

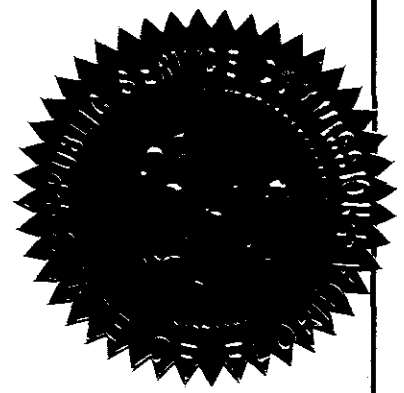
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080121-WS

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

In the Matter of:

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



PROCEEDINGS: PALATKA SERVICE HEARING

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Wednesday, July 2, 2008

TIME: Commenced at 6:00 p.m.
Concluded at 8:20 p.m.

PLACE: St. Johns River Water Management District
Governing Board Room
4049 Reid Street
Palatka, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
(850) 413-6734

DOCUMENT NUMBER-DATE
06402 JUL 23 8
FLORIDA PUBLIC SERVICE COMMISSION
FPSC-COMMISSION CLERK

1 PARTICIPATING:

2 BRUCE MAY, ESQUIRE, Holland & Knight Law Firm, Post
3 Office Drawer 810, Tallahassee, Florida 32302-0810,
4 representing Aqua Utilities Florida, Inc.

5 CHARLES J. BECK, ESQUIRE, Office of Public Counsel,
6 c/o The Florida Legislature, 111 W. Madison St., Room 812,
7 Tallahassee, Florida 32399-1400, appearing on behalf of the
8 Citizens of the State of Florida.

9 RALPH JAEGER, ESQUIRE, FPSC General Counsel's Office,
10 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
11 representing the Florida Public Service Commission Staff.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

I N D E X

WITNESSES

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

NAME:	PAGE NO.
HARLEY HOFFMAN	
Direct Statement	17
Examination by Mr. Beck	32
Continued Examination by Mr. Beck	37
NANCY BRAND	
Direct Statement	39
RUSS MOYER	
Direct Statement	41
Examination by Mr. Beck	46
JOHN POITEVENT	
Direct Statement	46
BOBBY MORRIS	
Direct Statement	54
MIKE PALLONE	
Direct Statement	59
RALPH WERKHEISER	
Direct Statement	65
RICK PAULUS	
Direct Statement	74
CERTIFICATE OF REPORTER	
	83

EXHIBITS

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

NUMBER:

ID.

ADMTD.

8 Orville Baldrige document

41

81

P R O C E E D I N G S

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

CHAIRMAN CARTER: Good afternoon. Good evening.

Yeah. I want to thank you all for coming out this evening for our service hearing in this case here.

COMMISSIONER ARGENZIANO: Can you hear?

CHAIRMAN CARTER: How about now? Is that better?

Oh, that was operator error, wasn't it?

Good evening again. I want to welcome everyone here for the service hearing in this matter before us. I wanted to kind of set things up as we go. There's some kind of housekeeping things we do to kind of introduce it. But the way it'll go this afternoon or this evening is that we'll have a brief opening statement by the parties and then we'll have an opportunity to have some public input. And as you come up, we'll be coming to this podium here to my right, that is my right, this podium here, and as you come up, please say your name and address because we have a court reporter here that will be putting everything into the record. And that way it'll be helpful to us. And if you, I started to say if you have an unusual name, pronounce it and spell it. But, you know, right now, you know, with my being educated in the South Georgia school system, probably anything other than Bubba is going to be unusual to me. So whatever information you can give us would be most appreciated. So with that, staff counsel, would you please read the notice?

1 MR. JAEGER: Yes, Chairman Carter.

2 By notice, this time and place has been set for a
3 customer service hearing in Docket Number 080121-WS,
4 application for increase in water and wastewater rates in
5 Alachua, Brevard, Desoto, Highlands, Lake, Lee, Marion, Orange,
6 Palm Beach, Pasco, Putnam --

7 CHAIRMAN CARTER: Can you guys hear?

8 MR. JAEGER: -- Putnam -- it's in and out --
9 Seminole, Sumter, Volusia and Washington Counties by Aqua
10 Utilities Florida, Inc.

11 CHAIRMAN CARTER: Thank you. Now we'll take
12 appearances of the parties.

13 MR. MAY: Thank you, Mr. Chairman. I'm Bruce May
14 with the Law Firm of Holland & Knight. My address is P.O.
15 Drawer 810, Tallahassee, Florida 32302, here on behalf of Aqua
16 Utilities Florida. With me today is Mr. Chris Franklin, the
17 Southern Regional President for the utility. At the
18 appropriate time, Mr. Franklin will make a very brief opening
19 statement.

20 CHAIRMAN CARTER: Okay.

21 MR. BECK: Thank you, Mr. Chairman.

22 Good evening. My name is Charlie Beck. I'm with the
23 Office of Public Counsel. And with me here tonight is Tricia
24 Merchant, who is a CPA in our office who is also working on the
25 case.

1 MR. JAEGER: And I'm Ralph Jaeger, staff counsel, on
2 behalf of the Commission.

3 CHAIRMAN CARTER: And last, but not least, let me
4 take an opportunity to introduce my colleagues. To my
5 immediate right, Commissioner Edgar. To her immediate right,
6 Commissioner Argenziano.

7 COMMISSIONER EDGAR: Good evening.

8 COMMISSIONER ARGENZIANO: Good evening.

9 CHAIRMAN CARTER: To my immediate left, Commissioner
10 McMurrian.

11 COMMISSIONER McMURRIAN: Good evening.

12 CHAIRMAN CARTER: To her immediate left, Commissioner
13 Skop.

14 COMMISSIONER SKOP: Good evening.

15 CHAIRMAN CARTER: We are the Florida Public Service
16 Commission. And in a moment we're going to have an opportunity
17 to hear from you. Let me just kind of get this commercial
18 announcement out. There's a blue form out, out front. Those
19 of you who either, whether you testify tonight or not, if you
20 have some, something that you forgot to do, just on the back
21 page here is a mailer you can send in to us with whatever
22 comments, or if you've got some friends and neighbors that
23 couldn't be with you tonight, take one of these and give it to
24 them so they can fill it out and send their comments in and
25 we'll make those as part of the record.

1 Also, if you do want to speak, outside on the table
2 there is a white page. Just complete that and we'll call you
3 up to make your comments at that point in time. Obviously
4 before you make your comments, we'll have you sworn in. But
5 before we do that, we're going to take a few moments to get off
6 the, go off the record and give our staff, our technical staff
7 an opportunity to present to you an overview of why we're here.

8 Mr. Willis.

9 (Presentation given off the record.)

10 Thank you, Mr. Willis.

11 We are back on the record. We'll proceed with our
12 proceeding. Now we'll hear from the company and then we'll be
13 followed by OPC.

14 MR. FRANKLIN: If you don't mind, I'm going to speak
15 from over here so you don't have to look at my back while I,
16 while I talk to you.

17 My name is Chris Franklin, again, and I'm the
18 regional president for Aqua. And I've had a lot of
19 conversations with customers over the past year. I've been on
20 this job only about a year, less than a year and a half, and I
21 thought in my opening remarks I might just address some of the
22 more commonly asked questions that I've, that I've encountered
23 over the last year.

24 Just by way of introduction, too, we have two folks
25 who are out in the lobby who will be happy to answer any of

1 your specific or more personal billing questions, customer
2 service questions after this meeting concludes. They're
3 dressed in Aqua shirts with the logo on it, easily
4 recognizable, out in the lobby.

5 Let me first tell you that Aqua has been around for
6 about 120 years and we've been a water utility that entire
7 time. We've never varied. We've recently entered wastewater,
8 but we've always been a water utility. It wasn't until 2003,
9 2004 that we began to branch out and acquire additional
10 companies, including two companies in Florida. One was called
11 Aqua Source and the other was some of the Florida Water
12 properties. Both of those companies we purchased from electric
13 utilities, and we purchased -- and this is an important fact
14 because a lot of people asked me about this, we purchased them
15 both for what we call rate base. In other words, we did not
16 pay a premium for these companies when we purchased them
17 because the electric utilities were all exiting the water
18 market. Despite the fact that we didn't pay a premium, these
19 companies were poorly capitalized and in many cases in decay
20 and disrepair. And so we faced immediately a triage situation
21 where we had to decide where to spend our capital first to fix
22 up these systems. And, of course, as common sense would
23 predict, we focused on meeting water quality standards and
24 environmental compliance, and it was only then that we could
25 begin to focus on operational changes like the improvement and

1 installation of meters.

2 Now I'll tell that you since 2003, 2004 we've
3 invested about \$30 million in capital improvements in the
4 system in tanks, boosters, all those sorts of things. And
5 despite this significant investment, we've operated the company
6 during this period of time using rates that are, that are over
7 a decade old. We have not had a rate increase other than the
8 index allowance throughout the period of time we've owned the
9 company and long before that. So you don't have to be a
10 financial expert to understand that over a decade what
11 gasoline prices alone, we look at just the last year, chemical
12 increases, power, the increases in those costs are.

13 Now since I was here or we were here last year in our
14 hearings we've made a lot of changes in the company. Some of
15 those changes are physical changes in our management team.
16 We've got a brand new Chief Engineer, we've got a brand new
17 Environmental Compliance Manager, a new Chief Operating
18 Manager, a new Area Manager in our Southern Division. We've
19 got a new Customer Service Manager and a new Regulatory
20 Manager. All of these folks, by the way, are replacement of
21 existing employees. These are management changes we made over
22 the last year, and we made those changes to demonstrate our
23 intent to operate efficiently and provide good customer service
24 and fully comply with all the statutes and regulatory
25 requirements.

1 We've also made improvements in our customer call
2 centers, and I hope you'll recognize that if you need to call
3 the call center, with our ultimate objective of resolving your
4 issue with only one call.

5 We also heard when we were, when we spent time in
6 hearings last year that the customers didn't know us. So we
7 initiated a system called, well, it's really town hall meetings
8 but we call them Aqua Connects. We held 12 of them around the
9 state. We invited all the customers in those particular areas
10 to join us. And it was a very informal setting where we got to
11 know customers, we invited our entire management team and our
12 customers and it was less formal than a meeting like this where
13 we could have individual conversations. We've held those now
14 in Brevard, Lake, Marion, Putnam, Sarasota, Seminole and
15 Volusia Counties, and we're planning one in Alachua County in
16 the near future.

17 A year ago the customers' biggest concerns seemed to
18 be estimated bills. And so we initiated a program over the
19 last year and a half to replace all of our meters that are
20 under the PSC jurisdiction in all of our areas and add radio
21 frequency devices so we don't have to enter the customers'
22 properties any longer. And we spent over that two-year period
23 about \$5 million on that program, and we have dramatically
24 reduced our number of estimated bills.

25 I think it's also important for you to realize that

1 in addition to not paying for the company, not paying a premium
2 for the companies when we purchased them, we also operate
3 within a standard, you know, with our operating costs. We are,
4 when compared to our peer companies, we are well within the
5 norms of our, what we call our operating ratio, our operating
6 expenses to our revenue. Now we understand that this rate
7 increase is associated with years of catch-up, over ten years
8 in many cases. So to minimize the impact of expenditures on
9 any one customer, we believe that a uniform rate structure, the
10 same rate across the state, is the, is the best alternative.
11 And we have a one-page handout that outlines the impact of
12 those rates at least on our water customers.

13 So in summary, if our expenses aren't out of line,
14 and the Commission will be the ultimate judge of that, and we
15 didn't pay a premium when we purchased these companies, why are
16 we losing money in Florida? We actually lose money, we're
17 operating in the red in Florida. And the bottom line is
18 because we haven't had a rate increase in more than a decade,
19 and we've talked about the increasing costs over that period of
20 time.

21 Folks, I'll tell you that this is the part of my job
22 I enjoy least. I work for a water utility because I really
23 feel like we make a difference in people's lives, the
24 improvement of basic services, water and wastewater. I can
25 also tell you that I take this part of my job very seriously.

1 We prepared this rate case, this rate case with the brightest
2 people and we went through many innervations to try and get it
3 right and find a solution that was equitable and impacted the
4 most customers in the least way. While I can't say our
5 proposal is perfect or that anybody is going to necessarily
6 like it, I can say it was prepared with people -- by people
7 with great integrity and it was done considering the impact to
8 customers.

