about the legal fees.

13 MR. LEGG: Let me -- I'll just summarize because I
14 know it's getting late and -- to get to the point of my
15 question is, is -- and you probably already can read between
16 the lines. Is the Public Service Commission, which does an
17 outstanding job of ensuring or requesting that these utilities
18 maintain their system and maintain them at an adequate level
19 for the assumers, and when they issue them their certificate
20 for their rates, they assume, I'm assuming that they are
21 assuming here, that they are assuming that they are going to
22 use that money appropriately to maintain the system. And in
23 order to maintain that system, I guess it's going to be a high
24 quality of water.

25 And I guess what I'm doing is, I'm questioning

1 whether they have been using that money appropriately to ensure
2 that the quality of water -- now that they have not been using
3 that money appropriately for maintenance, now they are wanting
4 to increase the fee, and if the Commission, whether they
5 increase it or not, but if the Commission does increase it,
6 what assurances does the consumers have that they are going to
7 put a plan in place to improve the quality of water given that
8 they're basically doubling the price of the water?

9 CHAIRMAN JABER: That's an excellent question.

10 MR. LEGG: I don't know if I'm allowed to direct that
11 question to them, but have they developed a plan given the fact
12 that if you do grant them that authority, are they even going
13 to attempt to address these concerns?

14 CHAIRMAN JABER: That's an excellent question. Let
15 me try to address it, so we don't get the attorneys objecting
16 to the attorneys testifying because they are not allowed to do
17 that. The guarantee that you have is, this Commission oversees
18 what the companies do with the rate increases that we allow
19 them if it's found appropriate to allow them the rate increase,
20 and we do that in the form of audits. And each year, the
21 companies file annual reports with us. It's part of our
22 earnings surveillance programs. They have to file reports with
23 us each year that show their earnings, how much revenues
24 they've collected. And anything that looks suspicious, our
25 Staff can initiate proceeding to audit the company and/or look

1 at their earnings and their actions. In fact, this company has
2 been audited several times.

3 MR. LEGG: Could I throw out a possibility to you?
4 Given -- if we had changed a minute of -- asked Representative
5 Fasano or Representative Fiorentino to amend the Florida
6 statutes to allow the Commission to have punitive damages
7 against companies for not having quality of care or quality of
8 water, would that give you more authority into forcing them to
9 improving the quality of water? For an example, if they don't
10 improve the quality of water at a given time, could an
11 amendment to the statute give you the authority to say, not
12 only will we not increase your rate of return, but we are going
13 to fine you and give a rebate to the consumers of that given
14 area because the quality of water has not been sufficient to
15 what you said you were going to provide for them?

16 CHAIRMAN JABER: Again, that's an excellent question,
17 and the answer is, the legislature has been a step ahead of all
18 of us because they, in fact, have done that. If water does not
19 meet DEP standards, there is a provision in the statute that
20 actually allows us to reduce the company's return on equity.
21 But in addition to that, in addition to that, for pure
22 violation of orders, rules, or statutes, we can penalize the
23 company, and that is the review that we're doing right here.
24 We are trying to make a finding on the quality of service for
25 this company.

1 MR. LEGG: But is quality of service actually a
2 violation? Because I know some attorneys such as
3 Mr. Peables (phonetic), who I'm sure they work very closely
4 with, will say that quality of water is not actually a
5 violation, thus you cannot penalize them. Would quality of
6 water, which would greatly assist us in this area, would that
7 allow you an opportunity to actually come to them and make them
8 accountable in terms of where it really hurts them, in their
9 wallet, in their money, and give that money back to our seniors
10 who are living on fixed incomes here in Pasco?

11 CHAIRMAN JABER: I'll let -- Mr. Burgess is the
12 attorney that represents the customers answer whether or not
13 the Commission has the authority. I can answer your question
14 in this manner. The Commission has penalized companies in the
15 past for quality of service problems.

16 MR. LEGG: What you say "penalize," was that actual
17 dollar amounts in terms of not only taking it out of their rate
18 of return but taking it out of their strict profit margin and
19 their asset and giving it back to the people?

