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J. R. Kelly
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COMMISSION
CLERK

March 30, 2011

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket 100330-WS

Dear Ms. Cole:

Enclosed for filing on behalf of the Office of Public Counsel is OPC's Response to Aqua Utilities Florida, Inc. Summary Report and Current Status of Aqua's Quality of Service in Docket 100330-WS.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing. Please let me know if you have any questions.

Sincerely,


Patricia A. Christensen
Associate Public Counsel

COM _____
APA _____
ECR _____
GCL _____
RAD _____
SSC _____
ADM _____
OPC _____
CLK _____

cc: all parties of record
+cc containing same also fwd.

DOCUMENT NUMBER-DATE
02124 MAR 31 =
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for increase in water and
wastewater rates in Alachua, Brevard,
DeSoto, Hardee, Highlands, Lake, Lee,
Marion, Orange, Palm Beach, Pasco, Polk,
Putnam, Seminole, Sumter, Volusia, and
Washington Counties by Aqua Utilities
Florida, Inc.

Dockets Nos: 080121-WS
100330-WS

Filed: March 31, 2011

**CITIZENS RESPONSE TO AQUA'S SUMMARY REPORT AND CURRENT STATUS
OF AQUA'S QUALITY OF SERVICE**

The Citizens of the State of Florida, through the Office of Public Counsel, file their Response to Aqua's Summary Report and Current Status of Aqua's Quality of Service. Aqua Utilities Florida, Inc. (Aqua) filed for a rate increase in 2008 and was granted a rate increase for all systems except Chuluota by Order No. PSC-09-0385-FOF-WS, issued May 29, 2010 (Final Order). In the Final Order, due to the Commission's finding that Aqua's quality of service findings was "marginal" for all systems, excluding Chuluota which was found to be "unsatisfactory," the Commission established a plan to monitor the areas of concerns. Order (No. PSC-09-0385-FOF-WS, issued May 29, 2009, at pp. 21-22. The major areas of concern identified as a result of this last rate case were: 1) Aqua's failure to handle customer complaints properly; 2) Aqua's call center's process for managing complaints; and 3) incorrect meter reading and resulting improper billing. See Order No. PSC-10-0297-PAA-WS, issued May 10, 2010 at p. 1. The Aqua monitoring plan was to last for six months. However because of on-going concerns with Aqua's quality of service, in May 2010 the Commission extended the monitoring plan for the remainder of the year. Supra. at pp. 1-2.

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On September 1, 2010, Aqua Utilities Florida, Inc. (Aqua) filed its current Petition for an increase in water and wastewater rates. Aqua's current request covers its 88 systems in 17 counties in Florida. The Company has requested that the current rate case be processed using the Commission's Proposed Agency Action process. As part of the PAA process, nine customer meetings were held in Aqua's service territories. In those customer meetings, customers' testimony revealed that Aqua's poor quality of service was still a major issue along with the extremely high rates customers are already paying.

As part of the Phase II Monitoring Plan in the last rate case, Aqua was required to submit a final report on the result of its reporting requirements. As the Commission noted in Order No. PSC-10-0297-PAA-WS (Phase II Order), the essence of the Phase II Monitoring Plan included monitoring of customer complaints, estimated meter readings, and aesthetic water quality for seven specific systems. Supra at p. 3. On February 28, 2011, Aqua filed its final report on the Phase II Monitoring Plan. The customers continued to raise quality of service issues at the current rate case's customer meetings being held at the same time the Phase II monitoring was occurring. Therefore, it is appropriate to address herein the quality of service concerns for both dockets.

I. CUSTOMER COMPLAINTS REGARDING QUALITY OF SERVICE

As noted above, the Commission staff held multiple customer meetings in October and November 2010 in the current rate case. As a result of these meeting it appears that Aqua still has serious on-going quality of service issues. For ease of use of the customers' unsworn testimony, the Office of Public Counsel used the tape recordings of these customer meetings and created Unofficial Transcripts. While these transcripts were not created by a court reporter, Citizens believe them to be substantially true and accurate renderings of the sound tape

recordings of the customer meetings available from the Commission's own website. The written unofficial transcriptions of the customer meetings are attached to Citizens' Response as **Attachments "A" through "I"**: **Attachment "A"** is the Sunny Hills Customer Meeting – October 14, 2010; **Attachment "B"** is the New Port Richey Customer Meeting- October 20, 2010; **Attachment "C"** is the Gainesville Customer Meeting- October 21, 2010; **Attachment "D"** is the Palatka Customer Meeting- October 22, 2010; **Attachment "E"** is the Sebring Customer Meeting – October 27, 2010; **Attachment "F"** is the Lakeland Customer Meeting- October 28, 2010; **Attachment "G"** is the Eustis Customer Meeting – October 29, 2010; **Attachment "H"** is the Greenacres Customer Meeting- November 4, 2010; and **Attachment "I"** is the Ft. Myers Customer Meeting- November 18, 2010.

Based on our analysis of the customer meeting comments, Commission complaints and correspondence filings in Docket No. 100330-WS, and Aqua's internal documentation, the quality of service has not improved in any meaningful way. Discussions of these analyses are described below.

A. Customer Meeting Complaint Matrix

Citizens created a matrix of the types of complaints raised at the nine customer meetings. The Matrix of Customer Complaints at the Customer Meetings is attached as **Attachment "J"**. The general problem areas identified in the Commission's Final Order and Phase II Order regarding customer service and billing persist based on our analysis of the customer meeting complaints.

In the nine customer meetings held, 156 people spoke raising 243 specific complaints. The customers had 62 water quality complaints with the New Port Richey customer meeting (22) and Sebring customer meeting (20) raising the most complaints. The second most raised concern was customer service (50) which was spread fairly evenly across the customer meetings. Billing

concerns (34) were also spread fairly evenly across the customer meetings. The customers also identified the inadequacy of the Customer Notice for the Rate Increase (14) as a problem.

Several new areas of concerns were also identified at these customer meetings. The biggest area of new concern related to system maintenance. Forty-two (42) customers specifically identified plant issues in their complaints. New Port Richey customers had the most identified complaints (19) in this area. Related to the Plant Issue are the customers' complaints that identified the Company's slow response to emergency calls (14) and insufficient line flushing (3). In addition, testimony about the lack of timely boil water noticing (14) revealed a grave health concern for customers.

B. PSC Complaints and Correspondence File

Citizens reviewed the total number of complaints filed with the Commission over a four year period. See, **Attachment "K"**. In 2007, the Commission received a total of 186 complaints about Aqua service. The following year those complaints dropped 11% to 166. However, in 2009 the number of complaints increased 6%. In 2010, when the Company was undergoing monitoring by the Commission the number of complaints decreased to 142. This was a 19% change from the previous year and a total overall change of 24%. Given the obvious awareness by Aqua of the strict scrutiny of the Commission in 2010, the overall 24% change appears to fall short of the significant improvement expected. This observation is bolstered by the testimony received at the customer meetings.

Additionally, Citizens reviewed the correspondence side of the file in Docket No. 100330-WS to analyze the breakdown of complaints. Although there were duplicate letters in the correspondence file, Citizens attempted to eliminate the duplicates from the calculation of complaint types. Of the 373 letters and emails, the majority addressed their opposition to the rate increase and none supported an increase. However, 132 other service complaints were made

including water quality (86), customer service (18), billing (3), and boiled water (9). Of the letters and emails received, not one of them praised Aqua's service quality.

C. Aqua Documentation

Citizens also reviewed the documentation provided by Aqua related to the monitoring of its customer service. First, Aqua was to report on certain call center benchmarks in Phase II. Citizens looked at the reports provided and created a summary of some of these call center benchmarks (Read rate of metered accounts, % of cycles completed on scheduled date, overall estimate rate, accounts estimated greater than 90 days, and % of active accounts not billed). See **Attachment "L"**. Based on Aqua's own reporting, the Company failed to meet the call center benchmarks it had established in several categories. The most significant problematic trend identified is the percentage of Active Accounts Not Billed. For four out of the eight months, Aqua failed to meet the 0.06% of Active Accounts Not Billed standard.