9 Now I've said enough. I appreciate your kind
10 attention and I look forward to hearing your comments so that
11 we can continue to improve our company on your behalf. Thank
12 you.

13 CHAIRMAN CARTER: Mr. Beck.

14 MR. BECK: Thank you, Mr. Chairman. Good evening
15 everybody, and thank you for coming out on this rainy evening
16 to give us your comments. My name is Charlie Beck. I'm with
17 the Office of Public Counsel.

18 CHAIRMAN CARTER: Pull your mike a little closer.

19 MR. BECK: The Office of Public Counsel is completely
20 separate and independent of the Public Service Commission. Our
21 office was created by the Legislature to represent your
22 interests before the Public Service Commission. So just as
23 Mr. Franklin is going to be an advocate for his company in this
24 rate case, we're going to be an advocate on your behalf in the
25 case and do everything we can to bring the rates down that Aqua

1 has requested. We have an office of 12 people who are
2 dedicated to rate case proceedings. A number of us in our
3 office are working on the case right now, and we also are
4 hiring consultants.

5 In this case we will be, we are now in the process of
6 gathering information. We have served hundreds of
7 interrogatories, which are written requests for answers from
8 the company. We've also served hundreds of requests for
9 documentation from the company. And we're just now getting
10 that back, we're in the process of analyzing it. And we will
11 be looking at the expenses that Mr. Franklin mentioned and all
12 the other aspects of the operation that they've filed before
13 the Commission.

14 You'll recall last year that Aqua had a rate case
15 before the, that they filed at the Commission. In that case
16 they were asking for a \$7.3 million a year increase. We
17 participated in that case as well and did very, activities very
18 similar to what we're doing now. It was our experience in that
19 case that the data they were relying on was a constantly
20 changing picture. We were months into the rate case where
21 they, in our view at least, refiled the case with new data. At
22 that point we filed a motion to dismiss their case, which is to
23 ask the Commission to throw it out. The staff issued a
24 recommendation to the Commission agreeing with that. And just
25 before the Commission was going to decide the case, Aqua

1 withdrew their case and also made a payment of \$50,000 towards
2 the plant out of their pocket. Now they're back. This case is
3 now for \$8.4 million.

4 Let me tell you a little bit of what we're doing.
5 We -- beside the people in our office, we've already hired
6 three expert witnesses who are assisting us in the case. One
7 witness will testify about the profit level that we believe is
8 reasonable for the company to charge. We've had a difference
9 of opinion recently with the Public Service Commission. We had
10 one case with Florida Public Utilities, which is a small
11 electric company serving Northern Florida. In that case we
12 hired a professor from Penn State, a full professor of finance.
13 He testified that he thought a reasonable profit level for the
14 return on equity would be 9.15 percent, which may seem high to
15 you, but that was his opinion. The Commission granted the
16 company 11 percent return on equity. Recently they did an
17 11 percent return on equity for a natural gas company. We're
18 going to present a witness to the Commission to try to convince
19 them to bring that return on equity of profit level down
20 because the higher the profit level they grant, the higher the
21 rates are that you'll be paying.

22 We've also hired an outside engineering expert who
23 will be going to each of the systems, reviewing the plant and
24 looking at what portions of the plant are actually used and
25 useful in providing you service. Because sometimes the plants

1 are built to serve future customers, and he will be testifying
2 as to which portions are there to serve you as opposed to
3 serving customers out in the future.

4 Our third witness will be an overall accounting,
5 finance and rate case expert. She in particular has had a lot
6 of experience looking at intercompany charges. Many of the
7 expenses that you see here in Florida are allocated from
8 Pennsylvania through the corporate system and a corporate
9 services company. So we'll be spending a lot of time looking
10 at that, as well as the reasonableness of all their expenses
11 and the prudence of what they charge.

12 We very much appreciate your coming tonight. One of
13 the things the Commission looks at when determining the
14 profitability of the company is the service they provide you.
15 Your comments will relate directly to that and will affect that
16 decision of the Commission. So we very much appreciate your
17 coming tonight and look forward to hearing from you. Thank
18 you.

19 CHAIRMAN CARTER: Thank you, Mr. Beck. Also just
20 FYI, we do, from the Florida Public Service Commission, have
21 employees from our staff. Staff, just raise your hand so that
22 we can see our staff members from the Florida Public Service
23 Commission here tonight.

24 Additionally, as you come up to make your statements,
25 you may be asked questions by either members of the Commission

1 and/or the OPC or the parties. And with that, anything further
2 before we --

3 MR. JAEGER: Nothing further, Mr. Chairman.

4 CHAIRMAN CARTER: Okay. At this point in time we're
5 going to ask those of you that are going to testify tonight,
6 you have to be sworn in. Would you please stand and raise your
7 right hand.

8 (Witnesses collectively sworn.)

9 Thank you. You may be seated.

10 Also, Mr. Beck will be calling your name. As he
11 calls your name, would you come up to the podium to my right
12 and just state your name and address and we'll go from there.

13 Mr. Beck, you're recognized, sir.

14 MR. BECK: Thank you, Mr. Chairman.

15 The first customer appearing tonight is Mr. Harley
16 Hoffman.

17 Whereupon,

18 HARLEY HOFFMAN

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. HOFFMAN: Good evening. First of all, I'd like
23 to thank the Public Service Commission for asking us to come
24 and give you our opinion of what we think of this rate case.
25 And the last time I came to the meetings, I was a little

1 disappointed to find out that only two or three of the members
2 came to some of those hearings. And I want to congratulate you
3 for showing up tonight and making us all feel like you really
4 care about what we have to say.

5 My name is Harley Hoffman. My address is at 108
6 Seminole Drive in Ormond Beach, Florida. I live in the Tomoka
7 View Tanglewood Subdivision, which is an enclave of 192 homes
8 in unincorporated Volusia County completely surrounded by the
9 City of Ormond Beach. I am the President of the Tomoka
10 View/Tanglewood Civic Association, and I'm really pleased to be
11 here to tell you how the residents in our area feel about this
12 application.

13 What I would like to do is describe our water system
14 as a background for the rest of the discussion that I want to
15 have with you, then move on to some general comments about the
16 application, followed by some specific problems that we have
17 with our system and Aqua Utilities, and then finish with our
18 conclusions and our recommendations.

19 Aqua Utilities now owns the water system that serves
20 the homes in our subdivision. We do not have a wastewater
21 system, so all the homes use a septic tank for wastewater
22 disposal. We do not have fire hydrants. Three 135-foot deep
23 wells located in the center of the subdivision are the source
24 of our water. The water is pumped into a room-sized tank,
25 aerated and chlorinated and distributed to our homes via 2-inch

1 PVC lines and into the house with a 3/4-inch copper or PVC
2 line.

3 An important issue here, the water system and lines
4 in our system are about 50 years old, 50 years old. Aqua
5 Utilities has made some improvements in the chlorination system
6 and installed new meters at each house during the past year.
7 My guess is that we have had about one dozen line breaks during
8 the year.

9 Our water has been substandard for many years.
10 Several system owners including Aqua Utilities have wrestled
11 with the problems of low system pressure, bad odor, dirt in the
12 water, worms in the water and various violations of county and
13 state regulations regarding the content and the elements in the
14 water itself. As of last year, a major concern to us was that
15 our system had not met the standards for trihalomethanes. The
16 recent 2007 summary report showed that the THM problem, the
17 standard was met but that our water had, now has high coliform
18 bacteria content, excessive bad odor and contamination from
19 soil leaching most likely from our septic tanks.

20 Very few people in our community drink the water
21 produced by our system. Most people have a water softener,
22 filters within the house and buy bottled water for drinking and
23 cooking. So that's kind of what our system looks like and what
24 we're living with.

25 Now getting, turning to the application itself, we

1 were surprised to learn that this was not only an application
2 for a rate increase, but also for implementing a flat rate
3 increase across Florida. The numbers accompanying the notice
4 of these hearings stated that a bill for 5,000 gallons of water
5 would be, would cost at the present rate \$11.78 and would be
6 \$40.92 at the final rates. This is an increase of slightly
7 more than 350 percent for each of us. There was no further
8 explanation nor justification for the numbers.

9 How were those numbers calculated? At the rate
10 increase filing last year the calculations were made for each
11 system and could be fairly easily understood. We are unable to
12 comment intelligently or figure out until we understand these
13 numbers. But the first reaction is such a high increase is not
14 justified since a cost of operation increase was just
15 authorized about a month ago, and that was like a 2 percent
16 increase that we were told was based on operational costs.

17 We would also like to understand how the flat rate
18 will be implemented and what the implications are for our small
19 system. It sounds like the expenses and revenue will be
20 averaged over the 110,000 or so customers that Aqua Utilities
21 has in Florida. If that happens, we are very concerned that
22 capital funds, system updates and customer service will go to
23 the larger systems that have the potential for generating more
24 revenue, and the smaller systems such as us will get kind of
25 the leftovers. If a large rate increase is to be imposed to

1 update systems in Florida, we do not want to pay for someone
2 else's system while our little system struggles along.

3 Now to address some of the specific problems that we
4 have, our system has with Aqua Utilities. Our number one
5 problem is water quality. We are paying for water that many
6 consumers will not use. Odor, coliform contamination and a
7 residual fear of THMs prevents many from drinking the water.
8 Each customer is paying several hundred dollars per year for
9 water softeners, salt, filters and bottled water that would not
10 have to be spent if Aqua Utilities were delivering totally
11 compliant water.

12 Our second major problem is customer service. During
13 the past year we have had some colossal problems. I won't take
14 the time to describe all of the instances, but I would like to
15 give you a couple of examples.

16 Let's start with meter reading and billing. After
17 new meters were installed in our neighborhood, I personally
18 went through an eight-month period of dozens of telephone calls
19 trying to get my own bill straightened out, and others in our
20 community were having similar problems. In my case, the wrong
21 meter number was being used. At one point my wife and I, a
22 two-person household, were billed for 187,500 gallons of water
23 in one month. Month after month I talked to customer service
24 and billing and got nowhere.

25 Our local service employee, David, did a superb job

1 trying to help but got the same results. I stood beside him by
2 my meter as he made, took his cell phone and made phone calls
3 and talked directly to people on several occasions, his
4 supervisor did the same, and the results were -- we just
5 couldn't get results. It didn't happen. Even talking to the
6 big boss, Ed Pellenz, who I met here tonight for the first
7 time, and I thank him for coming, did not solve the problem
8 until it was discovered that the meters were being read wrong
9 and the extra zero was being added by the billing department,
10 and then Ed was able to get that problem solved. But this took
11 eighth months. Customer service personnel in Pennsylvania were
12 generally unsympathetic and poorly informed all during this
13 fiasco. My problem is now solved after eighth months, but
14 there are similar problems in our neighborhood today.

15 A Vietnamese family is currently battling with the
16 Aqua accounts today. They have difficulty speaking and
17 understanding English. They were told they had a leak by
18 billing personnel and, probably due to the language problems,
19 ended up spending \$3,000 to replumb their house and run a pipe
20 from the meter into their house because they were billed for
21 54 -- for 94,000 gallons of water in one month. In other
22 words, they called up and said, "What is going on?" And they
23 were told by customer service personnel up there that "You must
24 have a leak." And as you can understand, someone who doesn't
25 comprehend English too much thought that was the case, I have a

1 leak. So they hired a plumber and said, "We want to redo this
2 whole thing." When I -- by the time I got into this thing,
3 that was done. David, our local service personnel guy who I
4 talked to and who is excellent, went over there and explained
5 to them what was going on. And it turned out that
6 94,000 gallons of water is really 9,400 gallons of water, as
7 had been the case previously in my case and several other
8 cases.

9 In another case a resident was billed for
10 54,000 gallons of water and paid less than \$5. He did not
11 complain. So we're having both extremes in the billing and
12 customer service departments.

13 Our residents have found the local service personnel
14 very helpful, but the corporate customer service, accounting
15 and billing personnel are woefully lacking in customer and
16 professional skills.

17 Our next problem with Aqua Utilities concerns
18 communications. When there is a line break that requires a
19 boil water notice, a person comes down from Palatka and
20 delivers the notices to each of our homes on foot. He hangs a
21 little hanger on the doorknob. This can take up to 24 hours or
22 more before a consumer is aware of the notice. In this day of
23 modern communications, it would seem that a company dedicated
24 to the water business could do better than that. For example,
25 the City of Ormond Beach uses a telephone code red signal that

1 contacts each home and leaves a message when the notice is
2 issued and when it is ended. Meantime, as I said, our people
3 will often use the water for a day or two before it's ever
4 known.