20 CHAIRMAN JABER: Not giving it back to the people.
21 The statute -- what the statute says is, the Commission has the
22 authority to fine companies in the amount of \$5,000 per day per
23 violation.

24 MR. LEGG: And that's for quality of water?

25 CHAIRMAN JABER: It can be for quality of service, a

1 broad range of violations.

2 MR. LEGG: So for every instance of violation of
3 quality of water in Pasco County, they can get a \$5,000 fine
4 for every consumer?

5 CHAIRMAN JABER: It really depends on this
6 circumstances that this record shows.

7 MR. LEGG: Okay. I understand.

8 CHAIRMAN JABER: I just can't answer your question
9 specifically.

10 MR. LEGG: Well, thank you. I know it's getting
11 late, and I appreciate your time.

12 CHAIRMAN JABER: Thank you, Mr. Legg.

13 COMMISSIONER PALECKI: Thank you, sir.

14 CHAIRMAN JABER: Mr. Burgess. And, Mr. Burgess,
15 would you please follow up with Mr. Legg --

16 MR. BURGESS: I will.

17 CHAIRMAN JABER: -- and answer those legal questions?

18 MR. BURGESS: I will. Although, just based on what
19 positions are being taken in this case on those issues that
20 Mr. Legg has raised, there is some difference of opinion as to
21 what the legal constraints are.

22 CHAIRMAN JABER: You may want to share with him then
23 a copy of the prehearing order. I don't know if we have extra
24 copies, but you may want to get his address and mail him a
25 copy.

1 MR. BURGESS: Very good. I think that's a good idea.
2 Nancy or Ken Whitener.

3 NANCY WHITENER

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

6 DIRECT STATEMENT

7 MS. WHITENER: Nancy Whitener, W-H-I-T-E-N-E-R. I'm
8 a new resident at Wyndgate. I basically came tonight to give
9 one of the filters that I have from my house. We just moved in
10 six months ago, and we never would have purchased the kind of
11 place we did and invested the kind of money that we did if we
12 would have known there was going to be such a big water
13 problem. We have double filters on our facets and on our
14 house, and I brought one today that was just in for a few days.
15 And believe me, I will take water samples and have them
16 independently tested. I will take the stuff that's in this
17 filter and have it independently tested, and I will send it to
18 whoever and whomever you want me to or I need to to get
19 something done. I think this is a real sham that people have
20 to live like this and not be able to drink their water. It's
21 terrible. And that's really all I have to say.

22 CHAIRMAN JABER: Thank you, ma'am. Thank you.

23 (Witness excused.)

24 MR. BURGESS: Charles Rifkin.

25 CHARLES RIFKIN

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

3 DIRECT STATEMENT

4 MR. RIFKIN: Do you want me to leave my water sample
5 over here? Does anybody want to take a drink of it, especially
6 Aloha?

7 CHAIRMAN JABER: Mr. Rifkin, I need you to speak
8 right into the microphone for the court reporter.

9 MR. RIFKIN: My name is Charles Rifkin, R-I-F-K-I-N.
10 I live at 1416 Davenport Drive in Trinity, Florida, and I've
11 been coming to every meeting that the Public Service Commission
12 has put out. I even went to Tallahassee for three years to
13 testify, and I have never heard from anybody about the
14 different things that I sent to them. I have pipes that are
15 leaking. Right now, I'm waiting for a plumber. I have four
16 more leaks in my house, and they are trying to say that it's
17 not the Aloha water that's doing it, but it is, because the
18 pipes that are leaking are outside my building of the house,
19 and it's coming right from the water meter. It goes right into
20 these pipes, and they are all leaking.

21 When the plumber comes and fixes my pipes, I'll turn
22 around and send you people the copper tubing if you want to
23 look at it. I do not have a water softener. Aloha says that's
24 what was causing it, so I do not have softener. Also, going to
25 Aloha, they said if you ever have any problems, come in and let

1 us know, or call us and tell us, and we'll be right out to your
2 house to take care of the problem. On the back of my water
3 bills, it says, Dear Mr. Steve Watford, I am having problems.
4 My water is dirty, black, stinking, and now you want me to pay
5 more for more black, dirty, stinking water. I have never heard
6 from anybody. I still haven't heard from them.