In addition, Citizens analyzed the Phase II monthly reports submitted by Aqua outlining the types of calls received for the Florida systems. These monthly reports cover the timeframe of May 2010 through December 2010. Citizens created a table of the calls broken out into categories of like-types of calls (billing issues, quality issues, maintenance issues, and customer service issues). See **Attachment "M"**. Based on the break out, Citizens also graphed the like types of calls to better assist in visualizing the trends of calls. See **Attachment "N"**.

The review of Aqua's call center numbers reveals the most highly reported problems related to water quality issues (2,596). The majority of these calls related to lack of water (1,551). However, there were significant complaints about pressure (319), taste/odor (211), color (162), and other water quality issues (353).

The second highest group of issues related to billing. For the eight months, the three highest reported billing problems were high bill (977), bill dispute (400), and no bill (145). Reported

maintenance issues (1,381) were also trending significantly high for the eight months. The three highest reported maintenance issues were service leak (478), leak adjustment (390), and meter problem (245).

Based on the graph, it appears that numbers of complaints related to billing, maintenance, and other customer service issues remained level throughout the Phase II monitoring period, not showing any significant improvement. The water quality issue actually had a spike in complaints November 2010, and does not show an overall improving trend in water quality.

II. ON-GOING CALL CENTER ISSUES

A. Poor customer service representatives

Based on a review of the comments at the customer meetings, the quality of the customer service representatives as well as the timeliness of the response times is still poor. There were at least 50 complaints regarding the customer service. Aqua's own Call Center statistics demonstrate unacceptable long wait times in June, July, August, September, and October 2010. See Exhibit D of Final Phase II Quality of Service Monitoring Report.

Several customers spoke about the rudeness of the customer representatives working for Aqua. See for example Joan Leitch and Jonathan Patton at the Sebring Customer Meeting at pp. 6, and 13-14. Ms. Leitch reported that she called for a problem and she got “. . . a very rude young lady. Your customer service reps leave a lot to be desired.” Sebring Customer Meeting at p. 6. Another customer stated that the customer service reps were “. . . so rude to my wife; she calls me at work crying, because they will not listen to her.” Jonathan Patton at Sebring Customer Meeting at p. 13.

One customer said he called to complain about the \$25 late fee and “. . . they put me on hold for 20 minutes.” Ray Thompson at Greenacres Customer Meeting on p. 25. Another customer

reported that the only way he knew to contact Aqua was to email them “[a]nd they may or may not get back with you.” He further stated that even if you call the 800 number, you get put on hold and they may or may not get back to you, so it takes several attempts to contact them. Victor Gustin at Palatka Customer Meeting at p. 17.

B. Difficulty in Reaching Aqua Regarding Service Problems

Customers also stated that when they tried to report maintenance problems to Aqua they had difficulty getting through to the Company. Fourteen complaints alone regarded the Company’s slow response to emergency calls. David Pontes at the Lakeland Customer Meeting complained that the lift station alarm has gone off 2 to 3 days in a row before someone would service it. He also noted that “[e]ven when I make calls, I can’t get through to Aqua Utilities half the time.” Lakeland Customer Meeting at p. 50. One customer’s husband had called at least three times before getting a response from the Company regarding their poor property maintenance. Patricia Davis at Palatka Customer Meeting at p. 16.

III. BILLING ISSUES

One of the concerns identified by the customers was high bills due to back billing by Aqua. Several customers at the customer meetings told their stories of how they received extremely large bills from Aqua. In fact, during the Phase II monitoring period, Aqua’s call center received 977 complaints regarding high bills.

Some high bills were based on significant jumps in the gallon usage the Company billed the customer for in a single month usage. See examples Diane Manzo at the New Port Richey Customer meeting at p. 57 and Peter Maceri at the Sebring Customer Meeting at pp. 8-9, Kim Parizo at the Lakeland Customer Meeting at p. 46. Others noted that they had not been billed for service and received a large back bill. See for example Erica White at the Lakeland Customer

Meeting at p. 31. Another customer complained that “[w]e’ve gone 4, 6, and close to 8 months without receiving actual bills from Aqua Utilities.” Steve Brunner at Ft. Myers Customer Meeting p.8. According to Aqua’s own records, 145 complaints for no bills were received during the Phase II monitoring period.

When the customers tried to contact customer service regarding their high bills, they were told they would have to pay the bill or get cut-off. See, Erica White at Lakeland Customer Meeting at p. 31. One customer had his service cut-off after a year and a half despite paying for the water service because he had not paid the late fee that went up to \$147. See, Ray Thompson at Greenacres Customer Meeting at p. 25. In the Phase II monitoring period, Aqua’s call center received 400 billing disputes.

IV. ENVIRONMENTAL PROBLEMS

A. Untimely Boil Water Notices

Numerous customers over a number of systems told of not receiving boil water notices. See for example Bryan Rule at Lakeland Customer Meeting at pp. 44-45. One customer stated that they used to get boil water notices before they complained about how much time they were without service at the last rate case service hearing. He said despite knowing the pumps have gone down, the cause of prior outages and boil water notices, he wondered if “. . . we were not notified about them because we had complained about how long it would take for them to get the water back up.” Larry Mathews at Palatka Customer Meeting at p. 7. In the correspondence side of the file, at least 9 complaints were made regarding the lack of boil water notices. In general, the greatest number of calls made to Aqua’s call center during the monitoring period (1,551) was due to no water. The lack of boil water notices is of significant concern for health reasons.

B. Failure to Respond Timely to Problems

Shirley Crosby told of her experience with a broken water pipe which was spewing soapy like water. She said she notified that Health Department about the running water and even after the Health Department told Aqua to fix the broke pipe, the leak was not fixed for another two and a half weeks. See Shirley Crosby at the Gainesville Customer Meeting p. 19. Another customer explained that he knew of a lift station that had broken down three times in one week causing a sewage backup. He said that it took three calls before Aqua replaced it. See, Steve Bunner at Ft. Myers Customer Meeting p. 8. The Company reported a large number of calls regarding maintenance issues (1,381) during the eight month Phase II reporting period.

C. Secondary Quality Issues

Another customer, Greg Andes at the Eustis Customer Meeting, complained that he had poor water quality to which the Company would respond that they had to flush the lines. As he rightly pointed out, why should the customer have to call to have them flush the lines to make the water drinkable. See, Greg Andes at the Eustis Customer Meeting. Many of the customers complained of the poor quality of the water. During the Phase II monitoring, 211 complaints were made regarding taste/odor. At the Lakeland Customer Meeting, a customer noted that when she lived in another trailer park she had excellent water and Aqua's water was "crappy." Peggy Welch at Lakeland Customer Meeting at p. 10. Another customer stated that she ". . . refused to drink the disgusting – ah, there's just crap particles floating around in their water and you know how much I pay?" Lori Moritz at New Port Richey Customer Meeting at p. 80. A different customer complained that after a week away, she had black water coming from her shower. Lynda Witkopp at New Port Richey Customer Meeting at p. 68. The Company reported receiving 162 complaints regarding water color during the Phase II monitoring.

V. CONCLUSION

While most customers testified about their dissatisfaction with the high rates, they also expressed significant complaints (243 times) about Aqua's quality of service at the customer meetings. The customer meetings demonstrate that Aqua has not significantly improved its quality of service as perceived by their customers. In addition, analysis of the number and types of complaints received by Aqua's call center (6,333 complaints over eight months) further demonstrates that Aqua has on-going quality of service problems.

A review of the number of complaints made during the Phase II monitoring, on a month to month basis, there have been no significant reductions in the numbers. Nor was there a significant reduction in the number of complaints about Aqua filed at the Commission on a year over year basis. In the Phase II Order, the Commission expressed concern about Aqua's marginal service for the majority of its systems. The number and types of complaints made to Aqua, to the Commission and at the customer meetings demonstrate that Aqua's overall quality of service has not improved from "marginal". Further, contrary to Aqua's contention that it has good customer service, analysis of the objective information available on Aqua's quality of service and its persistent poor quality supports a finding of "unsatisfactory."