5 In the same category is the fact that we are not
6 aware of a disaster plan for our water system. If a hurricane
7 causes a tree, which there are several around our plant, to
8 fall and crush our little plant, where would we get our water?
9 Will Aqua Utilities bring in water such as the cities do to
10 their customers or are we on our own? And then, of course, is
11 the question of how the plant would be restored and who pays
12 for it. Will we be assessed or will Aqua Utilities absorb the
13 expense and how does the flat rate play into all of this?

14 As I described earlier, we are an enclave within the
15 City of Ormond Beach. There have been ongoing discussions with
16 our neighborhood being, about our neighborhood being annexed
17 into Ormond Beach. The question about the city taking over the
18 water system is perplexing because Volusia County officials
19 have not been able to provide the franchise agreement that
20 allows Aqua Utilities to operate our system. The county
21 officials have contacted Aqua Utilities over a month ago, but
22 to my knowledge they have received no response. If the City of
23 Ormond Beach were to take over our system, they would provide
24 an entirely new system with fire protection and city water.
25 Installation and system costs would be amortized over a 20- to

1 30-year period. Our question now is does Aqua Utilities have
2 an improvement plan that will update our aging system and how
3 will it be paid for and how does the flat rate play into all of
4 that?

5 Finally, it is our conclusion that Aqua Utilities has
6 not met the standards that we desire and that are immediately
7 available in our area in terms of water quality and customer
8 service, namely the City of Ormond Beach, who are -- we have
9 neighbors right down the street. We also believe that the
10 imposition of a flat rate for water across the State of Florida
11 will penalize small water systems such as ours in both
12 financial and operational terms.

13 Therefore, we ask you to deny this request until Aqua
14 Utilities improves performance to the extent that merit, that a
15 merit increase is warranted and that the individual integrity
16 of each system be maintained until it can be definitely shown
17 that combining into a flat rate will benefit all consumers.
18 Thank you very much.

19 CHAIRMAN CARTER: Thank you, Mr. Hoffman. Would you
20 remain there for a moment?

21 MR. HOFFMAN: Sir?

22 CHAIRMAN CARTER: Please remain there for one second.
23 We may have some questions.

24 Let me just say before we do ask you some questions
25 how impressed I am with your organization in terms of you

1 looked at it, you presented it in a cogent manner, you dealt
2 with the issues straightforward. And as you probably -- maybe
3 you couldn't see all of us writing copiously. We're taking
4 good notes.

5 Commissioner Skop, you're recognized, sir.

6 MR. HOFFMAN: Mr. Skop.

7 COMMISSIONER SKOP: Thank you, Mr. Chairman.

8 It's good to see you again, Mr. Hoffman.

9 MR. HOFFMAN: Yes, sir.

10 COMMISSIONER SKOP: I appreciate you and your
11 insightful presentation that you provided.

12 Just in fairness to your organization and your
13 homeowners association as well as the utility, you mentioned
14 the substandard water quality, and in terms of some of the test
15 results, that they were trying to link that back to leakage
16 from septic tanks or infiltration from the septic tanks. I was
17 wondering if you could clarify that a little bit because it
18 seems -- I'm a little uncertain as to there might be that
19 leaching that causes the issues. But then I'm equally
20 interested in finding out why, you know, the treatment process
21 would not rid some of those things that you mentioned. So
22 could you please clarify that?

23 MR. HOFFMAN: To the extent that my knowledge will
24 let me do so, yes, sir.

25 We received about a month ago the annual water

1 quality report for our system from Aqua Utilities. Mind you,
2 this report is for the year 2007 and this is 2008. We're
3 halfway through it. But this was telling us basically what
4 happened in 2007. The final -- I don't think I have it with
5 me, but the final line on that report made the comment that,
6 that I referred to that there were elements in the water that
7 were basically caused by leaching through the ground. And
8 that's the reference that I'm using it. I don't have that
9 report here, but maybe someone from Aqua has it or can get it.

10 COMMISSIONER SKOP: Okay. And then just as a
11 follow-up question to that, you mentioned the customer service
12 issues, the billing, the metering and, you know, we've heard
13 those, those problems.

14 COMMISSIONER ARGENZIANO: Move the mike.

15 COMMISSIONER SKOP: Thank you. I'm sorry. All
16 right. Thank you. I'm mike shy.

17 But this is in relation to the customer service
18 issues. I think that we've heard, you know, consistent issues
19 in the past with respect to billing and the numbers and the
20 volumes and the billing issues. I guess, you know, hopefully
21 there will be some improvements in those areas. But one of the
22 concerns that I think that you expressed was that because of
23 where you're located, and I'm familiar with the Tacoma (sic.)
24 area, I mean, the Tomoka area in Ormond Beach because I grew up
25 in Sanford, the concern that you raised about the service

1 representative when there's an issue having to drive down from
2 Ocala to come down to Ormond Beach to your area, is that a
3 concern? It seems that you have good customer service or your
4 representative is there with you, and I just want to make sure
5 that you're happy with that on-site service that you receive.
6 I mean, certainly if I were dealing with my local utility,
7 it's, they have the people within the city. But, you know, in
8 these small areas served by Aqua, you know, I know that they
9 rely upon that and probably to the benefit of the ratepayer to
10 the extent that it would probably be cost prohibitive to have a
11 person in each individual small area without, you know, even
12 more increases. But I just wanted to get your perspective on
13 the quality of the representative and the timeliness that
14 they're able to get out to address problems that occur within
15 your subdivision.

16 MR. HOFFMAN: Yes, sir. I think all of us in our
17 subdivision are very pleased with our local service rep David
18 and all down from his supervisor. And basically the people
19 that are here in Florida, Ed Pellenz, who is the head there of
20 the, one of the chief honchos here in Florida, have all made
21 every effort to serve us well. And we can't really criticize
22 them because I think it's the system and that's what I'm trying
23 to get to. When you go out of Florida, we find there's a great
24 disconnect between customer service, billing and that sort of
25 thing in Bryn Mawr as compared to Florida. I mean, they have

1 to talk to them on the telephone and can't get things done. So
2 that, I think, is a, is one of the issues that we would like to
3 go.

4 And the other that I addressed was communication. I
5 mean, even though someone does have to drive down from Palatka
6 to put a, hang on my door a notice that says boil water because
7 we've had a line break, I mean, they have automated systems
8 which can tell that there's a line break and they can call us
9 on the phone, call everyone in one of those code situations and
10 let us know. And, I mean, that's not the fault of the local
11 service people. I mean, that's -- the system they're given to
12 work with is one, this is the way you do it, get in your truck
13 and drive down there from Palatka to Daytona, look at this.
14 Does it require -- get the thing, get the forms, write down
15 everything so you can put it down. I mean, it's, it's horse
16 and buggy days kind of technology compared to what we have
17 available to us. And all I'm saying is if I were running the
18 company, Aqua Utilities, I'd say let's get some technology
19 improvements in here now.

20 COMMISSIONER SKOP: And thank you. I think the point
21 that you made about the, at least at the municipality level,
22 that code system or reverse 911 to issue public awareness
23 notices for like boil water alerts and such like that, I've
24 been saying that for about a year now. I think that's an
25 excellent system to be able to leverage the existing

1 technology. I just don't know if a private entity can tap that
2 or not, but certainly I agree with the -- your point about the
3 horse and buggy is well-taken.

4 MR. HOFFMAN: But that's exactly the point I wanted
5 to make. Private industry here is competing with the
6 municipalities. And if they're going to compete, they better
7 get their game going because those guys are leaving them in
8 their dust.

9 COMMISSIONER SKOP: Thank you.

10 CHAIRMAN CARTER: Thank you.

11 Commissioner McMurrrian.

12 COMMISSIONER McMURRIAN: Thank you. Thank you, Mr.
13 Hoffman, for coming.

14 I wanted to ask you little bit of follow-up on the
15 extra zero problem. And I wasn't clear on the timing, so I
16 wanted to follow up with you about that because you said that
17 your problem did resolve and the other problem you mentioned
18 for the Vietnamese family, that it had been resolved. But
19 when, when were those two issues resolved? Because I also
20 wanted to compare it to the timing of when the new meters were
21 put in, Did these happen after the new meters and that sort of
22 thing? So I wanted to clarify that.

23 MR. HOFFMAN: Yes, ma'am. All of this happened after
24 the new meters.

25 COMMISSIONER McMURRIAN: Okay.

1 MR. HOFFMAN: I -- my, my case was -- well,
2 187,500 gallons was really 18,750. It took the organization,
3 quote, of Aqua Utilities nearly, nearly seven months to figure
4 that out. Someone -- and I can't explain this. Maybe someone
5 from Aqua Utilities can. This is the explanation I got. The
6 meter readers, because I was there when they were doing it,
7 were reading the meters correctly. These new meters are read
8 with a decimal zero. So if you read 100.0, that's 100 gallons.
9 If you read 1000, that's 1,000 gallons. Somehow the meter
10 readers were reading the correct reading, transmitting it to
11 the people in Bryn Mawr, Pennsylvania, and they were, how, I
12 don't know, adding a zero to it and then computing the bill
13 there. And that just defied solution for almost seven months.

14 COMMISSIONER McMURRIAN: Thank you. I do recall
15 hearing that at one other customer hearing last year, and I was
16 hoping that that was something that had been before the new
17 meters were put in. But it sounds like there's still a
18 problem.

19 MR. HOFFMAN: No. This was after --

20 COMMISSIONER McMURRIAN: And perhaps that was even,
21 even the one I heard last year perhaps was even after the new
22 meters. I'm not sure. But I wanted to get that straight. So
23 thank you for that clarification. That helps.

24 CHAIRMAN CARTER: Mr. Beck.

25 MR. BECK: Yes.

EXAMINATION

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

BY MR. BECK:

Q Thank you, Mr. Hoffman. Mr. Hoffman, the calendar year 2007 is the base year for the review of their operations in this case. Were any of the meter problems that you described for yourself or the Vietnamese family during calendar year 2007?

A Let's see. Yes. Because our meters were installed, I can't tell you exactly, but basically almost concurrent with the PSC hearings last year, just slightly after those hearings. We were one of the first ones. As a matter of fact, my meter, my individual meter was picked up by, by direction, I think, from the PSC, that they ordered some 70 or 80 meters to be taken in for calibration. My meter was one of those that was picked up. And I got, at that time I got an RF meter to replace it. So that's kind of a ballpark figure as to when this occurred, so.

Q And do you recall the approximate date when it was finally resolved?

A After the first of the year, January, February time frame.

Q Thank you very much.

A I have bills at home. I should have brought all that, I guess, to give to you, but it's of that time frame.

1 Q That's very helpful.

2 A The Vietnamese people are still battling it. I don't
3 think that's resolved completely yet. As of last week I saw
4 them and they're -- it's a -- they just have not resolved it
5 yet, so.

6 COMMISSIONER ARGENZIANO: Might I?

7 CHAIRMAN CARTER: Commissioner Argenziano.

8 COMMISSIONER ARGENZIANO: Thank you.

9 The Vietnamese family, you had indicated before that
10 they found that it was not 94,000 or 94,000 but it was 9,400.
11 So after they found that it was 9,400, they didn't -- there's
12 still an ongoing problem even though they recognized that it
13 was 9,400?

14 MR. HOFFMAN: Yes. And I guess I can't give you all
15 the details, but it goes something like this. That the people
16 at Aqua who were there discussing this, the corporate Aqua
17 people, believe that they still owe them money because they say
18 that there was a leak at the beginning or something. And the
19 last time I know they had a bill for 300 and some dollars that
20 they were disputing. And the Vietnamese gentleman told me, he
21 said, "The only way I'm going to settle this is to go to court
22 with it," because he said, "It's wrong." I said to him, "Do
23 what you have to do," you know.