7 One time that they did come out to my house, they
8 were testing a man's water two doors from me. So he says,
9 well, while we're here, do you want your water tested? I said,
10 sure, I'd be glad to have it tested. The man turned around,
11 disconnected the pipe in front of the meter, so that means the
12 pipe going into my house was not connected anymore. They piped
13 it up, piped it out into the street to test my water, which
14 they say is very good water, I could drink it. They ran the
15 water for 45 minutes before they took a sample of it and said,
16 yeah, you've got good water. How can I have good water if they
17 had it running for 45 minutes to take a test of it?

18 I said the same thing at every meeting that I went to
19 with the Public Service Commission. I am still waiting to hear
20 from anybody. But yet here we are again waiting for another
21 raise.

22 UNIDENTIFIED SPEAKER: We should all stick together
23 and hold the payments.

24 UNIDENTIFIED SPEAKER: Absolutely.

25 UNIDENTIFIED SPEAKER: Amen.

1 CHAIRMAN JABER: Excuse me, I need to be able to hear
2 Mr. Rifkin. Mr. Rifkin, this -- if it's an increase that goes
3 through, you will definitely hear from our Staff, but I want to
4 reinforce that we are not done with this process, so your
5 comments are extremely valuable to us. And we are listening,
6 and we are asking questions, and the next two days we will be
7 here asking these same kinds of questions to the utility, to
8 the Department of Environmental Protection, and to the Water
9 Management District.

10 MR. RIFKIN: I also have to buy water down at Publix,
11 since 1994. I have never drank Aloha water because it smells
12 so bad, and I just can't do it. My wife has cancer; my
13 daughter has cancer. Fifteen people that I know of around the
14 neighborhood have cancer. What is causing this? Maybe it's
15 the dirty black water that Aloha is putting out. I don't know,
16 but I would like to find out. I asked the same question once
17 before, but nobody has ever gotten back to me and said
18 anything.

19 One more thing is, Steve Vento (phonetic) that lived
20 in our neighborhood, I live in Chelsea Place, Steve Vento was
21 talked into changing the pipes in his house. He had all the
22 piping changed to I believe it was CPVC, which they took out
23 from the ground and ran it up in through the attic of his roof
24 and then went down to wherever they could connected to, where
25 they had to. He didn't have black water for a long while. He

1 had stinking, dirty yellow water. That's what was coming out
2 of his pipes, and Aloha tried to say, no, that he didn't, no
3 problems at all. Well, I'm vice president of the Chelsea Place
4 Homeowners Association, and I talk to people in the
5 neighborhood, and every one of them said the same thing. This
6 is what he told them. He is no longer there. He finally got
7 out of the house because his wife died of cancer, and he didn't
8 want to live in the house no more. So you tell me what's
9 causing the problem. That's all I have to say.

10 CHAIRMAN JABER: Thank you, sir. Thank you. Are
11 there any questions to Mr. Rifkin? Thank you, sir.

12 MR. JAEGER: Chairman Jaber, he brought in a gallon
13 jug of water and just held it up. I was wondering if he could
14 just describe the color of the water in the jug for the court
15 reporter.

16 CHAIRMAN JABER: Mr. Rifkin, let me explain what
17 Mr. Jaeger has just asked for and why. We see it, we see it,
18 obviously, but because we'll go back and read the transcript,
19 we want to make sure, in your own words, that you've described
20 the color of that water and where you retrieved the water from
21 so that we will remember when we read your testimony.

22 MR. RIFKIN: This here one came out of the tub in the
23 master bedroom. I had another sample, I don't know where it's
24 at. It's up here somewhere. Somebody brought it up for me.
25 That one came out of the kitchen sink. Another one I have came

1 out of the tub out in the garage. That was three samples I
2 brought, and this has been going on since 1994.

3 CHAIRMAN JABER: And would you describe it as a jug
4 of Cola? How would you describe that?

5 MR. RIFKIN: Dirty, black, stinking water.

6 CHAIRMAN JABER: Thank you, sir.

7 MR. RIFKIN: All right.

8 (Witness excused.)