Also, analysis of the data shows some concerning trends regarding maintenance and water quality. Of particular concern are the lack of timely responses to leaks and a lack of boil water notices, both of which can lead to health issues. Citizens believe that additional quality of service monitoring for this Company is warranted. The additional monitoring program should continue in the current rate case docket (Docket No. 100330-WS) and the older rate case (Docket

No. 080121-WS) should be closed without further changes to the quality of service findings.

J.R. KELLY
PUBLIC COUNSEL

A handwritten signature in black ink, appearing to read 'Patricia A. Christensen', is written over a solid horizontal line.

Patricia A. Christensen
Associate Public Counsel

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Attorney for the Citizens
of the State of Florida

I HEREBY CERTIFY that a true and correct copy of the forgoing Citizens' Response to Aqua Utilities Florida, Inc. Summary Report and Current Status of Aqua's Quality of Service, has been furnished by U. S. Mail to the following parties this 31st day of March, 2011:

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ATTACHMENT A

DOCUMENT NUMBER-DATE
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Office of Public Counsel's
Unofficial Transcript of Aqua Utilities Florida
Rate Case Docket No. 100330-WS
Sunny Hills Customer Meeting – October 14, 2010

Cheryl Bulecza-Banks: Good morning, I'd like to call this meeting to order. Mr. Fletcher will you please read the notice.

Bart Fletcher: Yes. Pursuant to notice this meeting, this time and place has been set for a customer meeting in Docket No. 100330-WS, Application for Increase in Water and Wastewater Rate by Aqua Utilities Florida, Inc.

Cheryl Bulecza-Banks: I'd like to welcome everyone to this meeting. Thank you for taking time out of your busy day to come join us today. The purpose of the meeting is to solicit input from the customers of Aqua. Right now I'd like to introduce the staff that is here today. My name is Cheryl Banks, with me today is Andrew Maurey, Bart Fletcher, Shannon Hudson, Stan Rieger, Avy Smith, Jay Williams, Jake Denova, Robert Simpson, Dick Durbin, and I think I got them all ... Oh, and Dale Buys. Alright, the Staff is in the audience in case you have you have some questions that maybe after you make comments or hear from your fellow residents, that you have some questions and you may want to take some time, feel free to tap one on them on the shoulder and they can go and address your issues ... see if we can help you out. Our engineers are going to be doing an inspection today out in your neighborhood, so feel free to talk to with them, that is Stan Rieger will be heading that up, so if you have any service quality concerns you may want to talk to him. He can come by your house. The purpose of this meeting, is as I said to solicit input on the quality of service and the opinion you have of the rate increase. Um, your comments are going to be recorded on a digital recording, and that digital recording will be placed in the docket file for anyone and everyone to be able to hear and listen to your concerns. Let me tell you a little bit about how this meeting is going to proceed. First Aqua Utilities Florida is going to take about five minutes to explain what their increase is all about and the reason why they believe they need to file it. After they conclude the Office of Public Counsel, here today is Steve Reilly, he's to my right and he will tell you the role of Public Counsel and how they, how they're going to, um, take part in this rate case. After that, Ms. Hudson is going to do a presentation that's going to explain the process of how this case is going to proceed. After that concludes then were going to start taking customer comments

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and Mr. Reilly is going to read the name of those who have signed up to speak, and then if you would come to the microphone and please state your name and please spell your name so that we make sure we have it real clear on the recording and then let us listen to your comments, um we do not have that many people signed up to speak, but if you, after you've heard your neighbors and you decide you do want to speak, just go to Dick Durbin ... He's in the back, Dick would you raise your hand, and he will sign you up so that you also can be heard. Um, right now I'd like to go ahead and have Aqua do its five minute presentation.

Troy Rendell: Good Morning, my name is Troy Rendell with Aqua Utilities Florida and first I'd like to convey a sincere apology from Jack Lihvarcik, the president of Aqua Utilities Florida, unfortunately he had an unexpected death in his family – his father passed away, he's attending the funeral today up in New Jersey ... so, I do want to convey his sincere apology, however, we do have additional staff members in the back of the room that's available to address your concerns.

I appreciate the opportunity to address the customers here at Sunny Hills and I want to thank you for joining us today. All of us at Aqua understand that customers are concerned about any type of increase in bills. We're very prudent and careful about how we spend our money to ensure dependable water and wastewater service. Our last rate case, which was completed over two years ago, was based on financial information from 2007. Since that time we've invested over \$8.7 million dollars in infrastructure and improvements throughout Florida to our, to provide service to over 22,000 customers within the state. Some of that work was accomplished here in Sunny Hills where we had some well rehabilitation work. Um, many of these improvements include replacing mains, water tanks, pumps and electrical systems and other projects throughout the state. In the next year, over the next year we plan to spend an additional \$3.7 million dollars to make improvements throughout the state. Some of those, again, and some of those improvements will be made here in Sunny Hills to work on some storage tanks. The overwhelming majority of our rate case, about 73%, is all based on capital improvements which we've already spent to improve the water and wastewater service throughout Florida so we can address and provide better service to our customers. Customer satisfaction and water quality are top priorities for Aqua and we have made substantial steps in addressing the aesthetics or secondary water

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standards. Some of that again was here in Sunny Hills where we've had to add some sequestering agents to address the iron problems that we've had in the past. I'd also like to briefly address the new rates, the new rate structure that was approved by the Public Service Commission in the last rate case. Since the conclusion of that case, we've heard from many customers concerns about the rate structure, as well as from elected officials throughout Florida. We understand your concerns and the concerns of the elected officials and we propose several possible solutions. First, we proposed a statewide uniform rate for water and wastewater. That means the customer will pay the same rate for the same service regardless of where they live or reside. The concept is that all customers over time will need improvements, either new wells, new treatment processes or new mains and they deserve to receive the same service no matter where they reside in Florida and no matter what the size of their system is. Ah, this is the same rate structure that electric companies and other utilities use throughout Florida and it works. We also propose a revision to the amount you pay for the number of gallons that you use. These rate levels are called consumption blocks and we believe our new proposal will help families throughout Florida keep their water bills more affordable. You will hear more today about our rate case in an explanation from the Staff of the Public Service Commission. We look forward to hearing comments and will be available to meet with you after the meeting to answer your questions. Thank you.

Cheryl Bulecza-Banks: Mr. Reilly.

Steve Reilly: Good morning, my name is Steve Reilly. I'm with the Office of Public Counsel. Our agency is funded to provide free legal representation to ratepayers in proceedings such as this one. Ah, the Company has filed its minimum filing requirements and I believe that Staff has submitted some deficiencies in that filing and so the Company still is in the business of completing its requested rate increase. Ah, there is a lot of issues, there's 88 systems, 17 counties and, so given the magnitude of the case we have hired an engineering firm and an accounting firm to aid us in reviewing the filing when it is completed. We, ah, I know staff is in the process of getting discovery out, we also are getting discovery out, and really the purpose of the discovery is to learn as much as you can about the filing so that we can really meet with you after this five month PAA process is finished and try to make some informed

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judgments as to what kind of a rate increase ultimately the Staff determines is a reasonable one. So there's a, were in what's called a PAA process, a proposed agency action process, so that after the Company files its request, with all the details, ah, the Staff at the end makes a recommendation to the Commission and says we feel this much of what they've requested is reasonable and we recommend you to approve such a rate increase. That will be the, I assume this will be bifurcated, much as it was in the last case. They'll determine what is a reasonable revenue requirement and then separate from that will be this issue of how do we apportion that revenue requirement, to what extent do we keep these rate bands where they pool these 88 systems, water and wastewater, into similarly situated systems or whether we in fact, whether the Commission will see its way to agree with the Company to possibly create a statewide uniform rate. Ah, so all this is what we will be involved in, we are really pleased that you are here. We will be looking at all the issues that have been brought up here today and looking for your comments on the terms of quality of service as well as what your view is on the reasonableness of this rate increase. Our office is available, we'll ... I guess part of the presentation is to give you our 800 number. Feel free to call our office and share anything you'd like us to know about in addition to your comments here today. Thank you.