24 COMMISSIONER ARGENZIANO: I'm sorry. May I ask in
25 all fairness when they retrofitted their home, which I guess, I

1 think you said cost them about \$3,000, did they indicate that
2 anybody had found broken pipes or --

3 MR. HOFFMAN: No. As a matter of fact, it was sort
4 of strange. I mean, I don't mean to laugh because the language
5 barrier is not something to be laughed at, but the gentleman
6 came out and talked to me and said, "You know, I really
7 couldn't figure out we had any leaks because we didn't have a
8 leak between the meter and the house." And he said, "I know if
9 we would have had a leak in the house, the ceiling would have
10 come down or something would have happened," and none of that
11 happened. So it's just -- and, again, here, the local service
12 person, David, I sent over there, I went there, he went over
13 there, he's been over there two or three times, he has called
14 them, I know he's called directly to the customer service
15 people trying to resolve this. And, as I say, as of last week
16 it wasn't. Hopefully it's resolved by today. I don't know.
17 But it's, it's just another example of this breakdown between
18 the local service organizations and the corporate service
19 organizations. I, you know, I don't know how you cure it
20 unless you bring somebody here or do something, but somebody
21 needs to figure that out.

22 COMMISSIONER ARGENZIANO: Thank you.

23 CHAIRMAN CARTER: Thank you.

24 Commissioner Skop, and then back to you, Mr. Beck.

25 COMMISSIONER SKOP: Thank you, Chairman Carter.

1 And again, Mr. Hoffman, to the point that was just
2 raised and I think touching on Commissioner Argenziano's
3 concern, I guess what in your opinion could be done to
4 facilitate a more timely resolution of these problems that
5 arise in Florida and resolving them between, you know, the
6 Florida, Pennsylvania and Florida corporate disconnect, if you
7 will? I mean, would, you know, having a dedicated consumer
8 advocate with management authority to credit accounts for
9 disputed amounts locally facilitate that? Because it seems,
10 seems that there's an issue, and I just wanted to get your
11 personal opinion on, if you have one, as to what might be
12 useful in helping to resolve these. Because, I mean, you know,
13 the tie goes to the runner and it seems like a lot of the
14 tension and resolution of issues that drag on for months and
15 months and months might not have to be if somebody had some
16 better communication or more direct hailing frequency up to
17 Pennsylvania. So I just wanted to get your perspective on that
18 issue.

19 MR. HOFFMAN: Well, from my previous experience in
20 industry, I would think that having some, a local person in
21 Florida, a person or persons with the authority to, the
22 authority to make some decisions about these things is
23 absolutely necessary.

24 Secondly, somebody needs to look at the training of
25 the corporate people who are answering -- I heard someone say

1 they improved their call centers and that sort of thing. I
2 hope they did because there's a massive change in training
3 needed for these people to understand. I mean, any one of us,
4 if someone said to you "My wife and I are in a house, we used
5 187,500 gallons of water in one month and you're charging for
6 it," shouldn't that trigger some sort of a bell or something?
7 Shouldn't somebody think that something is odd here, we better
8 go look at this problem and solve it? Rather than say, which
9 is the comment I got, "Mr. Hoffman, you've either got a leak or
10 you filled your swimming pool." That was the comment I got
11 from customer service. That's just not satisfactory.

12 So I believe, to answer your question directly, you
13 need to have someone local within Florida kind of people with
14 decision-making power.

15 COMMISSIONER SKOP: And I appreciate that, and thank
16 you, thank you so much. I mean, there might be something to be
17 said for the mantra that the customer is always right. But,
18 again, I'm trying to, to figure out what could be done to
19 facilitate some, some issues that would address what I hear to
20 be a recurring theme from consumers. And it's important and I
21 think it would go a long way in terms of addressing some of the
22 frustrations that you guys have felt.

23 MR. HOFFMAN: I agree. Because, as I say, the local
24 person comes out and looks at it, he says, "Yes. That meter is
25 9,400 gallons," and calls it up. That, that decision could be

1 made right there, that piece of knowledge. It's not made.

2 COMMISSIONER SKOP: Thank you.

3 CHAIRMAN CARTER: Mr. Beck.

4 MR. BECK: Yes, briefly.

5 EXAMINATION

6 BY MR. BECK:

7 Q Mr. Hoffman, do you know whether the family you were
8 helping, did they contact the PSC in their complaint resolution
9 process for assistance?

10 A I doubt it. I doubt it. Not that I'm aware of.
11 Because, as I say, there's a language barrier here. They're
12 kind of confused by the whole thing. And they thought when
13 they were calling Aqua Utilities that they were talking to an
14 authoritative kind of person that says, "You've got a leak."
15 "Well, I must have a leak." That sounds unusual to us, but I
16 think that's pretty much the case.

17 CHAIRMAN CARTER: Commissioner Argenziano.

18 COMMISSIONER ARGENZIANO: Yes. I wonder,
19 Mr. Chairman, if we could ask Mr. Hoffman maybe to share with
20 the family or give them the information to please maybe get in
21 touch with us so that we can track what goes on now that we
22 understand that they have the problem and maybe we can then
23 give them some help.

24 MR. HOFFMAN: Yes, ma'am. If you'll tell me, give me

25 --

1 CHAIRMAN CARTER: We'll have one of our staffers get
2 with you and get your information --

3 MR. HOFFMAN: All right. Yes, sir.

4 CHAIRMAN CARTER: -- so we can contact them. Because
5 we do have a, a consumer services division that we can get to
6 to get to the bottom of this and try to resolve this. Because,
7 I mean, just because people have a language barrier is no
8 reason for them to be taken advantage of.

9 MR. MAY: Mr. Chair, the utility also would like at
10 the appropriate time, if you could get with our service
11 representative with a name, too.

12 MR. HOFFMAN: All right. Thank you.

13 CHAIRMAN CARTER: Anything further, Mr. Beck?

14 MR. BECK: No, sir. Thank you.

15 CHAIRMAN CARTER: Commissioners?

16 Thank you.

17 Mr. Beck, you're recognized.

18 MR. BECK: Thank you. The next customer is Maggie
19 Privette.

20 MS. PRIVETTE: Nancy Brand is going to speak for me.

21 CHAIRMAN CARTER: Say again.

22 MS. PRIVETTE: Nancy Brand.

23 CHAIRMAN CARTER: Nancy Brand?

24 MS. PRIVETTE: Yes.

25 Whereupon,

1 NANCY BRAND

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

4 DIRECT STATEMENT

5 MS. BRAND: I am going to be reading a statement from
6 someone other than myself. I would first like to say that we
7 agree 100 percent from Holiday Haven, Lake County. I won't
8 reiterate what has already been said in the essence of time.

9 The statement to the Public Service Commission by
10 Orville Baldrige, address 24823 Pearl Street, Astor, Florida.

11 "Number one, there's no rhyme or reason why my water
12 bill is over \$100 a month, while people down the street pay
13 only \$50 or so just because they are on a different water
14 system." That would be St. Johns Water Utilities.

15 "Number two, the proposed increase would have an
16 extremely adverse effect on the real estate being serviced by
17 Aqua Water Management because nobody is going to want to buy
18 property where the water bill is higher than the electric
19 bill."

20 I happen to be a realtor. I agree with that
21 100 percent.

22 "If Aqua Water can't run the water company and make a
23 profit charging the already high prices they are currently
24 charging, it appears that there is outrageously poor management
25 somewhere along the line. People just down the street from our

1 home are paying half or less than half of what we already pay."

2 "Four, is St. Johns Water Management responsible for
3 not allowing the same water company to service our homes as
4 well, or is some other governmental agency responsible for the
5 disparity, or is it just a matter of poor management by Aqua
6 Water Management?"

7 "If Aqua Water Management can't efficiently service
8 our area, they need to either sell the company to the people
9 and we will raise the money to buy it, or something should be
10 worked out so that we could get our water and service from the
11 local water company or by some other means."

12 "Six and lastly, with increased gas prices,
13 homeowner's insurance, medical expenses and taxes, many of us
14 will need to decide whether we will eat and take care of our
15 medical needs or live in unsanitary conditions because the cost
16 of water is excessively high."

17 CHAIRMAN CARTER: Thank you, Ms. Brand. Would you --
18 if you would like to, we could add that into the record. Would
19 you just give us a copy to our staff and we could add it into
20 our record.

21 MS. BRAND: Okay. Just anybody?

22 CHAIRMAN CARTER: This young lady right here. This
23 young lady right here would be so fine.

24 Commissioners, that will be Exhibit -- don't go away
25 yet. That will be Exhibit Number 8; is that correct?

1 MR. JAEGER: It's Exhibit Number 8, and that's
2 Orville Baldridge's letter read by Nancy Brand.

3 (Exhibit 8 marked for identification.)

4 CHAIRMAN CARTER: Okay. Would you hang on for one
5 second, Ms. Brand?

6 Commissioner Skop, you're recognized.

7 COMMISSIONER SKOP: And I may be able to answer my
8 own question if I see the letter. But when you mentioned
9 Astor, I guess I was wondering if that's Astor proper or Astor
10 Park. But I guess I see it's Astor.

11 MS. BRAND: It's, yeah, Lake County, Holiday Haven.

12 COMMISSIONER SKOP: All right. Thank you, ma'am.

13 MS. BRAND: Okay.

14 CHAIRMAN CARTER: Commissioners?

15 Mr. Beck?

16 Thank you so very much, Ms. Brand.

17 Mr. Beck.

18 MR. BECK: Okay. The next customer is Russ Moyer.

19 CHAIRMAN CARTER: Russ -- I didn't get the last name.

20 MR. BECK: Moyer, M-O-Y-E-R.

21 Whereupon,

22 RUSS MOYER

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. MOYER: My name is -- excuse me. My name is
2 Russell Moyer. I live in Holiday Haven at 55636 Lee Street in
3 Astor, Florida.

4 My question is that Aqua claims that they're losing
5 money and that they've spent \$30 million in the past year to
6 improve the system. What have they done in Holiday Haven? We
7 got new meters two days ago, two days ago. And these meters
8 have been around and we know they've been going to put them in.
9 As Mr. Hoffman stated, he got his eight months ago. These
10 meters were put in, a lot of people didn't know they were going
11 in. My next-door neighbor on one side, and I've given this
12 information to Ms. Gildean (phonetic), I've given her a copy of
13 all these figures, but my next-door neighbor has been in
14 Kentucky since the first of June and she's up to 820 gallons on
15 a new meter in two days. The other neighbor, luckily he turned
16 his meter off, so it's only at 20. Our meter is at 520. I
17 think our meter is probably one that's working.

18 The meters were put in shoddily. They had to break
19 the black boxes to put the two meters because we're, my
20 neighbor's and ours are right here. It was ironic that last
21 night I walked out of the house, and the man that's building a
22 house directly across the street at 55367 was around his new
23 meter. I walked over and I asked him what was going on and he
24 showed me his meter. It was spinning as fast as it could go
25 for about four, five, six seconds, then it was reversing, then

1 it was going back and forth like this. He's already up to
2 2,070. These meters were put in two days ago.

3 He called Aqua. They came out today. When they came
4 out, the same answer he got, "The meter is fine. You must have
5 a leak," and they left. That's customer service.

6 A lot of people didn't even know these meters were
7 going in. I don't know. I read my meter, I've read my
8 neighbors' meters. I think there's going to be a lot of people
9 in Astor who are going to be astounded when they get their next
10 water bill. But the comment they're probably going to get is,
11 "You must have a leak."

12 I had in July of 2007 a spike of, from, from 92 --
13 the spike said that I ran around 94,000 gallons of water, just
14 like they said, I had a water leak. I fought and I fought and
15 I gave up because "it must be a water leak." "Our meters are
16 fine. There's nothing wrong with our meters."

17 What improvements are you planning to do in Holiday
18 Haven? I mention Holiday Haven only because that's where I
19 live. If you get this increase, what improvements are you
20 going to do? You purchased all this water facility knowing
21 that all the pipes, everything was 40 to 50 years old. You
22 knew what you were purchasing. I'm, I'm currently charged
23 \$77 a month for 35,000 (sic.) gallons of water. Right around
24 the corner, as was stated in the previous conversation, right
25 around the corner they pay \$52 a month for 5,000 gallons of

1 water. Why the large disparity?

2 Last year you requested an increase, and I'll use
3 what was said here before, \$7.3 million. Now all of the sudden
4 the increase is up to \$8.4 million. Well, I guess some things
5 have changed. Why, why the base increase?

6 Also, by the way, it was mentioned by Mr. Hoffman,
7 the rates that are listed in the letter that we received under
8 rates prior to filing, those are incorrect because on
9 April 15th we got a raise for maintenance costs. Why do you
10 need an interim, an interim increase which is actually equal to
11 what the final rate is? If you look at the proposed interim,
12 it's equal. So how can you call it an interim? In other
13 words, you need the increase before you can make any
14 improvements.