9 MR. BURGESS: David Lewandowski.

10 DAVID J. LEWANDOWSKI

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

13 DIRECT STATEMENT

14 MR. LEWANDOWSKI: My name is David, middle initial,
15 J. Lewandowski, L-E-W-A-N-D-O-W-S-K-I. It comes after
16 tendowski and before twelvedowski, so it's an easy name to
17 remember. I live at 3220 Ludlow Drive in New Port Richey, the
18 Venice Estates area. I have been here in New Port Richey and
19 purchased my home back in 1995. The quality of the water has
20 been less than poor. Aloha Utilities is real good as far as
21 snowballing things or, I should say, whitewashing things,
22 because they send these reports out and tell everybody, oh,
23 yeah, the iron levels are too high, the corrosion levels are
24 too high, but it's within our acceptable range. Sorry, I don't
25 believe that, especially when I get up in the morning and I

1 have to run my shower for three to five minutes just to get the
2 crud out of the pipes.

3 As another example, for the billing period of 8/15 to
4 9/14, I was charged \$68. I'm a single individual. I live by
5 myself. I have two dogs. I use my dishwasher once, maybe
6 twice, a week. I do three to four loads of laundry a week. I
7 have no sprinkler system, and except for my personal hygiene,
8 that's it. I don't use Pasco, Inc.'s water because, let's face
9 facts, excuse my French, but it sucks. Okay.

10 I have bottled water that I use for cooking, and the
11 thing is, what happened is, for the next billing period from
12 9/15 to 10/14, I got an increase on my water bill for \$78. I
13 called up Aloha Utilities, and I said, what gives? I had a hip
14 replacement on the 20th of September, and I've been in and out
15 of the hospital until the 11th of October, and you're telling
16 me my water rates went up? They turned around and said to me,
17 well, you must have a leak in your house. Well, if you'd like
18 to see the bill I got from the plumber, no, I did not have any
19 leaks in the house.

20 Then to add insult to injury, from 10/15 through
21 11/14, my water bill went up to \$81. No offense, where the
22 hell am I going to use that kind of money for water? I think
23 this is asinine. Everything -- every time I've called Aloha
24 Utilities, they have been nothing more than arrogant,
25 egotistical prima donnas. I'm tired of it.

1 And right now, they are threatening to shut off my
2 water only because they said there's nothing wrong with our
3 line. And I said, what about your meter? Oh, if you want to
4 pay 20 bucks, we'll do a hundred gallon check. Why should I
5 have to pay for their mistakes, for their equipment? This is
6 justifiable? I don't think so. And that's where it sits right
7 now. Thank you.

8 CHAIRMAN JABER: Mr. -- pronounce your last name for
9 me, sir.

10 MR. LEWANDOWSKI: Lewandowski. Like I said, it comes
11 after tendowski and before twelvedowski.

12 CHAIRMAN JABER: When you called Aloha the first time
13 about your bill, did they offer to look at your bill?

14 MR. LEWANDOWSKI: No. They said unless I want to
15 request a meter check for ten gallons, you know, they will do
16 that, and I said, yeah, please do, and they did it. I never
17 heard a word from them. Then when I complained that it went up
18 to \$78 the following month and \$81 the month after that, they
19 said, well, if you want to pay \$20, we'll do a hundred gallon
20 check on our meter. And I'm going, why should I have to pay
21 for your equipment? That doesn't make any sense, does it?

22 CHAIRMAN JABER: Mr. Willis, if you will, have
23 someone take a look at the rates and the billing periods and
24 just the general situation, and make sure that someone talks to
25 Mr. Lewandowski tonight before he leaves.

1 MR. LEWANDOWSKI: Yeah, because I'll tell you right
2 now, according to the current bill that just came in a couple
3 of days ago, I owe them, like, close to 200 bucks, and I'm
4 going, huh-uh. I'm sorry, I'm not paying it, period. Plus you
5 want to push the issue farther, I'm a PLWA, and I need the
6 water for my laundry, not for drinking purposes or anything
7 else, but this is ridiculous.