Cheryl Bulecza-Banks: Thank you Steve. Now the Staff, um, Steve touched on it a little bit, but were going to go into how the process works when the Company files on a Proposed Agency Action filing the way they have done so. And so now Ms. Hudson will give us a brief outline of how the process works.

Shannon Hudson: Good morning. Shannon Hudson on behalf of Commission Staff. Staff's presentation is an overview on what to expect as we process the Utility's application for a rate increase. Staff's recommendation will address the proposed agency action process, also call a PAA process, Staff's review and analysis, the customer meeting which we are at attendance today, and any possible protest of the Commission order. The utility filed an application as a PAA which they are entitled to do so by statute. It's an informal process. It costs much less than going straight to a formal hearing. It must be completed within 5 months of the official filing date. Any person substantially affected by the decision can protest.

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Rate Case Docket No. 100330-WS
Sunny Hills Customer Meeting – October 14, 2010

What does the Commission do: A Staff written analysis, a customer meeting, a Staff PAA Recommendation and a Commission decision. Staff's review and analysis consists of an audit of the books and records of the utility by our audit staff. The engineers make a determination of the used and useful, quality of service and prudence of the utility's operation. Accounting staff and economists review and analyze accounting issues, rate issues and billing issues.

The Customer Meeting: The primary purpose of the Customer Meeting today is to receive customer comments in regards to the Quality of Service provided, Utility's interaction with its customers, the proposed rate increase and to answer any ... to hear your comments and to answer any questions you may have. The Customer Meeting is your meeting, we're here to listen to your comments and concerns. As you were entering the room this morning Mr. Dick Durbin, there was a signup sheet, if you would like to make comments here today. If you have not had an opportunity to do so, once everyone that has signed up has been called just, give us their comments you'll have an opportunity at that time. Also available when you entered the room was a special report. In that report it contains personal information in regards to this rate application. Also on the back of the, the last two pages of the special report there's a Customer Comment letter. If you don't address, provide any comments today, you can fill in, um, this Customer Comment letter with any comments you may have. Those comments will be placed in correspondence side of the docket file where all parties can see and it will be given the same weight as if you spoke here today.

The PAA and Commission Conference: Once Staff has reviewed all the information in regards to the utility's books and records, staff prepares and files a Recommendation. The Recommendation is reviewed by the Commission and voted on at its Commission Conference. The Utility's representatives, customers and OPC staff may speak. If you would like to attend this conference in person and address the Commissioners, we would ask that you let us know at least a week prior to the Commission Conference so we can make arrangements so that you can address the Commission. Also available when you entered into the room, if you would like to receive a copy of Staff's Recommendation, please see one of our staff members to get your contact information, we will provide you with a copy of the Recommendation. This is our website:

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www.floridapsc.com. On this website, if you don't attend the Commission Conference, there is a live video link where you can log into a computer and watch the Conference live. Staff's Recommendation is tentatively scheduled to be filed on February, 2011. The agenda, the Commission Conference is held 12 days later. The Commission may either approve, deny, or modify Staff's Recommendation. After the Commission Conference a order is issued, a part of this order is a _____ 21 day protest period where any substantially affected person may protest this order and request a formal hearing. If a party, if no party files a protest the new rates will be effective upon the issuance of the Consummating Order, which is usually issued 3 to 5 days after the expiration of the protest period. If a party other than the Utility protests the PAA order the Utility can approve, put the approved rates in effect, I'm sorry, however the amount collected will be subject to refund with interest. If a Company protest is filed, a more formal process which is a hearing must be completed in 8 months. Customer Service Hearings will be held. A technical hearing will be held in Tallahassee. The Utility and protesting parties will litigate the issues. Customers can testify before the Commissioners. During the hearing process each party is responsible for filing testimony, putting on witnesses, preparing cross examination, conducting depositions, attending the prehearing conference and hearing held in Tallahassee. After the hearing Staff prepares a Recommendation, another Recommendation based upon the evidence presented at the hearing. Participation at the Post-Hearing Commission Conference is limited to Staff and Commissioners only. A vote, the Commission will vote on the Recommendation and a Final Order will be issued and if a substantially affected party wants to protest this Final Order, they may appeal it at the First District Court of Appeals. Please remember this meeting is being recorded. When your name is called, please come forward to the microphone, state your name, address and please spell your last name. Thank you.

Cheryl Bulecza-Banks: Thank you very much. Before we start, um, bringing the customers up to speak, I just wanted to go a little bit more into detail on this green report that Shannon mentioned. On the back again is where you can make comments. You can fill these out today and hand them to a Staff person and we can take them right here or you can mail them back and if you folded it over then you can just go ahead and just mail directly with the comments on there. But we'll be happy to take them today if you just want to jot some notes down and let us know your opinions on the service. So

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with that I am going to have Mr. Reilly begin calling the customers, um, to the front. Um, right? Are you ready Steve?

Steve Reilly: I think so, yes. Um, before we call the first witness, we did prepare, it's very similar to what Staff has prepared, but it gives a little overview of what's been requested and what the existing rates and proposed rates are, and then we do have a little flyer which is specific to this community and, again, contemplate what current rates are and in yellow is ... if in fact statewide rates are approved, how it would impact this community. So I'll put them on a chair over there and you can pick those up now or on your way out. Um, ok our first witness is, if I'm pronouncing this correctly Luzia Mikutis.

Luzia Mikutis: Good morning, my name is Luzia Mikutis. M I K U T I S and I live at 1768 Quintara Court in Sunny Hills. Ah, I'm opposed to the rate increase mainly because I live in the old part of Sunny Hills and that part of Sunny Hills is the only part that has the sewer system. Our basic water rate, ah, charge right now is \$16.29 and the sewer basic rate is \$35.44. That's more than double the water rate. That's unconscionable. We not only use the water to drink, make coffee and water house plants, we do not receive any free gallons as it used to be. It starts from one gallon. The, um, meter readings are pro rated. If you go over one gallon, it's moved up to the next one thousand gallons. It's not actual gallons you used and that is also unconscionable and at this rate there is a lot of people that live here that are on fixed incomes, poor homes, they're working 2 and 3 jobs – the young ones that are renting. We can't afford these outrageous water rates, especially in the old part that has the sewers. We need to have some kind of help regarding them. I mean, you know, you're drinking water, it's not wastewater, but it's considered wastewater. You're cooking with it, that's not wastewater. You end up consuming it. You make coffee or tea. You're consuming that, it's not wastewater. There's no, um, free gallons like it used to be. They used to give you at least some gallons free, either, I don't remember how much it was I didn't get my old bills out, but ever since, ah, Aqua has taken over ... which it used to be, um, I forgot the name of it ... they changed the name to Aqua Utilities so that they can receive more money for their water. I tried looking on the internet this morning to see what kind of profit you people make in the year; I was not able to find it. I know that a lot of this money is going to stockholders. It's not really going to a lot of

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the, um, work that needs to be done here. Now Springridge opened up, and apparently they promised Aqua Utilities that they would have a lot of homes. Is this why you want an increase, because they fell through? All these other new homes that have been built they don't have the sewer lines like the old part of Sunny Hills. So why should the people that live in the old part of Sunny Hills suffer with the wastewater charge? It's unconscionable. That's all I have to say. Thank you.

Cheryl Bulecza-Banks: Thank you very much.

Steve Reilly: Thank you. Diane Vitale.

Cheryl Bulecza-Banks: Welcome back Ms. Vitale. I remember you from last ...