15 To quote an article in the paper that was from your
16 CEO, "Aqua is a \$3 billion company which is growing rapidly
17 with a steadily ascending share price. To succeed in the water
18 business you have to spend a staggering amount of money each
19 year to upgrade plants and equipment." How much did you spend
20 in Holiday Haven? He expects a spate of rate increases in 2007
21 and 2008. The company will increase its customer base by
22 4 percent, its earnings by 10 percent and its dividend by
23 5 percent. Well, actually, according to your website, you
24 increased your revenue by 6 percent, not 4, you increased your
25 earnings by 13, not 10, and your dividends were 9, not 5, and

1 that was without the increase in Florida. So why is the
2 interim, if you're making this much money, why is the interim
3 needed?

4 Holiday Haven is comprised of mostly older retirees
5 on fixed incomes. With the current state of the economy,
6 doubling their water bill to increase their earnings could be
7 devastating. Thank you.

8 CHAIRMAN CARTER: Thank you. Would you hang on for
9 one second, Mr. Moyer?

10 Commissioners? Commissioner Skop, you're recognized,
11 sir.

12 COMMISSIONER SKOP: Thank you, sir.

13 Mr. Moyer, good evening. Thank you for taking the
14 time to come out tonight. Just with respect to the billing and
15 the dispute resolution that you must have a leak, which is,
16 seems like a standard textbook answer, I just wanted to ask do
17 you irrigate a lot or do you have a pool?

18 MR. MOYER: No, sir.

19 COMMISSIONER SKOP: Neither?

20 MR. MOYER: I do irrigate once a week, but I have a
21 well. It comes out of the river. So it does not come out of
22 the Aqua Utilities.

23 COMMISSIONER SKOP: Thank you, sir.

24 CHAIRMAN CARTER: Thank you.

25 Mr. Beck.

EXAMINATION

1
2 BY MR. BECK:

3 Q When you mentioned your bill, was the volume 3,500 or
4 35,000 gallons?

5 A 3,500. 3,500. I'm sorry.

6 MR. BECK: Thank you.

7 CHAIRMAN CARTER: Commissioners, anything further?

8 Mr. Beck, anything further?

9 MR. BECK: No thank you.

10 CHAIRMAN CARTER: Thank you, Mr. Moyer.

11 MR. MOYER: Thank you.

12 CHAIRMAN CARTER: Mr. Beck.

13 MR. BECK: Mr. John Poitevent.

14 Whereupon,

JOHN POITEVENT

15
16 was called as a witness on behalf of the Citizens of the State
17 of Florida and, having been duly sworn, testified as follows:

DIRECT STATEMENT

18
19 MR. POITEVENT: Good evening. I'm John Poitevent. I
20 live at 269 River Drive in East Palatka.

21 I believe your, your company, Mr. Franklin, is
22 publicly traded. Is that correct? How many states do you
23 serve?

24 MR. FRANKLIN: Thirteen.

25 MR. POITEVENT: Thirteen states. I have a lot of

1 questions here, if I could just spend a couple of minutes,
2 because I'm a little confused about a couple of things.

3 First of all, we got a notice in the mail, and the
4 notice that we got in the mail shows a totally different
5 picture than what we're presented with tonight, and perhaps
6 there's a resolution between the two that I'm not sophisticated
7 enough to understand. But, for example, the first line of what
8 we received in the mail was $5/8 \times 3/4$? What does that mean
9 $5/8$ -inch line?

10 MR. FRANKLIN: That's the meter size, sir.

11 MR. POITEVENT: That's the meter size. Okay. So
12 $3/4$, 1, $1-1/2$, 2. So you have different rates for different
13 sizes of meters. I see. Okay. Well, that's not really
14 addressed here at all, is it?

15 MR. FRANKLIN: That document is prepared by the
16 Commission. The blue document is prepared by the Commission,
17 sir.

18 MR. POITEVENT: Okay. I see. So, so are you asking
19 for what's in the blue document or are you asking for what's in
20 the white document? I'm not -- you know, I apologize for not
21 understanding, but I just don't understand.

22 CHAIRMAN CARTER: One moment. One moment.
23 Mr. Willis from our staff might be able to help. Mr. Willis,
24 you're recognized, sir.

25 MR. WILLIS: What's in the blue document should

1 actually be the 5/8 x 3/4 meter only. Yes.

2 MR. POITEVENT: Okay. All right.

3 MR. WILLIS: There are other meters. But in the
4 document here we basically address mostly residential customers
5 in service areas. So that's what we put in the blue document.

6 MR. POITEVENT: Okay. I see. Uh-huh. All right.
7 Now I understand.

8 Also, what does unlimited interim rates mean? What
9 does that mean? Does it mean the sky is the limit or unlimited
10 --

11 CHAIRMAN CARTER: Mr. Willis.

12 MR. WILLIS: I can address that, Commissioner, if
13 you'd like.

14 The company is, its interim proposal has proposed
15 that it limits the interim rate collection to a certain level
16 depending on the rates being charged in specific subdivisions.
17 It's desirous of doing that because if it actually gets what
18 the company is requesting, which is a statewide rate increase,
19 one rate for every water system, one rate for every wastewater
20 system, if they were to get an interim rate right now based on
21 each individual system, some rates might be very, very high and
22 then might go back down to another rate, which would be very
23 confusing. So what they're requesting is to limit that interim
24 increase to a certain level and basically capture that money
25 later on through the rate case. The unlimited portion would be

1 what the interim rates would be if they were not going to
2 request a limited rate, a limit on the rate itself.

3 So, in other words, if the Commission were to not say
4 they could limit the interim rates and collect the remaining
5 portion later, they would request the full amount, which is the
6 unlimited portion of their interim request. I don't know if
7 that makes sense. But there's -- they claim they're entitled
8 to the unlimited amount, which I know how you're viewing that
9 term unlimited as sky high is the rule. What they're saying is
10 that's what the company is entitled to, that's what the company
11 is claiming, but they're willing to limit that amount to
12 something less for interim. That's the difference between the
13 two.

14 MR. POITEVENT: Okay. To be made up later by the
15 rate increase.

16 MR. WILLIS: To be made up later through the rate
17 increase.

18 MR. POITEVENT: I see. All right. All right. Some
19 explanations of what's going on in this document might be
20 helpful to us. We actually try to read these things, believe
21 it or not, and it isn't easy.

22 Okay. In this, and in this blue document again we
23 have a base facility, and I'm assuming that means base rate.
24 Is that what that means, base facility?

25 MR. WILLIS: That would be the base charge. There's

1 a base charge and a gallonage charge. And the base facility is
2 the base charge.

3 MR. POITEVENT: Okay. And then gallonage, that's --
4 for how many gallons is that or is that per, per --

5 MR. WILLIS: That's per 1,000 gallons.

6 MR. POITEVENT: Per thousand. Okay. Okay. Perhaps
7 that's spelled out in here, but I don't, I didn't see that. So
8 at any rate.

9 Let's see. Like the gentlemen that have spoken
10 before me, it's, I'm wondering if you -- I'm in the River
11 Groves Subdivision, East Palatka, River Grove. And I realize
12 that it's possible that you are losing money in some of your
13 plants. Are you, are you losing money in River Grove?

14 MR. FRANKLIN: It's not quite done that way. We, we
15 could separate our systems. What we tried to do in an attempt
16 to put it in perspective or in context, we put that --

17 CHAIRMAN CARTER: Just pull the mike, so.

18 MR. FRANKLIN: We, we handed out a piece of paper
19 today maybe when you were coming into the door that talked
20 about calculating the stand-alone rate. This is what the rate
21 would be today if we just captured all the costs associated
22 with each single system as compared to what it would be if we
23 rolled it, roll rates into a standard tariff across the, across
24 all systems. And so it's -- we're losing money, the company is
25 losing money across Florida when we blend everything together.

1 MR. POITEVENT: Okay. All right. I think you've
2 owned -- how long have you owned River Grove, four or five
3 years, the River Grove Plant?

4 MR. FRANKLIN: Since 2003 and four.

5 MR. POITEVENT: Okay. Yeah. So, and apparently
6 Florida Utilities or something like that owned it before.
7 That's before I got there. But I think they had already
8 upgraded the system. But at the last meeting I, I, like the
9 others, reported how bad the water smelled and how bad it
10 tasted and, you know, nobody drank it and, you know, you'd be
11 crazy to drink something that smelled that way. And I must say
12 that it has improved since then, and I thank you for that.
13 You've done, you've done something in one place that was, that
14 was right.

15 However, I understand that before you purchased the
16 system, that every quarter, perhaps every six months the
17 utility, the then utility would pass out bottles for you to
18 capture water at your tap and they would test those to be sure
19 they were, they were squared away and not passing along, you
20 know, sand or worms or whatever in the system, and that hasn't
21 happened since you all took over. So I don't know if you are
22 confident enough in your testing of what is coming out of your
23 plant at that point to have confidence in your whole system or
24 if there's no attempt made or what's going on there. But I
25 think that's a good idea is to be testing water at the tap in

1 people's houses every so often. And you don't have to test
2 every house, but I think a random sampling, you know, once a
3 year might make a lot of sense. Water is a pretty, pretty
4 important ingredient in our lives and I have no doubt that it's
5 going to be the next crisis in this state. We've got a very
6 fragile water system here and it's going to become a very
7 desperate situation, as it is in some of the western states
8 already. So it behooves all of us, including you all, to be
9 really on our toes in making sure that everything that can be
10 done is being done.

11 Also in River Grove there's no water hydrants. And
12 perhaps that's not your responsibility, but, you know, are we
13 going to get a pump truck if our house catches on fire or are
14 they going to pull it out of the river? I mean, what are we
15 supposed to do if our house catches on fire and the fire
16 department comes and there's no water?

17 And I understand that a company the size of yours,
18 there should be a great deal of economy of scale. You should
19 be able to do, you know -- the customer service department
20 should answer -- pardon me. The customer service department
21 should be able to handle the entire area. Apparently they're
22 not, you know, that well-trained, they're not doing that good
23 of a job, but there should be some economies of scale that you
24 could apply to make your different systems better:
25 Communication systems, customer service, water testing, water

1 quality, et cetera, et cetera, et cetera, et cetera.

2 And my final comment is this. Is it really -- even
3 though you're a major corporation and, you know, we're just one
4 little tiny subdivision, I think we've got a hundred and, maybe
5 160 houses or something like that, I'm not sure, is it really
6 fair to place a nationwide flat rate on everybody when
7 everybody's needs are really quite different? When, when, when
8 smaller utilities handled each individual neighborhood, perhaps
9 they got better service. And as I say, economies of scale
10 ought to really let you guys come in and give us better
11 service, not us be footing the bill for, you know, Poughkeepsie
12 and for, you know, wherever else you have plants. I mean, it's
13 just not really, really appropriate, I don't think, to be
14 charging across the board rates to everyone while not really
15 honing in on what people need.

16 That's, that's all I have to say. Thank you all very
17 much for your attention. I appreciate it. Thank you for your
18 answers, by the way.

19 CHAIRMAN CARTER: Thank you. Mr. Poitevent, was I
20 close?

21 MR. POITEVENT: Poitevent. Yes. '

22 CHAIRMAN CARTER: Great. I'm feeling better about
23 my --

24 MR. POITEVENT: Okay.

25 CHAIRMAN CARTER: Commissioners, any questions?

1 Mr. Beck, any questions?

2 MR. BECK: No thank you.

3 MR. MAY: Mr. Chair.

4 CHAIRMAN CARTER: Yes, sir, you're recognized.

5 MR. MAY: Sir, we have customer representatives --

6 CHAIRMAN CARTER: Pull your mike a little closer
7 there.

8 MR. MAY: I apologize, Mr. Chair.

9 We have customer representatives that would be glad
10 to walk you through this chart here as it applies to your
11 particular situation.