8 CHAIRMAN JABER: Are there any questions?

9 MR. WHARTON: Yes, ma'am.

10 CROSS EXAMINATION

11 BY MR. WHARTON:

12 Q Sir, Aloha did come out and perform a field test of
13 your meter on November the 15th?

14 A They might have. I was never notified of it.

15 Q And then was it explained to you that when Aloha
16 offered to bench test your meter, that by rule you were
17 required to put a deposit down, but if the meter was found to
18 be inaccurate, you would get your deposit back?

19 A No. That's incorrect.

20 Q You mean that that was never explained to you?

21 A No.

22 Q We'll have someone contact the customer and more
23 thoroughly explain the field test and the bench test procedure
24 and the rule, and we'll have someone give you a call, sir.

25 A Yeah, but like I said, why do I have to pay for a

1 bench test on their equipment? It's their equipment, not mine;
2 correct?

3 CHAIRMAN JABER: Mr. Lewandowski, I think that
4 actually the rules do allow them to collect some sort of
5 deposit on the bench testing, but Mr. Willis, would you
6 explain -- take a minute to explain the bench testing
7 requirements. If I'm not mistaken, the money comes back to the
8 customer if it's the fault of the utility.

9 MR. WILLIS: Chairman, according to our rules, the
10 customer shouldn't have to pay anything up front. If the
11 customer requests a bench test, according to our rule, and the
12 meter comes back as being accurate, then there is a charge
13 according to the rule, which is \$20. If the meter actually
14 shows to be faulty, there is no charge to the customer.

15 CHAIRMAN JABER: Let me have Staff closely monitor
16 your situation, and they will get with you tonight and take
17 your address and a copy of your bills, and they will call you
18 back.

19 MR. LEWANDOWSKI: All right. Thank you.

20 CHAIRMAN JABER: Thank you.

21 MR. WILLIS: Chairman Jaber, my Staff is going to get
22 with him right after he's done here.

23 CHAIRMAN JABER: Excellent, excellent.

24 MR. LEWANDOWSKI: I'm done.

25 CHAIRMAN JABER: Mr. Wharton, you didn't have any

1 other questions; right?

2 MR. WHARTON: No, ma'am.

3 CHAIRMAN JABER: Thank you, sir.

4 (Witness excused.)

5 MR. BURGESS: Those were all the witnesses we listed.

6 I would note that early on I asked for Joseph Hanlon. It was
7 my understanding that he might arrive later. I don't know if
8 he's arrived.

9 CHAIRMAN JABER: Let me just ask if there are other
10 customers in the audience that wish to speak now, may have come
11 in a little bit later, that's fine. You are welcome to --

12 MR. RIFKIN: Can I ask you another question?

13 CHAIRMAN JABER: Yes, sir. Hang on. Let me make
14 sure that I've covered everyone that's here to testify.

15 Anyone else that wishes to testify? Okay. Yes.
16 Come on up to the microphone, and tell us your name one more
17 time for the record.

18 CHARLES RIFKIN

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

21 DIRECT STATEMENT

22 MR. RIFKIN: Charles Rifkin, Chelsea Place, vice
23 president of the Homeowners Association, volunteer for the
24 Sheriff's Department, worked five years now. I'm also director
25 on the Board of Cona (phonetic), and we also have 85 homeowners

1 associations. We also have condominiums that we tell about
2 deed restrictions, but the reason I wanted to ask one more
3 question was this. A neighbor of mine asked me to testify for
4 him. He lives on Averhill (phonetic) in Chelsea Place. I'm
5 not sure of his address, but he said I think it was on December
6 the 16th, I think it was a Sunday, that all of a sudden he got
7 up, turned his spigots on, and then he went around the
8 whole house turning them on.

9 MR. DETERDING: I apologize, Mr. Rifkin.

10 Madam Chairman, I don't think it's appropriate for him to be
11 testifying for another customer.

12 CHAIRMAN JABER: Mr. Deterding -- let me take this
13 opportunity, Mr. Rifkin, to tell you and the customers that to
14 the degree you are aware of other customers who are not able to
15 make it to the ten o'clock service hearing or tonight's service
16 hearing, I would love for you to grab a couple of copies or a
17 few copies of this to take to your neighbors and your
18 colleagues and your relatives, and have them fill this out and
19 send it back to the PSC. These are read, and they are taken
20 into consideration. They are placed in the docket file.

