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Charles J. Beck  
Deputy Public Counsel

November 22, 2004

Blanca S. Bayo, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

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ID-PPSC  
04 NOV 22 PM 3:14  
COMMISSION  
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Re: Docket Nos. 020896-WS & 010503-WU

Dear Ms. Bayo:

Enclosed for filing, on behalf of the Petitioners, are the original and 15 copies of Exhibit 17 to the Direct Testimony of Wayne T. Forehand. One page was inadvertently missing from the original filing. The attached exhibit has been renumbered to include the missing page.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

Charles J. Beck  
Deputy Public Counsel

CMP \_\_\_\_\_  
COM 5  
CTR org  
ECR (circled)  
GCL 2  
OPC \_\_\_\_\_ CJB:bsr  
MMS \_\_\_\_\_ cc: All parties of record  
RCA \_\_\_\_\_  
SCR \_\_\_\_\_ Enclosure  
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12497 NOV 22 04

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**Wayne T Forehand**  
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January 14, 2003

Senior Attorney Lorena Holley  
Chairman, Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
Fax: 1-800-511-0809

Dear Ms. Holley,

Re: Aloha Utilities

Thank you for your December 18<sup>th</sup> response to our inquiry. You advised, "It is staff's sincere hope that the CAC and Aloha Utilities will continue to work together to further the communications link between the two groups". To help meet your expectations, the CAC wrote the attached letter to Mr. Watford (Attachment I) advising that we planned to sit at the table and review the CAC activities over the past year. We stated that, we believe it would be most appropriate if he would sit at the table with us at this time and participate in the discussion. The CAC decided that it would be an appropriate tool of management for the committee to evaluate its function and to determine whether it has met the mandate given to it by the PSC.

It appears that Aloha perhaps has an entirely different expectation of what the CAC activities should be. However, in view of the fact that the First District Court of Appeals has sustained the authority of PSC to issue the Orders of April 2002, the CAC felt that it should work with Aloha to improve quality of service and product. It is regrettable that the efforts of CAC seem to have failed in a large measure because of the unwillingness of Aloha to respond meaningfully and in good faith to establish a creative and remedial dialogue.

The CAC went through each of the 29 points, one at a time as summarized in Attachment II. The CAC members expressed their disappointment with lack of Aloha's participation and its refusal to answer questions unless they are submitted in writing.

We believe this summary will show that the CAC volunteers have worked diligently and have made great efforts in establishing the CAC, implementing recommendations of the PSC order and coordinating the educational process on water chemistry and regulation. We have gotten many customers involved and we clearly have been willing to be fair and listen to Aloha.

At this time I ask, is it appropriate for the PSC to contact Aloha and suggest that Mr. Watford initiate efforts to repair this ill will with the it's customers and begin to demonstrate that Aloha

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Yours sincerely,

*Wayne Forehand*

Chairman - Aloha Utilities Citizens' Advisory Committee

Attachments (2)

cc: Braulio Baez - Chairman PSC  
Tim Devlin - Director of Division of Economic Regulation  
Mr. Steve Burgess - OPC  
State Senator Mike Fasano  
State Representative Tom Anderson  
Citizens' Advisory Committee.

## ATTACHMENT II

Docket Nos. 020896-WS & 010503-WU  
Exhibit WTF-17  
Page 3 of 6

### **PSC Order No. PSC-02-0593-FOF-WU**

#### **Item. 4. Citizens' Advisory Committee (CAC)**

The following are the 29 points noted in item 4 followed by comments from the 1-12-2004 CAC meeting indicating what has and what has not been accomplished.