12 MR. POITEVENT: I may need it. Thank you.

13 MR. MAY: Okay.

14 CHAIRMAN CARTER: Thank you, Mr. Poitevent, for your
15 questions.

16 MR. POITEVENT: You're welcome.

17 CHAIRMAN CARTER: It was very well-appreciated.

18 Mr. Beck.

19 MR. BECK: Thank you, Mr. Chairman.

20 The next customer to testify is Bobby Morris.

21 Whereupon,

22 BOBBY MORRIS

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. MORRIS: Thank you very much. I want to thank
2 the Commission. I've lost count of the number of times I've
3 appeared before the Commission in water issues, and this is the
4 first time I've seen more than two Commissioners at one place.
5 So I know I regret you had to get over here to Palatka from
6 Tallahassee, but I'm really pleased to see you. I'm sorry you
7 didn't come the last time when we had maybe 300 people in a
8 very small room to testify.

9 But anyway, my name is Bobby Morris. My address is
10 124 Magnolia Drive in East Palatka. I'm in the Palm Port
11 Subdivision. That's our, the, where our water is designated.

12 It's a little bit confusing for some of us when we
13 look at these things and they tell us, especially our bills
14 when they tell us how cheap our water is. But the truth is for
15 every gallon that comes into our house, we have a gallon that
16 goes out of our house, and they charge us for the going out
17 gallon at a much higher rate than they charge us for the coming
18 in gallon. So you can't just look at that little simple water
19 bill and say, oh, my goodness, this is a very low rate to be
20 paying for water. Because when you add the wastewater onto it,
21 which is necessary, we can't avoid paying that, then the bill
22 gets to be enormous.

23 I'm really sad that I'm up here talking to you after
24 I've heard these other people because I don't really have any
25 serious problems after I've heard them. I thought we were in

1 bad shape considering a 33 percent increase, but that's really
2 a blessing compared to some of these other people. We have not
3 had to call service but twice in the last year, and that was
4 because the clothes got bleached in the washing machine and we
5 had to call them. We never had a service representative show
6 up that we know of. What we had was a person who answered the
7 telephone who said they're already aware of it, and we quit
8 using the water until we could turn the spigot on and we
9 couldn't smell like a swimming pool and then we knew it.

10 Our water bill -- there are only two of us, two old
11 people who live in this house. We abide by -- we love the
12 Water Management District. It supports our favorite
13 grandchild. We abide by all of the Water Management District's
14 rules for water conservation except one. The Water Management
15 District says that we can water, we can irrigate, as you say,
16 twice a week if we need it. We would never put this water on
17 our lawn. We'd let the lawn curl up and die before we'd pay
18 that much to water the grass. Now luckily we are able to pump
19 some water out of the St. Johns River. We don't live on the
20 river, by the way. We could pump some water out of the
21 St. Johns River and water our grass with it and keep it green.
22 They probably don't approve of that but, anyway, that's, that's
23 the way. We couldn't dare pay what we pay for the water bill.

24 Our water bill, this proposed 5,000 gallons that they
25 give, the price for that is a little confusing to us because

1 our water bill has always been right at \$100. It was just a
2 little below \$100 before they imposed the maximum increase that
3 you would permit them to pose without having a hearing a month
4 ago, and at that point it went above \$100 just for the two of
5 us. And we do not waste any water. I guess though that we are
6 much cleaner than most of the people in the Aqua Utilities,
7 most of Aqua Utilities' customers because I can't get my bill
8 down.

9 We had a leak once. I understand this leak problem.
10 We had a leak, but we didn't have to worry about it because we
11 had water soaking through the floor and we were able to
12 determine at that point it was a leak and we didn't have to
13 wait until they read it on the water bill to do that.

14 But we just, we just cannot believe that there's any
15 reason that this company -- first place, we don't believe that
16 there's any reason that this company is not making a profit in
17 the State of Florida at the rates they charge. We would love
18 to have Putnam County, who are going into the water business,
19 we would -- first place, we would have loved to have Putnam
20 County representatives out here to satisfy your questions so
21 that we don't go down there and hound them about taking us into
22 their water company. But we'd love to get into it because
23 their rates for water are going to be substantially lower than
24 we're paying. The City of Palatka -- they said, the manager
25 for the company said that compared to their peer companies we,

1 they are lower than their peer companies. Well, we don't know
2 who their peer companies are because the only peer companies we
3 know that they have, we know in Putnam County and in Alachua
4 County and wherever, the only peer companies they have are
5 municipalities, and all the municipalities charge much less for
6 utilities than Aqua Utilities does and maybe they use people's
7 tax money to make up the difference. But since we don't live
8 in a municipality, we can't complain about that.

9 But thank you very much for letting me get up here,
10 and I'm embarrassed that our problems are not as magnificent as
11 the rest of the people.

12 CHAIRMAN CARTER: Thank you, Mr. Morris. Would you
13 wait for one second, please? Hang on for one second before you
14 go.

15 Commissioner McMurrian, you're recognized.

16 COMMISSIONER McMURRIAN: Mr. Morris, I have a couple
17 of things I wanted to say to you.

18 First, I like the way you talk. And you probably, by
19 hearing me talk, know that --

20 MR. MORRIS: I'm sorry. But my grandmother was born
21 in South Carolina, she moved to Arkansas, and then we moved to
22 Florida, and I've collected a little bit along the way. And I,
23 it actually has gained me a lot of notoriety in places.

24 COMMISSIONER McMURRIAN: I did have one question for
25 you. It may get you in a little bit of trouble, but since you

1 mentioned your favorite grandchild was working, I guess working
2 for the Water Management District, I want to know how many
3 grandchildren you have.

4 MR. MORRIS: I have four grandchildren and they range
5 from 18 to three.

6 COMMISSIONER McMURRIAN: Thank you. Thank you for
7 your comments.

8 CHAIRMAN CARTER: Commissioners?

9 Mr. Beck.

10 Thank you. Thank you. Thank you so kindly.

11 Mr. Beck.

12 MR. BECK: The next customer is Mike Pallone.

13 CHAIRMAN CARTER: Mike, when you get up, would you
14 please help us with the pronunciation and spelling of your last
15 name, please?

16 Whereupon,

17 MIKE PALLONE

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

20 DIRECT STATEMENT

21 MR. PALLONE: It's Pallone, P-A-L-L-O-N-E. And as
22 you said, I'm Mike Pallone. I also live in the Palm Port
23 Subdivision in East Palatka. And I'm a little embarrassed that
24 I'm not as eloquent as the gentleman from Ormond Beach. He
25 clearly put a lot of effort into this. I think if, like other

1 people have stated, at the past meeting when they had like
2 300 people here, there was a lot of people that were very
3 well-prepared and I wish more of those people would have come.
4 I appreciate, you know, the Commission looking out for our
5 interests. We really need someone to do that. It seems
6 ludicrous to me that we're being asked to swallow these
7 enormous rate increases when we're not really seeing any
8 demonstration of a level of service increase. I think the
9 gentleman from Ormond Beach, he mentioned, you know, we don't
10 know what's going to happen in a disaster plan. There was a
11 time period where we were without electricity for quite a few
12 days in Palm Port several years ago. There was no notice of a
13 generator being brought in to help, you know, pump the water or
14 anything like that. I'd certainly like to know, you know, if
15 we go through any kind of a rate increase, are they going to
16 solve that kind of problem? Are they going to have some sort
17 of means for us to continue to have water if we're simply
18 without electricity? Those sorts of things.

19 The quality of the water. Now the gentleman
20 mentioned that, you know, it seems to be improving. It does
21 seem to have improved. But I'll tell you that the vast
22 majority of my neighbors don't trust the water. They drink
23 bottled water. They're not -- they complain about the high
24 chlorine content of the water. Almost everyone has water
25 softeners on their house. I have a UV filter because I don't

1 really trust the water system coming in and drinking that
2 water. In addition, I have a reverse osmosis system under my
3 sink. I can tell you that whenever I have those filters
4 changed by the local group that does that, provides that
5 service to us, it costs me \$300 every time to change those
6 filters. And I'm told that the main filter that does the
7 reverse osmosis shouldn't have to be changed but once every two
8 to three years. Mine is changed about every nine months
9 because the sediment is so bad that it accumulates in there and
10 I have to have that filter replaced. And it's, you know, quite
11 an expensive filter; it's like \$120, \$130 for that, for that
12 filter. I certainly would, would like to be able to trust the
13 water, not have to use, you know, all these extra filtration
14 systems to do that.

15 Prior to living in Palm Port, I lived in Porpoise
16 Point in St. Augustine. We had our own water system there that
17 the community owned that water system. We maintained that
18 water system. We had volunteers who managed that water system
19 for us. We had, we paid for a serviceman to come out, make
20 sure the chemicals were added properly and that sort of thing.
21 We had a flat rate of that water system of \$30 a month for
22 that, for that subdivision, and we were able to put away
23 \$300,000 to replace that water system over a ten-year period
24 using that kind of a water rate, a \$30-a-month flat rate water
25 system for all the homes in the area. We went through one rate

1 increase at the time I was, I was there. I served as president
2 of the local neighborhood association and I put through a rate
3 increase to go from \$30 to \$45, and that was to ensure that we
4 could replace that water system within another five years,
5 completely replace the water system, put brand new tanks in,
6 brand new filtration systems, all that into the, into the area,
7 and we were able to do that with a flat rate of \$45, \$45 a
8 month for about 120 homes. So I don't understand why they have
9 such a hard time making money in Florida with the water rates
10 that we're, that we're currently paying.

11 So sort of what I ask is, you know, we understand,
12 you know, all of us as consumers, that rate increases, you
13 know, are necessary from time to time. And we probably aren't
14 going to argue about a reasonable rate increase. You know, a
15 reasonable rate increase, you know, of 10 or 20 percent per
16 year or something like that would be, would be reasonable or
17 5 percent per year or something. But, you know, for some of
18 these areas to have a 300 percent rate increase to me is
19 ludicrous. If you were taking your car to a dealership to have
20 it serviced and they suddenly told you you were going to have a
21 300 percent rate increase, what would you do? You'd go to a
22 different place to get your car repaired. We don't have that
23 option. We would love to connect on to the new water facility
24 that's coming in East Palatka. I bet you'd have, you'd have
25 people paying to connect to that, to that water system in the

1 Palm Port Subdivision if we could get those, get those lower
2 rates. We're not offered that opportunity.

3 So, you know, we ask that you do look out for our
4 interests and keep these rates at, you know, these rate
5 increases at a reasonable level that makes sense for these, for
6 these individuals. And I think somebody else mentioned, you
7 know, a lot of the people that are being serviced by this water
8 utility are on a fixed income, they're retired individuals,
9 they moved to this area because the cost of living is something
10 that they can afford. And, you know, and being able to --
11 being hit with a 300 percent rate increase is very difficult
12 for them. So we do appreciate you looking out for our
13 interests. Thank you.

14 CHAIRMAN CARTER: Thank you, Mr. Pallone. One
15 second, please. Commissioners?

16 Mr. Beck, any questions?

17 MR. BECK: No thank you.

18 CHAIRMAN CARTER: Thank you very much.

19 COMMISSIONER ARGENZIANO: Mr. Chair?

20 CHAIRMAN CARTER: One second.

21 COMMISSIONER ARGENZIANO: What I need to beg your
22 indulgence on, I don't want to miss any testimony, and all this
23 water talk has got me -- I have to go. So could I have like
24 two minutes?

25 CHAIRMAN CARTER: Oh, okay. This is as good a time

1 as any. Let's take -- can you guys see that clock from here?

2 MR. BECK: That was our last witness.

3 COMMISSIONER ARGENZIANO: Oh.

4 UNIDENTIFIED SPEAKER: It's 25 of, 25 minutes to
5 8:00.

6 COMMISSIONER ARGENZIANO: He's the last witness?

7 CHAIRMAN CARTER: He's the last?

8 UNIDENTIFIED SPEAKER: It's 7:35.

9 CHAIRMAN CARTER: Okay. Well, let me ask this then.

10 COMMISSIONER ARGENZIANO: Okay. I can wait a few
11 minutes. I just didn't want to miss any testimony.

12 CHAIRMAN CARTER: Thank you, Mr. Pallone.

13 That was our last witness. Is there anyone here that
14 wanted to speak that didn't get a chance to speak?

15 Okay. Let's do this. Here's what we'll do. Staff,
16 give them the form so they can sign up. In the meantime, we're
17 going to take a break and we'll come back at -- it looks like
18 ten of. Ten of.

19 (Recess taken.)

20 We are back on the record. And the last time we were
21 here we had an opportunity, we had some additional people that
22 wanted to be heard that didn't have a chance to be heard. Let
23 me ask you this, those people that signed up as we took the
24 break, had you been sworn in already?