Diane Vitale: Good morning, yes, and I appreciate the opportunity to speak. Its Diane Vitale –V I T A L E, 1685 Ross Court and my first question is, and I'm not sure what the title to this system is but there has been installation of a technology in our meter reading currently and, I would believe, that that was, I know it was pretty pricey to do this and no one has talked about this but, um, and I would think it's, ah, a payroll thing ... where there would be less staff needed to go ahead and ... could somebody answer that question for me? First of all, what the savings in payroll is going to be and how much this costs in Sunny Hills to install this, cause it's really not ... I don't find it a benefit for me. Right? I mean, the homeowner, nothing has changed for them. It is just a upgrade of technology. Can somebody answer that for me?

Bart Fletcher: This is Bart Fletcher, Commission Staff. I do remember that being an issue in their last, ah, Aqua's last rate case, where they had these remote meters and there was an issue in that last case and I believe there was an adjustment to the meter readers' salary downward as a result of the meters going in place. They weren't

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needing as many meter readers to read the meters because of the new technology. So that issue I believe was addressed in the last case.

Diane Vitale: Do you have for me what this system cost to install here in Sunny Hills?

Bart Fletcher: I would ... I would have to get that information back to you ... do we have your contact information, and we could look up the prior case and get the amount for the meter installations for this system.

Diane Vitale: I would think it would be enormous because of the amount, you know, how spread out we are to install it, to go ahead and pay for all of this. But, anyways, um, that's one point, you know on top of the fact that we just had an increase, and, you know, um, along with what – the previous resident indicated that, you know, we are, a lot of us on fixed incomes and here the government has told us that there's no cost of living increase. Ah, and the next day I get the information that we're looking at an increase in water which we cannot, we cannot economize on that, we've gotta get water. Alright, so that's another point. Ah, and just quickly I want to share with you an incident that I experienced last February, I think, with a breakage in my system. Um, a water pipe outside broke and water was gushing all over and when I called the emergency number to get some help it was reported and, through many frantic phone calls nobody ever showed up to help me. Then when I asked to find out, cause I'm not real efficient with everything that goes on in my home, my husband wasn't home and I'm trying to find out... how do I shut the water off? Well, it's against the law for you to shut the water off outside of your home. Aqua Utilities was telling me that I could not go to that location and turn it off myself there was a ... I needed a special, um, device or whatever you call it ... I can't remember. It's just a, ah, a thing to move the ... to shut the water off. Anyways I couldn't do that. Well finally a neighbor did end up arriving and helped with that situation and then I cannot begin to tell you what it took me to get Aqua to consider my water bill for that month and to try to, um, to negate a little bit of the hundreds of dollars that it was costing me for this water. Okay, so, that's kinda what I had to say to you, ah, to you folks today. I was really, really unhinged about how that

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went on and the service, the lack of service that I received in response to that dilemma in February was an abomination.

Cheryl Bulecza-Banks: Ms. Vitale, was that February of this year?

Ms. Vitale: Yes, it was ... I think it was February. February, around that time. Yes ... this past year. Thank you.

Cheryl Bulecza-Banks: Thank you.

Steve Reilly: A couple questions, um, do you not ... you do not have a turn off. There's often times in a meter, there will be a turn off valve on the customer side of the meter so that, well, in this exact situation, you have an emergency and water flowing into your – even worse than in your yard, water going into your house.

Ms. Vitale: Right, well it was outside, the pipe broke outside. However, it was so adjacent to the home that water could of seeped and that was my concern. There is not about – it is a ... you need a, um,

Steve Reilly: Ms. Vitale, I know what you're talking about – it's a special tool that

Ms. Vitale: You need that

Steve Reilly: turns that knob, but, ah

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Ms. Vitale: It's not really a knob, it's was like an eight- pronged thing and you needed a special wrench ... wrench is the word I'm looking for here. You needed a wrench and God knows where our wrench is

Steve Reilly: but you don't, you don't even now have, ah,

Ms. Vitale: There's no valve.

Steve Reilly: A turn off valve on your side.

Ms. Vitale: They took the valve off because you're not supposed to be able to do that. You're not supposed to be able to turn the water off outside. Inside you can turn it off, but not outside. That's what I was told.

Steve Reilly: Well how, what was the final resolution of your water problem with the Company?

Ms. Vitale: Well, they did, ah, they did discount that water that month a little bit, I think it was around 25%, I've got a little of that data at home but then I educated myself and have a wrench in case this happens again. Ah, but there was no valve there, that used to be the old fashioned system, but now because we're not allowed to turn off the water on the outside of our home, we can on the inside but the ... the breakage occurred on the outside of the home ... yes

Steve Reilly: Is your home served by sewer as well?

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Ms. Vitale: No its not.

Steve Reilly: So you didn't have that bill.

Ms. Vitale: That's right.

Cheryl Bulecza-Banks: Was that break right between the meter and your house?

Ms. Vitale: Yes. Yes it was. Okay, so that's been remedied but that kind of service, but, my, ah, again objection is to the increase in water rates. This is a ... an ongoing thing it seems almost every year – every two years and you folks, it's another waste of payroll money for all you folks to be here. This goes on a lot. Okay, thank you.

Steve Reilly: Okay, our next witness is Katrina Randolph. We also have Gary Hartman.

Gary Hartman: My name's Gary Hartman. I live at 2150 Sunny Hills Boulevard. The last name is H A R T M A N. I have a couple of questions, um, we received a flyer of what the new rate increases were going to be three or four months ago and announcing this meeting, but just in the last day or two I've gotten another increase request that seems to a statewide request and I see on these documents there are these description of bands ... is this rate increase actually what they proposed a couple of months ago when we got information on and that most of the people think that that's what we're here to talk about or is it this new statewide where we're going to be banded together with a bunch of other utilities?

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Cheryl Bulecza-Banks: I don't know what you receive a couple of months ago. The information on this meeting, um, can only be sent between 14 days ... you have to be received between 14 and 30 days of the meeting, so I'm not sure what you received, um, 60 days ago so I'm afraid I can't tell you, um, this – what is in this filing, is in this green document is reflecting of what the Company has requested. Doesn't mean that's what the Commission would approve but this just reflects the Company's, um, petition.

Gary Hartman: Okay, thank you. Ah, number 4 on this green sheet says that presently how much are the average monthly water and wastewater bills and then it refers you to page 6 though 9. I don't see anything on any of those pages that tells what an average water bill is, it tells what the rates are, but I would be curious as to what the average water bill is here, um, in Sunny Hills. Ah, I don't see anything that says average water bill.

Cheryl Bulecza-Banks: We, we can get that information for you.

Gary Hartman: I think the residents would like to know what the average is, that way you can equate your bill against some of the other people in the area.

Cheryl Bulecza-Banks: Absolutely, Mr. Hartman, we can get the information to you.

Gary Harman: Ah, if I may in this zone.

Cheryl Bulecza-Banks: Absolutely.

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Gary Hartman: I took the liberty of, um, doing some research on a number of systems throughout 3 counties around here and while I know that it's not necessarily a competition between one utility and another and that's not what we're looking at, this clearly show that Sunny Hills pays the highest rates of anyone and the way my math works out, if I've done it correctly, on the top line is the proposed rates and the next line down are the current rates ... that difference between \$27.75 and \$37.13 for an average use of 300, or 3,000 gallons, which is about what I use, is a 34% increase in the rate and the 5,000 gallon is a 34% increase and over on the sewer side the same figures show a 17% and a 20% increase for the number of gallons used by using the new figures that I – I don't know of anything - our inflation rate is pretty low, the social security says it's so low we don't get any increases, but 34% seems an awful lot. I know that Aqua is a stockholder company and is driven by profits and the Board of Directors would be irresponsible if they spent billions of dollars on long term advance but they have a franchise for providing water for all the units of Sunny Hills and for four units of sewer – they only have about 400 water customers and only about 180 sewer customers and if they want to get in with the big dog guys I'd like to see them expand they system and meet the requirements of their franchise agreements and let the people of Sunny Hills benefit from having a larger system that can spread the costs out further. And the last question I have is I'd like to know the exact amount of money that's been spent in the improvements in Sunny Hills and how those equate to our rate increase. I don't personally see much improvements around and I may not see it, but I'd be curious as to what all of the improvements might be? And I thank you for the opportunity to speak.