1. Aloha shall form a Citizens' Advisory Committee.
  - *In March 2003 the CAC was organized and interim officers elected*
2. The Committee would be comprised of 15-20 citizens representing a cross section of individual customers and various homeowners associations.
  - *The CAC is comprised of 15 members representing various associations.*
3. Members would probably serve a two-year term
  - *The CAC bylaws establish a two year term*
4. The CAC would be formed to assist Aloha in making critical decisions that impact the level of service that impact the community
  - ⊙ *Has not been possible to implement this due to lack of support from Aloha to deal with issues related to customers' complaints and continued unwillingness of Aloha to admit that a problem exists.*
  - ⊙ *Aloha continues to insist the water is 'clean, clear and safe' and refuses to address the problem on a scientific basis.*
  - ⊙ *In July, Aloha management advised they would allow the second phase of the water quality audit but then the sampling was delayed for several months. Now 7 months later the audit is still not complete.*
5. The group would research, study and discuss specific issues with both short and long term implications, forwarding their recommendations to Aloha.
  - ⊙ *The CAC has diligently recruited experts in water chemistry, provided opportunities for Aloha, FDEP, FPSC, SWFWMD to discuss issues with customers, but has had little success in getting relevant information or cooperation from Aloha.*
  - ⊙ *Aloha refused to allow the CAC members to tour and see first hand the Aloha water processing operation.*
  - ⊙ *A number of recommendations were made in the first phase of the audit report by Dr Levine but Aloha's consulting Engineer has advised CAC that Aloha will not be implementing any of them in the short term*
6. The President of Aloha or his designate would attend all meetings.
  - ⊙ *Yes, the President or an Aloha designate has been at each meeting but CAC was advised that he is only there to "monitor" the CAC activity, not to answer questions nor participate in constructive discussion. All questions asked of Aloha and clarifications needed must be undertaken in writing, according to Aloha representative and this has significantly impaired ability to conduct meaningful discussions.*
  - ⊙ *The CAC has explained that the Aloha's written answers are often not clear and appear to avoid the questions asked and clarification is necessary. We feel certain that this mode of dialogue does not meet the expectations of the PSC.*
7. Any Aloha customer could attend or contact a CAC member to pass along any concerns, questions or comments.
  - *This has been done and sometimes the customers' complaints have been expressed with great enthusiasm and concern that effective solutions have not been sought by Aloha*
8. Notification of the advisory committee meetings would be made in Aloha's existing newsletter and other publications.

9. The CAC would meet at a minimum of once a month.

- *Yes, monthly meetings have been scheduled and conducted by the CAC!*

10. The CAC would provide a mechanism for citizen involvement.

- *The CAC conducted educational sessions on water related subjects and provided time for community input at each meeting. We handed out forms for customers to provide further input on problem items.*

11. The CAC activities would be promoted through the publication of reports published in Aloha's current newsletter and on Aloha's web site.

- *No, CAC activities have not been promoted in Aloha monthly news flyer. Aloha refused.*
- *The CAC meetings are mentioned but not promoted on the web site.*
- *Aloha stated that they are only required to communicate with the CAC, not the community.*

12. The CAC would conduct Citizen meetings in each of the target areas, meet with representatives of neighborhood organizations, disseminate information through out Aloha's community and go door to door to insure that citizens are aware of CAC activities.

- *Members of the CAC have made presentations at HOA meetings, Men's associations meetings, computer group meetings, etc. Articles have been put into a number of the HOA newsletters. A CAC member Sandy Mitchell has the assignment to contact the local newspapers each month and ask to have information about CAC and CAC meetings published. Some door-to-door efforts were made to recruit new participation and spread the word.*
- *Aloha has continued to accuse that CAC has been politicizing the issues. Accordingly, CAC has been reluctant to go further with these efforts for fear of further accusations from Aloha.*

13. Meeting summaries would be prepared after each meeting.

- *The CAC consensus is that the meeting summaries are sanitized by Aloha management and are not adequate.*

14. Summaries would be available for citizen inspection.

- *Aloha has refused to add names to the mailing list as new citizens and interested persons called the Aloha office to be added to the mailing list. Aloha says this is not required by the PSC order and has refused all requests.*
- *Aloha said meeting summaries are not available at its office for citizen inspection.*

15. Key issues addressed during the advisory committee process would be highlighted in the meeting notes.

- *The CAC consensus is that the meeting summaries are sanitized by Aloha management and the Executive Secretary, provided by Aloha is not in a position to report meeting notes as required by PSC*

16. A CAC mailing list would be developed by members of the CAC and Aloha, and it would continue to evolve as new citizens and interested persons call to get on the mailing list.