25 UNIDENTIFIED SPEAKER: Yes.

1 UNIDENTIFIED SPEAKER: Yes.

2 CHAIRMAN CARTER: Okay. Good.

3 Mr. Beck, you're recognized, sir.

4 MR. BECK: Thank you, Mr. Chairman.

5 Mr. Ralph Werkheiser.

6 CHAIRMAN CARTER: Ralph, you've got to help us with
7 the pronunciation and spelling of your last name.

8 Whereupon,

9 RALPH WERKHEISER

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

12 DIRECT STATEMENT

13 MR. WERKHEISER: The pronunciation is Werkheiser.

14 CHAIRMAN CARTER: Werkheiser.

15 MR. WERKHEISER: It's W-E-R-K-H-E-I-S-E-R.

16 And I'm representing Silver Lake Oaks Mobile Home
17 Trailer Park. From what I can tell is the water, y'all are
18 wanting to go to an overall cost of \$40.92 for the incoming
19 water, and the outgoing water as to the treatment plant is
20 \$88.91. Y'all should have these numbers up there. Right?

21 Okay. Now based on my last bill that I got -- my
22 wife has been sick for a year now and I've been in and out of
23 the hospital with her and I'm home alone, so my water bill has
24 dropped quite a bit. It's -- I paid \$52.50 last month. If you
25 go to this \$40.92 and \$88.91, that adds up to be \$129.83 a

1 month. That's \$73 -- \$77.33 increase per month, which comes
2 out to 147 dollars percent increase -- 147 percent increase. I
3 think I said that right. That's, that's a huge increase to
4 increase parkwide. And I imagine their bills are even going to
5 be higher than what mine are because a lot of these people
6 that's renting in the park are, they've got two, three, four
7 young-uns, and they get in there and wash their hands and run
8 out and leave the water running, you know, stand out there in
9 the yard with the water hose and run the water all over the
10 yard spraying each other or whatever. So of course their water
11 is going to be higher than what mine is. That might be better
12 for them for the 5,000 gallons. But suppose, suppose people
13 that are, say, like retirees, no children in the house, they go
14 to visit some relatives and they're gone for two weeks or 30
15 days. They come back, a basic water charge of 20 bucks or
16 whatever for our basic charge, instead of that they're going to
17 be faced with paying a regular water bill of \$129.83, which
18 that wouldn't be right because they didn't use the water.

19 So if you're wanting to put it all in as a basic
20 charge, I would think that you'd want to go for a basic charge,
21 The water that -- the least amount to be used to be on the
22 basic charge instead of say, okay, we're going to give you
23 5,000 gallons, you can use this much. Or if you don't use this
24 much, you're still going to pay this much. That's way too much
25 money to go.

1 The young people --

2 CHAIRMAN CARTER: Let me, let me interrupt you for a
3 second about the water. Maybe we can be helpful on that.

4 Mr. Willis.

5 MR. WILLIS: If I could explain that. There seems to
6 be some confusion over exactly what the company is requesting.

7 CHAIRMAN CARTER: Pull the mike a little closer.

8 MR. WILLIS: There seems to be some confusion of what
9 the company is requesting as far as, as far as a rate. When
10 you see the blue document where it says --

11 MR. WERKHEISER: I'm not going by a blue document,
12 sir. I'm going by the document that you sent me out in the
13 mail.

14 MR. WILLIS: The one that came out in the mail?
15 There's an example in that document that came out in the mail
16 that was supplied by the company that talks about what the rate
17 would be at different 1,000 gallon levels. There really isn't
18 a flat rate per 5,000 gallons in there. What they're trying to
19 demonstrate is if you were to use 5,000 gallons of water,
20 that's how much you would pay. There is a base facility charge
21 for just basic service and then there's a gallonage charge for
22 every 1,000 gallons that a customer consumes.

23 MR. WERKHEISER: What's the basic charge, sir?

24 MR. WILLIS: The basic charge of the base charge in
25 this case, the base charge that the company is requesting is

1 \$21.92 for water and -- well, that's for water. And the
2 gallonage charge is a two-tiered rate structure, would be
3 \$3.80 per 1,000 gallons used up to 5,000 gallons. And then
4 after 5,000 gallons, when you consume more than 5,000, it would
5 be \$4.76 per 1,000 gallons above any usage of 5,000 gallons.

6 MR. WERKHEISER: Okay, sir.

7 MR. WILLIS: The conservation rate structure.

8 MR. WERKHEISER: If we can keep it to -- the basic
9 rate would be \$21.92, you said?

10 MR. WILLIS: That's for water. Yes, sir.

11 MR. WERKHEISER: Okay. And then how much would it be
12 for the sewer?

13 MR. WILLIS: For wastewater?

14 MR. WERKHEISER: Yes, sir.

15 MR. WILLIS: For wastewater the base rate they're
16 requesting is \$28.68. And the gallonage rate -- I'm sorry.
17 The basic rate is \$45.25.

18 MR. WERKHEISER: Twenty-six cents is what I see.

19 MR. WILLIS: That would be the base rate. The
20 gallonage rate with a cap of 6,000 gallons, you wouldn't be
21 charged for any more than 6,000 gallons of usage, would be
22 \$8.73 per 1,000 gallons. That's what they're requesting.

23 MR. WERKHEISER: Okay. So for the basic rate, how
24 much would that be for both of them together?

25 MR. WILLIS: I don't have my calculator, but it looks

1 like, it looks like a little over \$68 base rate for both water
2 and wastewater.

3 MR. WERKHEISER: And that's for how many gallons?

4 MR. WILLIS: That's for no gallons.

5 MR. WERKHEISER: Oh, that's for a base rate, no
6 gallons.

7 MR. WILLIS: That's the base rate, no gallons. Yes.
8 Now that's the company proposal now. That's not what the
9 Commission --

10 MR. WERKHEISER: Well, when my last bill -- and what
11 I've done is subtraction of, of, adding what y'all have here of
12 \$40.92 and \$88.91. That comes to \$129.83. And I subtracted my
13 last bill and that come to \$77.33, and that was the increase,
14 that would be the increase of what my bill was from then to
15 what this paper here is saying, and that would equal to \$147, I
16 mean, 147 percent increase. And that, and if there's people
17 that's got more higher water bills than what I'm doing, it
18 would probably be higher than that.

19 But the people that are renting out there, they're
20 paying a pretty high rent already. The economy is just as
21 trashed as it can be. They're having, the young people is
22 having a hard time holding their jobs. I'm sure everybody has
23 grandchildren or most of us do. They're struggling to provide
24 for their families. A lot of people is being laid off. And,
25 and I would like to get a raise myself, and I can't justify

1 going up to my bossman and saying "Let me get a raise" and
2 knowing that from time to time this park is dropping down to a
3 50 percent occupancy, you know, because of the high cost of
4 water. It wouldn't be so bad if they turned the water off when
5 they wasn't using it, but children don't do that. You know,
6 children like to play in the water. And I love children, too.

7 So a reasonable increase I would think would be 3 to
8 5 percent. And the water bill there is already kind of high,
9 and if people's not able to pay their water bill, then they
10 wind up moving out and then they're not going to pay the money
11 that they run the water bill off from, you know, what they have
12 used. So then you have a, a complete loss of revenue because
13 of the water bill being so high and people has ducked out,
14 which we experience the other end of that. They get behind
15 because they lose their jobs, young people. You know, they're
16 struggling to make ends meet. "Well, we'll be up there Friday
17 to pay." Well, next Friday comes by and they still don't come
18 by, and we finally wind up having to evict the people that's
19 not able to afford to live in there because of the economy
20 being in such a slump. And I hate prying and stuff but, you
21 know, I hear this stuff. And people out there is just so
22 struggling, it's so hard to make ends meet. And the gas is
23 still climbing and the food is still climbing and this is not a
24 good time for an increase for water.

25 Maybe something that could help you is to think about

1 how many professional people that you have working for you and
2 cutting some of the fat, you know. You've got people that are
3 specialists. Maybe you don't need a specialist to do that job.
4 I'm not trying to dig into the unemployment line for people who
5 work for Aqua Water, but what I am getting to is that if you've
6 got, you're spending more money than what you're making, then
7 you have to cut back, and that's what I do. If I'm not making
8 enough to make ends meet, then I have to cut back. And if you
9 guys aren't making a profit, then you must need to cut back.
10 That's the way I would see it. I mean, somebody is going to
11 have to give a break to the people instead of the people eating
12 the overhead of the rich and famous, I guess you could say.
13 And that's, that's kind of what's going on.

14 The oil companies has been making plenty of oil
15 profits for years and years and years, and now they're saying
16 the oil is going to have to go up and up and up, and which it's
17 going up and up and up. And they could eat the losses and
18 still be in the profits. And I know you guys just bought this
19 water company and you're struggling with it, but maybe you have
20 too many professionals working for you. You might need some
21 good old country boys to get out there and do the job for you,
22 you know, that would take a little less money. I appreciate
23 you listening to me. That's all I have to say.

24 CHAIRMAN CARTER: Thank you. Mr. Werkheiser, would
25 you hang on for one second?

1 Commissioner Argenziano.

2 COMMISSIONER ARGENZIANO: I just want to, to make
3 sure that Mr. Werkheiser knows that you have the Public Counsel
4 sitting here, the Public Service Commission here, and you have,
5 of course, Aqua, your Aqua, your water supplier sitting there.
6 But understand that's a proposal and it's not, that's not in
7 stone and that's what we're all going to be working on
8 together, and that's why we really needed to hear from you
9 today. So I really do appreciate you coming in. And trust me,
10 I think, I think we all know what's happening out there and how
11 hard it is and I hear you.

12 MR. WERKHEISER: The higher the water bill gets, the
13 higher it's going to be for our grandchildren. You know, the
14 higher the cost of living is -- I don't see how the young
15 people is going to make it if it keeps getting --

16 COMMISSIONER ARGENZIANO: We are, we are definitely
17 in some tough times and I know that. And we're going to all
18 try to work together to come out with the best outcome we can.
19 And I'm just really glad that you all were here tonight because
20 that's part of it. And hopefully, hopefully, if God sees us
21 through all these hard times, that will pass. I hope so. But
22 in the meantime I hope that we can do the best job we can to
23 have the least negative impact on so many people out there.
24 Thank you.

25 MR. WERKHEISER: The guys that work out there at

1 water management for Silver Lake Oaks Mobile Home Trailer Park,
2 they seem to be very good people. They're friendly. If you've
3 got a problem, they'll come over and help you out. They're
4 good people and they're good hardworking people.

5 Now I was wondering why that the people that they
6 sent to put the meters in, they seemed like, you know, they
7 were alien to the U.S., they didn't speak very little English.
8 So I wondered are they legally into the system here or on a
9 visa or is it just they grew up into an area where they don't
10 speak much English? But why not let the people that's running
11 the facility change out the meters instead of hire a contractor
12 to come in and put the meters in? You know, that right there
13 you already have manpower to do it. And they're out there from
14 time to time for all the different facilities that y'all have
15 in Palatka, you know, they're from one place to the other, and
16 I don't see why they couldn't have done the job themself
17 instead of have all this outside work contracted out to them.
18 And that may hold some of your overhead down.

19 CHAIRMAN CARTER: Thank you. Thank you,
20 Mr. Werkheiser.

21 Commissioner Skop.

22 COMMISSIONER SKOP: Thank you, Mr. Chairman. Thank
23 you, Mr. Werkheiser, for coming back out again this evening on
24 behalf of Silver Lake Oaks. And I do appreciate the, the time
25 and effort and your previous time and effort that you've put

1 forth to address the Commission. Thank you.

2 MR. WERKHEISER: Thank you.

3 CHAIRMAN CARTER: Thank you so kindly.

4 Mr. Beck.

5 MR. BECK: Thank you. Mr. Rick Paulus.

6 Whereupon,

7 RICK PAULUS

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

10 DIRECT STATEMENT

11 MR. PAULUS: Good evening. Good morning. Good
12 evening. It's good evening now, isn't it?

13 My name is Rick Paulus. I live down in Holiday
14 Haven, which is down in Astor. And I just wanted to hold this
15 real short because I know we've been here a long time.