Cheryl Bulecza-Banks: Thank you very much.

Steve Reilly: Our next speaker is Lee Edwards.

Lee Edwards: Good morning, I'm Lee Edwards E D W A R D S and I live at 2008 Shenandoah. I hear a lot of the Company talk but I don't hear much about the quality. When I moved out here 3 years ago, um, the problem that I was introduced to was the

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cloudy water, the sediment in it which is like ... you can find periodically at this time of year you run water out of the tap you don't know what your getting for sure ... it'll – it almost looks white sometimes. Most of the time its generally okay, but if you let a glass of water sit it will put a white sediment in the bottom of the glass, that's what I've been finding. I put double filters on anything we use in our house just for that reason so I'm taking care of that particular problem in my way. Ah, one of the main things that I was in reference to, other than the quality in that way is that, um, I don't comprehend why the water goes up as you use more. If your basic system is in place to handle, whatever three to five thousand gallons I know in my house, Gary lives alone, but we've got four or five thousand gallons of water a month – the rest of it goes to water. I've got a couple lots that I water flowers and things out back – out in the back. My water bill has been up over \$170.00 a month because it's a penny a gallon after you get up in the high end. If the system is in place what makes the water that comes after the first thousand – three thousand gallons of water whatever, I didn't pay much attention there, you know it five thousand or whatever it is, what makes it after 10 thousand go up three times as much? You don't have to buy any more supplies for the water lines, the meter's there, everything's there. Why do you need to pay that much more for more water?

Cheryl Bulecza-Banks: That is not the actual costing, but the concept of paying more for the more you use is basically dictated, um, by the Water Management Districts. In order to and try to get people to conserve water and they have an agreement with the Florida Public Service Commission that when we set rates they want us to implement these conservation based rates to try to get people to conserve because you know water is, you know, is a natural resource ... hm?

Lee Edwards: Is it a relatively new thing that there?

Cheryl Bulecza-Banks: Hm, we've been doing this for quite a number of years and what happens is in some cases it doesn't work. If you have a neighborhood whose average consumption is only 15 to 2,000 gallons a month, then there is nothing you're

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going to do to be able make that – that's basic need. It's when you have some subdivisions where you do have people irrigating and there's quite a bit of volume going through, um, that's what the Water Management Districts have encouraged us – strongly encouraged us by Memorandum of Understanding, that where we can we implement conservation based rates.

Lee Edwards: Okay, that answers that question. Go ahead. The service that I had previously, from Panama City to Pensacola, the more you used the less it was.

Cheryl Bulecza-Banks: And from a utility's prospective their indifferent because once you establish how much they get, how it's derived and from which customers is indifferent to the Utility. From the Water Management District - it's very important to them.

Lee Edwards: Alright, that's what I needed. Thank you.

Steve Reilly: That's all the people that have actually signed up before the meeting. Are there other customers who would like to speak? Could you come forward, you know, identify yourself, give your address and statement.

Representative for Linda Rawlings: I would like

Steve Reilly: In fact what you might do – do we have a form that you could maybe fill out?

Cheryl Bulecza-Banks: We'll get a form.

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Steve Reilly: into the record, you could ...

Representative for Linda Rawlings: I'm representing Linda Rawlings and her address is 3979 Ambassador..

Cheryl Bulecza-Banks: Sir, could you please repeat it for the microphone?

Representative for Linda Rawlings: I'm representing Linda Rawlings from 3979 Ambassador. What I would like to know why is it that you cannot have a well at your home? Therefore, um, water is a right to everyone and if you can get it from a well and get it cheaper than what you'all are getting it to us for, I don't understand why that's not possible?

Cheryl Bulecza-Banks: Mr. ... Stan would you be able to come to the microphone and answer that? Stan's our engineer who is fully familiar with the topic.

Stan Rieger: Yes Sir, as far as the well on the individual resident's property, I think that's up to the County, ah, the County regulates whether or not wells can be put in.

Representative for Linda Rawlings: No, it's not the County.

Stan Rieger: Well if there's not any restrictions the Utility can't say that you cannot put a well in but I would check with the County.

Representative for Linda Rawlings: We just a, just moved here just prior three months ago, just three months ago. It was the worst scenario ever done, this was the worst

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move that we have ever done moving here in Sunny Hills, because the water rates is higher than electricity and I cannot understand it, as the gentleman just said the more you use the more you are being charged and he quoted it correctly "everything is there, the pipes are there, there is nothing else you'all have to do but our rates are going up and if people would rather have a well and discontinue Aqua – there's a stipulation in your home once you buy it that you cannot put a well in.

Stan Rieger: Deed Restrictions.

Representative for Linda Rawlings: This is not what you just ... this is what you should of told me in the beginning. There was a Deed Restriction so that you can't get a well. So that you have to deal with Aqua. So everybody's going to have to deal with you until, you know – a person's right is for them to do what they would like to do. If they don't want to deal with Aqua – have them a well – they should be able to have them a well, but the restriction is put as that you have to deal with Aqua.

Stan Rieger: Yes.

Representative for Linda Rawlings: Why is that? What, why is that?

Cheryl Bulecza-Banks: The Public Service Commission has no authority over any County or any ordinances or your builder or your developer. All we do is regulate utilities. So I can't, I have no authority to tell your developer, the community in which you live about a well or not a well that, we don't have...

Representative for Linda Rawlings: No because that would knock you out from a job.

Cheryl Bulecza-Banks: Sir,

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Representative for Linda Rawlings: That would knock you out from a job, sure you wouldn't ... sure you wouldn't

Cheryl Bulecza-Banks: I don't have the statutes in place that would allow me to do that – I don't have the authority, the Commission doesn't have the authority to do any of that. All I have the authority to do is look at a Utility's rates and evaluate those and either approve, deny, or modify their requests. I don't have any authority for wells.

Representative for Linda Rawlings: Your authority, your authority, everybody's authority here is to look after these people here. These are the people that give you your money. These are the people that give you enough of your money to make your payment on your school kids, your grandkids, everything. These are the people that you should be looking out for instead of the special interests as they might say 'your investments' – the way that Aqua invests their money. These are the people that should be looked out for. My rates has doubled from moving from Panama- moving from Panama City to here. It has doubled and just like I say – If it was done again I would not move to Sunny Hills. I would not move here because its desolate, there's no one here, so therefore you have to thrive on the people that you have here to get your money and that's why you make it a raise. That's exactly – just the bottom line, you're thriving on people that are here because - it did not work, this system did not work here in Sunny Hills. Just as the system next door, the Shenandoah system – it's not gonna work. Mainly because of once you get here it's a whole different story and the Aqua system water, the more you use the less you should pay. This lady used to have a nice looking yard, you can't have a nice looking yard. The yard was better than the home. You cannot have a nice looking yard because you yourself just said you want to cut down on people from having a nice looking yard because you're saying that their using too much water. That's not what it is. You got to have water to make the grass grow. And if you have a nice home with no grass you have a bunch of crap. It can really, really take away from your home and I just do not understand it, I do not understand it. When you want to move somewhere that's nice, something that looks nice – it's just, I just cannot understand it and me, myself I would rather have a well dug and just eliminate Aqua altogether and

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then you can thrive on someone else. But my complaint is the water rates are too high and it's just the bottom line is these are the people that are paying your bills, your bills, your bills and I do not see a Aqua bottle there, I see some other type of water. You should have a glass and drinking your own water here.

Cheryl Bulecza-Banks: Yes Mr. Hartman.

Gary Hartman: May I speak again?

Cheryl Bulecza-Banks: Um, could I get you after somebody else files ...

Steve Reilly: There's ... one other lady ... did you wanta come forward and identify you name and address?