- *Members of the CAC developed the original mailing list.*
- *Aloha has refused to add names to the list as new citizens and interested persons called to get on the mailing list. This refusal by Aloha has continued even after repeated requests by the CAC.*

17. In its initial meeting, the CAC would have to elect at least a chairman and a vice-chairman.

- *This was accomplished in March 2003*

18. Both a chairman and a vice-chairman would be elected by a majority vote of the CAC members with a quorum present.
  - *This was done in April 2003*
19. The Executive Secretary of the CAC would be a designated Aloha staff person.
  - *Yes, this was done*
20. The Executive Secretary would be responsible for recording the minutes of all CAC meetings, transmitting notices and agendas to the membership, and would transmit a copy of the minutes of each CAC meeting, prior to the next regular meeting.
  - *Yes, this is done*
21. The Executive Secretary would also insure that consensus, majority, and dissenting views on all matters and issues were recorded, and upon request, were reported.
  - *The CAC consensus is that the meeting summaries are sanitized by Aloha management and are not adequate. Hence the CAC now considers auditory tape recordings as part of the minutes of each meeting*
22. He or she would assist the task forces as needed.
  - *The CAC asked that Aloha add to the mailing list, new citizens and interested persons who call to get on the mailing list. Aloha refused.*
23. Robert's Rules of order Newly revised would be the parliamentary authority for conduct of the meetings, except where it may conflict with the bylaws to be adopted by the CAC.
  - *Meetings have been established and conducted on the basis of Robert's Rules of order.*
24. The CAC would adopt some guiding "principles" for conduct and actions at all future meetings.
  - *Guiding principles are documented in the CAC bylaws*
25. At the initial meeting, the CAC could begin formulating its mission statement as well as goals and objectives.
  - *The mission statement and goals and objectives were prepared and approved at the second meeting of the CAC in April 2003*
26. At the first meeting the CAC and Aloha could place on the record items that each party considers appropriate for the advisory committee to discuss.
  - *This has not been done. The CAC did suggest to Mr. Watford in a letter last July that perhaps he would discuss with the CAC his expectations and what he would like to see the CAC do.*
  - *Aloha has continued to deny a PSC mandated participatory role in meeting discussions and claim to be present only to monitor the CAC meetings. This approach by Aloha does not meet the expectation of the CAC and we feel it does not meet the expectations of the PSC either.*
  - *CAC expected that Aloha would come to our meetings and inform the CAC about the rate increase notice about to be mailed out before the customers receive the mailing and before the customers ask CAC members if the increase is legitimate. CAC expected that Aloha would have shared the information about the plan that Aloha has submitted to the PSC to address water quality concerns. Even on January 12, 2004 when CAC asked Aloha representative to inform the CAC about the plan submitted to the PSC, it was told to put the request in writing.*
27. The CAC could designate sub committees to study issues of concern and present recommendations to the full CAC.
  - *The sub-committee to compare home water systems prepared an excellent report, which was provided to Aloha customers at the meetings and others upon request.*

28. Task forces could also be appointed to study or deal with issues that are generally of short duration and very specific in responsibility.

- *A task force subcommittee was established to study and better understand home water systems. Various members have taken on other projects such as to answer customers' questions about responsibilities for fire hydrant flushing, whether the rate increase is legitimate, etc.*

29. Statement from the PSC: We find that the formation of the CAC will improve communications between the utility and its customers, and thus improve customer service.

- ① *Communications improvements expected by CAC and PSC clearly have not materialized*
- ② *Aloha said since the CAC is not a regulatory agency and its members are not stockholders, it does not have to work with the PSC mandated CAC.*
- ③ *Aloha has accused the CAC of "politicizing" the issues and of discussing of deletion of territory. The CAC does not consider discussion of customers' problems "politicization" of discussions. The CAC has carefully avoided discussion of deletion of territory at its meeting and it has never been a part of its meeting agenda.*

CONCLUSION: The consensus of the CAC is that its efforts to work with Aloha have been a dismal failure because of Aloha's poor cooperation and complete denial of any problems with need for improvement. But CAC will continue to meet if the PSC perceives that there it serves a useful function.