16 We have a water company down there that's about 50,
17 water and sewer that's about 50 years old. The water company
18 buys their water from the St. Johns Water Company which
19 surrounds our little area of I think about 160, I'm not sure,
20 customers. That's it. And our -- the St. Johns Water Company
21 is brand new as far as the system they put in, it's very
22 modern. They put the grinder system in. And they charge for
23 the base part of the bills that they get are about 55 bucks a
24 month. We are right in the middle of that. As a matter of
25 fact, their system, their pipe was put right through the front

1 of my, my yard because we're right on the edge of the, I guess
2 the areas that are sectioned out to each one. And you say you
3 bought, they bought 60 companies in Florida. They took you on
4 that one because those pipes and everything in there has been
5 in there 50 years. And that's the old type pipes. They run
6 down the road under, under the roads alongside into a drop area
7 and then they're pumped out into transfer lines that go to the
8 end of the street. They closed that one down and then they had
9 to put a new spray field or system in about a half mile away.
10 It costs them a lot of money to do that. And right now it's
11 not working too good because they're out there probably about
12 every other month with, with 18-wheeler trucks that they pump
13 the pump stations out, because it's right in front of my house
14 on the other side. That buzzer is going off all the time
15 because it's getting filled up. It's very deep.

16 The St. Johns Water Company, and I know every one of
17 them that's on the board for that -- by the way, it's owned by
18 the community. It's, it's not a company. It's some other
19 area. But, anyhow, they have offered to take over that system
20 and pay for it, I guess. I don't know the prices or what
21 they've asked or anything like that. But I can tell you right
22 now since you buy your water from them and sell it to us, you
23 know, after, after it goes through their meters and since the
24 system is so antiquated, why don't you sell it to them, let
25 them run their lines on down the street and, you know, they

1 could take over that, that 168 customers or whatever it is and
2 save you an awful lot of money. Because I know you're paying
3 out through the nose for the staff that you've got coming down
4 there and working on the thing all the time. But as I
5 understand, all you're getting is a bunch of no answers or the
6 St. Johns Water Company is out there.

7 And I heard a couple of other people speaking about
8 being surrounded by the city water systems and stuff. You
9 know, if these, if these individual outfits are, are checked on
10 and found out individually how much money you're losing with
11 each plant, get rid of them. You know, I adamantly would be
12 against -- you're talking about setting rates up for all
13 60 companies. They're not the same. Some of those water
14 companies are very modern, you know, and they can handle it,
15 but ours is not working that way.

16 And somebody else mentioned how for every gallon of
17 water that comes in through the house that you charge us for
18 two gallons going out. Well, first off, for every gallon of
19 water that comes into my house, two gallons don't go out. One
20 gallon don't go out. We use some of that. We consume some of
21 that. And I don't water my yard with your water. I don't. We
22 can draw it out of the river. We live on the river. But
23 that's all I had to say on that.

24 And they were talking, too, the other day -- I tried
25 to find out about this meeting and I called somebody, wound up

1 talking to somebody in North Carolina that didn't know nothing
2 from nothing from nothing. It is very hard to get through to
3 your company. I finally found a way. And now I find out
4 they're down in Leesburg, Florida, and so I was able to get
5 ahold of a woman down there and she give me the information.

6 So I'm not going to hold you up. So that's all I've
7 got to know is I'm trying to figure out why you won't sell the
8 companies that are not doing you any good to people that want
9 to buy them.

10 CHAIRMAN CARTER: Thank you, Mr. Paulus.

11 MR. PAULUS: Thank you very much.

12 CHAIRMAN CARTER: Hang on one second. Commissioners,
13 any questions?

14 Thank you so kindly.

15 Mr. Beck.

16 MR. BECK: Thank you. Thank you much.

17 Mr. Paulus is the last customer I have signed up.

18 CHAIRMAN CARTER: Do we -- once again, we heard from
19 everyone that has signed up. Did we miss anyone that wanted to
20 speak but did not get an opportunity to speak? I wanted to
21 make sure that we hear from everyone. It's very important for
22 us to hear from everyone here. Okay. Hearing none, let's do
23 this, Commissioners. Let's do our closing comments. I'll
24 start to my left this time with Commissioner Skop, then
25 Commissioner McMurrian, and then Commissioner Edgar, and then

1 Commissioner Argenziano and then myself.

2 Commissioner Skop, you're recognized, sir.

3 COMMISSIONER SKOP: Thank you, Mr. Chairman. And,
4 again, I'd just like to thank all the customers for coming out
5 tonight. The concerns that you brought forth to the Commission
6 are listened to by each of my colleagues, and I very much
7 respect your time and effort in terms of bringing your concerns
8 to the attention of the Commission. Thank you.

9 COMMISSIONER McMURRIAN: I definitely echo those
10 comments. Thank you all for coming out and sharing your
11 concerns with us, and know that there are a lot more people in
12 Tallahassee that are going to be looking at this. In our
13 agency there's accountants and engineers and attorneys that are
14 working on this, and there's a lot of people helping us out in
15 trying to make the right decision. And, of course, the Office
16 of Public Counsel is representing you all before us.

17 And definitely if you have questions, and I think
18 this has come out earlier, but if you have questions about the
19 things you get from the company and don't understand the way
20 they're charging and how they're summarizing what the charges
21 should be, and if for some reason you can't get an answer from
22 them, definitely call the Commission. I know there's
23 800 numbers and there's even some direct numbers in here of
24 some of the staff in the blue sheet. So I just want to say
25 that. But thank you all for coming and we're glad to hear from

1 you.

2 COMMISSIONER EDGAR: Thank you. And I'd like to also
3 say thank you for coming out. Thank you for sharing your
4 comments with us. I think our Chairman at the beginning of
5 this proceeding talked about the fact that on the blue sheets
6 as well you can write down comments. If you know people, if
7 you have friends or family or neighbors who could not come this
8 evening but also have comments, please encourage them. Take,
9 take these with you and hand them out, or they are also
10 available on the website, and they can fill them out and mail
11 them in to us. And that's another good way for people to share
12 thoughts with us that will be a part of the proceeding if they
13 were not able to participate tonight. Because we do know it's
14 hard for people to come out in the evening or in the day.

15 Just one brief point that I'd like to follow up on
16 with both staff and the company. There was, at the break that
17 we took there were two customers who came up and we were
18 chatting about a few things. And one of the gentleman had
19 spoken to us, the other did not, they needed to leave. And so
20 they asked me to raise this question and I said that I would,
21 so -- and they were both from the River Grove area. I think
22 one of them raised the question about not having received
23 information about the water quality for testing that had been
24 done. And I shared with them that I'm not sure what the DEP or
25 DOH or EPA requirements are other than I know there are some.

1 That's out of our jurisdiction. But I did say that I would ask
2 our staff to follow up with the company as to what testing is
3 done and what information is available to the consumers along
4 those lines. And so, Marshall, if you would just follow up on
5 that for me.

6 MR. WILLIS: I can do that, Commissioner.

7 COMMISSIONER EDGAR: Thank you.

8 COMMISSIONER ARGENZIANO: Just thank you also from me
9 to all of you coming out. As you heard from the Office of
10 Public Counsel, who is your counsel, that they work for the
11 Legislature. We are an arm of the Legislature also; however,
12 in my opinion we work for you. We are the Public Service
13 Commission. So I'm glad you're here. I thank the company for
14 being here. And I hope that you are hearing with very
15 wide-open ears the complaints of the customers and the thoughts
16 of the customers because they really need to be taken into deep
17 consideration.

18 And I want to thank staff, of course, for, and the
19 St. Johns Water Management District for allowing us to be here
20 tonight. And, again, as Commissioner Edgar had mentioned, if
21 you know people at home who couldn't be here who want to voice
22 their concerns, take that green sheet and they can mail it in
23 or call or whatever they want to do. And I just again thank
24 you. And remember, nothing is in stone at this point and we
25 have a long way to go. And if you feel like you need to talk

1 to us again, please don't hesitate to do that because we're
2 here for you as the Public Service Commission. So thank you.
3 Thank you, Mr. Chair.

4 CHAIRMAN CARTER: Thank you, Commissioners. And also
5 to the public, thank you for being here tonight. And as my
6 colleagues have said, if you happen to think of something, if
7 you just happen to think of something, it doesn't matter how --
8 whatever you think of. If you happen to think maybe they've
9 got some green little Martians out there testing your meters,
10 write that down and send that to us. It's important to us to
11 hear from you. It's very, very important. Before we adjourn,
12 Mr. Jaeger.

13 MR. JAEGER: We had one exhibit from Nancy Brand that
14 has not been moved in.

15 CHAIRMAN CARTER: What number was that?

16 MR. JAEGER: That's Number 8.

17 CHAIRMAN CARTER: Without objection, show it done.

18 (Exhibit 8 admitted into the record.)

19 But, again, we realize that -- and what we're trying
20 to do is that we had a meeting earlier today over in
21 Gainesville and we had this one meeting this evening here in
22 beautiful Palatka. And what we're trying to do is get to as
23 many people as possible that are impacted by this, this
24 proposed, proposed rate increase. And we're going to be
25 working as hard as we can to ensure that your voices are heard

1 and we make the best possible decision.

2 Yes, sir.

3 MR. MORRIS: May I -- I'd like to say something
4 because I noticed on one occasion a speaker and I noticed at
5 the previous hearing there were more than one who were a little
6 bit confused. And when you come back here, it would be nice in
7 the beginning if you would point out that you are not the
8 St. Johns River Water Management District. You are just
9 borrowing their building.

10 CHAIRMAN CARTER: Thank you. And that's one of the
11 ways that we save money is by using government buildings.

12 Commissioner Argenziano.

13 COMMISSIONER ARGENZIANO: Mr. Chair, I'm sorry. I
14 know you're all ready to go home. And I just wanted to mention
15 one other thing. We are as the Public Service Commission here
16 for you, but we do have statutes that we have to adhere to. So
17 my suggestion to you also is don't forget -- and I used to be a
18 Representative in the House and a Senator, and I needed to hear
19 from my constituents, as your Representatives and Senators need
20 to hear from you also. And it goes a long way when they know
21 that sometimes we may need changes in the statute that reflect
22 the people's desire and will. So please don't forget to talk
23 to them also. Thank you.

24 CHAIRMAN CARTER: Thank you, Commissioners. Thank
25 you to the Office of Public Counsel, the company, our staff,

1 and Linda, who's single-handedly been our court reporter today.
2 And with that, Commissioners, nothing further, we are
3 adjourned.

4 (Service hearing adjourned at 8:20 p.m.)
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

STATE OF FLORIDA)
 :
COUNTY OF LEON)

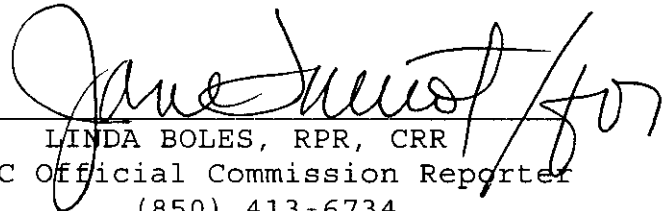
CERTIFICATE OF REPORTER

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED THIS 23rd day of July, 2008.



LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
(850) 413-6734

July 2, 2008

Statement to the Public Service Commission

by Orville Baldrige

24823 Pearl St., Astor, Florida

(352) 759-2747

1. There's no rhyme or reason why my water bill is over \$100 a month while people down the street pay only \$50 or so – just because they are on a different water system.
2. The proposed increase would have an extremely adverse effect on the real estate being serviced by Aqua Water Management because nobody is going to want to buy property where the water bill is higher than the electric bill.
3. If Aqua Water can't run the water company and make a profit charging the already high prices they are currently charging, it appears there is outrageously poor management somewhere along the line. People just down the street from our home are paying half or less than half of what we already pay.
4. Is St. John's Water Management responsible for not allowing the same water company to service our homes as well? Or, is some other governmental agency responsible for the disparity? Or, is it just a matter of poor management by Aqua Water Management?
5. If Aqua Water Management can't efficiently service our area, they need to either sell the company to the people – and we will raise the money to buy it – or something should be worked out so we could get our water and service from the local water company or by some other means.
6. With increased gas prices, homeowners insurance, medical expenses and taxes, many of us will need to decide whether we will eat and take care of our medical needs or live in unsanitary conditions because the cost of water is excessively high.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080121-WS EXHIBIT 8

COMPANY Nancy Brand for Maggie Privette

WITNESS Orville Baldrige document

DATE 7/2/08