21 That's a better way of handling, Mr. Rifkin, what
22 your neighbor wants us to know. That way I can read his
23 comments directly and have it when we decide on this matter.

24 MR. RIFKIN: The only reason I wanted to say it was
25 because of what the Aloha person that was there at the time

1 that the leaking occurred. What they said was, their
2 chlorinators were not working right. You said I'm not supposed
3 to tell you this.

4 CHAIRMAN JABER: Okay. Well, Mr. Rifkin, if he will
5 actually put all of that information on this and include names,
6 if he remembers who he talked to at Aloha, that would be very
7 helpful.

8 MR. RIFKIN: Okay. I need 25 copies because I'm
9 supposed to say about 25 other people.

10 CHAIRMAN JABER: That would be great. We've got
11 those. If you don't find copies on your way out -- actually,
12 Bev DeMello, she's waving her hand at you right there --

13 MR. RIFKIN: Right.

14 CHAIRMAN JABER: -- she's got 25 copies available for
15 you immediately tonight.

16 MR. RIFKIN: Thank you very much.

17 CHAIRMAN JABER: Thank you.

18 COMMISSIONER PALECKI: Thank you, Mr. Rifkin.

19 CHAIRMAN JABER: Are there any other customers who
20 wish to speak?

21 JOE KARAS

22 was resumed as a witness on behalf of the Citizens of the State
23 of Florida and, having been duly sworn, testified as follows:

24 DIRECT STATEMENT

25 MR. KARAS: Oh, I just want to add to what I didn't

1 say there. You've got my name? Karas, K-A-R-A-S.

2 CHAIRMAN JABER: Joe Karas. Come on up to the
3 microphone.

4 MR. KARAS: And I hope you people are for the
5 consumers; right? Real good.

6 CHAIRMAN JABER: We serve the citizens of the state
7 of Florida.

8 MR. KARAS: This is all Aloha here?

9 CHAIRMAN JABER: No, sir. Mr. Burgess, take an
10 opportunity to introduce yourself again and let them know who
11 you work for.

12 MR. KARAS: I don't want to hold everybody up. But I
13 didn't state that I'm against the raise for Aloha, and I think
14 they are a lousy outfit. Did I say that earlier?

15 CHAIRMAN JABER: I --

16 MR. RIFKIN: And I say, you're a real nice person.

17 CHAIRMAN JABER: Thank you, sir. Thank you.

18 MR. RIFKIN: Okay.

19 CHAIRMAN JABER: Thank you very much. I appreciate
20 all of the time that customers have put into this, and I really
21 appreciate that you've come out this late at night on a chilly
22 night. Your comments are heard. They will be taken into
23 consideration on the quality of service issue and on the rate
24 issue.

25 Our Staff will get back to all of the customers that

1 they have spoken to tonight. If you have copies or things you
2 want to leave behind here with Staff, please see Mr. Willis or
3 Mr. Wetherington, and you can leave those letters or bills with
4 them. And again, take advantage of the blue sheet. You are
5 welcome to fill that out. Thank you, and good night. This
6 service hearing is adjourned.

7 Parties, we are convening tomorrow morning at 8:30.
8 We will take up the first witness.

9 MR. DETERDING: Thank you.

10 CHAIRMAN JABER: Thank you.

11 (Hearing adjourned at 8:37 p.m.)

12 (Transcript continues in sequence with Volume 4.)

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1 STATE OF FLORIDA)
2 :
3 COUNTY OF LEON)

CERTIFICATE OF REPORTER

4
5 I, TRICIA DeMARTE, Official Commission Reporter, do hereby
6 certify that the foregoing proceeding was heard at the time and
7 place herein stated.

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

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

18 DATED THIS 22nd DAY OF JANUARY, 2002.

19 *Tricia DeMarte*
20 _____
21 TRICIA DeMARTE
22 FPSC Official Commission Reporter
23 (850) 413-6736
24
25