Karen Schoen: My name is Karen Schoen, S C H O E N, 2196 Shelby Court and I would like to pay attention to an Item No. 2 on your list. You're requesting an increase to cover increasing operating costs. You made the determination to change the water meters. By changing the water meters you are now able to regulate the amount of water that we use and therefore can choose that we should have conservation – that's one of the ways of doing it – not leaving it in our hands.

No. 2 When you made that determination I imagine that you eliminated a lot of staff and that determination to cover your operating costs should have decreased your operating costs if it was run efficiently. So if you're putting in something to eliminate salaries, then you should not be paying salaries and the operating costs should be reduced not going up. Therefore we should looking for a rate reduction not an increase. In addition when you did that, ah, putting in those meters the notification to the community was horrific. For six months we had water that nobody could drink. We

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couldn't even use it for our laundry because the condition of the water was so despicable. When we called we were given very little information.

The other item I'd like to know is considering the fact that we are in a community that is many, ah, people that are on a fixed income and we've been notified that due to the inflation or the non-inflation the, um, we will not be getting cost of living increase and I'd like to know what is a fair rate of return that you're expecting to give to your investors at our expense. And I don't see where we should be getting a rate increase until those questions are answered. What are your operating costs, how have they gone up and why should we be paying for meters that we did not ask for and we did not expect to get. What is it staff and what was the impact to the staff and what are the - what was the impact to your operating costs and what is the fair rate of return you are expecting to give to your investors at our expense. I have no problem with companies making profit when they do the right thing and I have no problem with companies making profit when it is reasonable but when it becomes unreasonable and costs are going up and doubling – we're people on a fixed income - that is unreasonable. Thank you.

Cheryl Bulecza-Banks: Is there anybody else who would like to speak before I ask Mr. Hartman would like to make a couple more comments ... Mr. Hartman?

Gary Hartman: The, ah, in answer to the gentleman who spoke about why can't we have a well, unfortunately there are deed restrictions in Sunny Hills, um, on every single unit and those deed restrictions clearly state that if sewer and water, sewer and/or water are offered at a particular address that you must sign up with the system. It does not give you an option. If, ah, and those deed restrictions were put in when the unit, the units were platted back in the early 70s, they're grandfathered in and you're forced to do that and that's one of the problems that we have is that if you're forced to put a well in you don't have the opportunity to make the decision of whether you want to put a well in or not. You can drill a well and use it for irrigation purposes but you are not allowed to hook your potable water system up to it and that becomes a problem that you just don't have the decision to make. Unfortunately it's a legal decision and there's nothing that can be done about it but I'd like to point out that the – some of the things that are happening here the costs of some of the utilities caused people not to build here, it's

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gotten so bad that Deltona, the developer of the community is actually closing their office. They don't – the sales have slowed down to a point where they're not viable anymore. We would like to have people move into Sunny Hills and get roof tops in here so that we can get goods and services, ah, a grocery stores and the kind of things that people want to have to make a neighborhood, but when people look at water rates and sewer rates that are this high they go someplace else to make a decision about building and were very disappointed about that, but you are required to hook up to the system under the deed restrictions if there is service available.

Cheryl Bulecza-Banks: Thank you very much, any other questions?

Steve Reilly: Just a quick question.

Gary Hartman: Yes Sir.

Steve Reilly: But those deed restrictions you say, for those who wish a green yard, I think that was spoken of here, they do have the option of having an irrigation well that's not cross-connected

Gary Hartman: Yes Sir.

Steve Reilly: with the Aqua system for this sole purpose of irrigating the yard.

Gary Hartman: Yes Sir.

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Steve Reilly: Ah, and that also addresses the issue of as you use more water the rate goes up, obviously those high rates would be associated more with your irrigation use than your in home use.

Gary Hartman: Yes, you absolutely

Steve Reilly: Could be an answer for some of these peoples.

Gary Hartman: Yes it is. You can put a well in and as long as it's not hooked up to the system – I'm not sure that everybody in Sunny Hills is obeying those rules but, ah, but that is what the deed restrictions say. It clearly allows an irrigation well. It clearly states that you have to hook up to the utility if it's available at your property line.

Steve Reilly: Thank you.

Cheryl Bulecza-Banks: Thank you very much. Yes Ma'am

Luzia Mikutis: M I K U T I S. 1768 Quintara Court, Sunny Hills. I was told that, ah, they plan on putting a meter on the wells - Aqua Utilities is planning to put a meter on the wells so that they can collect money on the well water. I'd like to have some information regarding that.

Cheryl Bulecza-Banks: I'm not aware of that nor would that be allowed from the Commission's perspective. I don't know, I mean the Utility, um, I don't understand how they could do that. That's on your personal property, I'm not sure how you wrote that

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Lucia Mikutis: Well that's what I couldn't figure out

Cheryl Bulecza-Banks: No Ma'am that's not been done.

Lucia Mikutis: Okay. Will that be stipulated in any of the paperwork that you have? That you wrote it off

Steve Reilly: It's just really not permitted by law, that I'm aware of for a utility to take someone's private well and put a meter on it.

Lucia Mikutis: Okay.

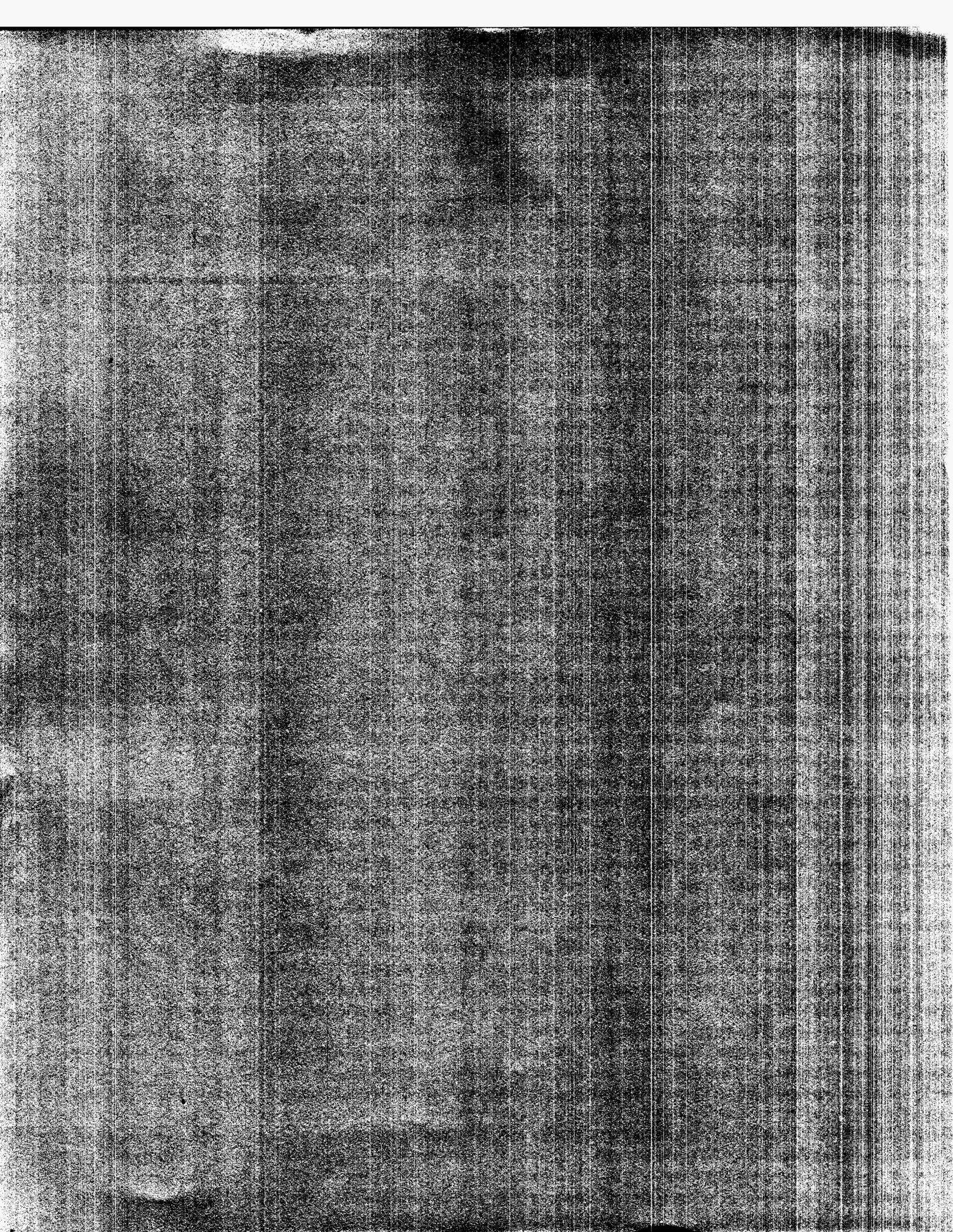
Steve Reilly: I've never heard of that.

Lucia Mikutis: Okay, thank you.

Cheryl Bulecza-Banks: Is there anybody else who would like to speak? Before we close today I would urge you to take some of these with you. We have extra copies and you can distribute those out to your family or friends in the area. Um, and if they would like to make a comment, again they can fill out the sheet and mail it back to us. We do also can, um, file your concerns, um, over the internet. We will take those over the internet through our process that you can go online the system and file your concerns through the docket there. Um, we do take seriously the concerns that you have raised. Um, if there are some questions that you have just thought of after we're concluded were going to – Staff is going to be around for a little while. We can answer those questions. Um be happy to do so, there's – if you would notice the Staff here, is here

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for – to help you – to answer those questions because we have Staff that are here in various capacities. We have Staff that are here on the financial side, that can ask – answer questions on the financial side. We have those that are economists and we have those that deal with the accounting issues. We also have the engineers that I told you, we are here for you to be able to answer your questions and take your concerns or complaints. Um, so we urge you to take advantage of us while we are here and you can also – we have numbers in here of contact numbers of Staff that are lead on this docket that you can call. We also, um, encourage you that if you have truly quality concerns of the water which the Commission does not have primacy control and jurisdiction over those, we ask you that you contact the Department of Environmental Protection and their web site is www.dep.state.fl.us. The Florida Department of Environmental Regulation is a primacy agency that handles the quality of your water. Oh, and then also, um, you have the Commission's toll free numbers on page 2 in there. If you are having any billing issues or quality of service issues, you can also contact us through that toll free number. Um, we do really appreciate you coming here out of your day, taking time to come here. Um, we heard you last time when you did not like the idea that we were in town before we could get into this facility was not available. Um, luckily we were able to take advantage of this so it's in your community so you didn't have to travel so far. We do listen to you, we try to, um, do the best we can with reaching out to you. Ah, again we'll be here for a little while and, um, so if you have any concerns you can come to us and talk to us. Um, thank you very much for attending today and this meeting is concluded.



ATTACHMENT B

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Andrew Maurey: I'd like to call this meeting to order. Testing, testing. Staff Counsel will you please read the Notice.

Ralph Jaegar: By Notice this time and place has been set for a Customer Meeting in Docket No. 100330-WS, Petition for Increase in Rates by Aqua Utilities Florida, Inc.

Andrew Maurey: I'd like to welcome you to this Customer Meeting. My name is Andrew Maurey and with me is, to my left is Dale Buys and Ralph Jaegar, to my right Cheryl Banks and Tom Walden. Also here from staff are Bev DeMello and Dick Durbin, who you may of met on your way in. Also tonight we have Commissioner Nathan Skop in attendance. Would you like to make some remarks?

Commissioner Skop: Yes, thank you sure. Um, I'm Commissioner Nathan Skop, Florida Public Service Commission, I only have two months left on my four year term but I thought it was very important to come this evening to hear the customers reporting their concerns. Thank you.

The Crowd: Clapping. Thank you.

Andrew Maurey: We'd like to thank you for taking the time out of your schedule to attend this Customer Meeting. The purpose of this meeting is to receive input from Aqua Utilities Florida customers. We would like to hear about your views on the service quality, customer service and a proposed rate increase. The Commission is interested in hearing from you and your comments are being recorded. A copy of the digital recording will be placed in the docket file and will be accessible from the Commission's website.

At this time I would like to explain how this meeting will proceed. First we will listen to a brief presentation from Aqua Utilities Florida which will be followed by a brief

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presentation by the Office of Public Counsel. After these two parties have concluded their presentations a member of the Commission staff will give a brief presentation regarding how the rate case process will unfold. Also with us today are Senator Fasano, Representative Legg, Representative Weatherford, and County Commissioner Cox. Later we will afford them an opportunity to address the customer – or address the audience right before the customer comments are received. When Staff's presentation is finished we will begin to take the customer comments. Customers will be called to speak in the order in which they signed up. If anyone would like to speak but did not sign up when they entered the hall please see Mr. Dick Durbin at the back of the room and he will include your name on the list. If you'd like to submit comments but do not want to speak tonight , there's an opportunity for you to provide written comments – when you came in there were Special Report forms that you were handed, and at the back are Comment sheets that are pre-addressed to the Commission. You can write the comments out tonight and hand them to any Staff member or you can write them later and mail them to the Commission.

If you have friends or neighbors who are unable to attend tonight's meeting take – please feel free to take extra copies of these reports and distribute them. Now at this time I would like to offer Aqua Utilities to provide a brief presentation on their requested rate increase.

Crowd: Boooooooooooooooooo!

Jack Lihvarcik: Thank you Mr. Maurey. Good evening.

Crowd: It's just the beginning

Jack Lihvarcik: Good evening I'm Jack Lihvarcik and I'm President of Aqua Utilities Florida.

Crowd: BOOOOOOOOOOOOO!

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Jack Lihvarcik: I appreciate the opportunity to offer some opening comments to our customers in Pasco County concerning the rate increase. We have additional Aqua staff available today to answer your questions and address any concerns that you might have after the meeting and they're located in the back of the room. We are here today to hear from you, our customers, and we understand that a rate increase is never easy. I would like to take just a few minutes to explain to you the improvements we have made to your water and wastewater system that are the reason for the – our need to file a rate increase.

Crowd: What's your salary? What's your bonus last year? Let the man talk. Let him talk.

Jack Lihvarcik: Thank you. Over the past 2 ½ years Aqua has spent \$8.4 million dollars in capital to comply with DEP regulations and improve water and wastewater quality, service, and reliability for more than 22,000 customers throughout the state of Florida. The overwhelming majority of our request is about 73% is directly related to the infrastructure improvements projects. Many of these improvement have occurred right here in Pasco County. These include reducing storm water infiltration into the storm system at Palm Terrace and replacing collection lines that were aged and failing. This will reduce operating and maintenance costs in the long run and improve efficiencies of the treatment plant. Adding disinfection contact time to Jasmine Lakes' water system to improve disinfection treatment system and continue to meet DEP standards. Replacing undersized water main and installing new main in Zephyr Shores. This will improve water pressure and water quality. I understand that many of our customers here today are from Zephyr Shores. Zephyr Shores is a community with approximately 500 customers who receive their water from two wells. We have heard aesthetic water quality concerns from our customers stemming from the natural characteristics of the local water supply in Zephyr Shores. I have visited the Zephyr Shores' customers five times over the past year. Aesthetic water quality concerns like taste and odor are typically issues that are unique to a particular water source. In order to address these concerns about aesthetic water quality, Aqua has added a sequestering agent to the water. This will reduce the effects of natural minerals in water which can sometimes leave spots on glasses and dishes. The Florida DEP has approved the new treatment

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system last March. Aqua has also installed valves that will allow the distribution system to be systematically flushed in accordance with AWWA standards. As I mentioned before Aqua has listened to our customers. In June, again in September, we have met with customers in Zephyr to discuss the water quality improvements we'd made to the system and since September we met to discuss the impact of the capital improvements would have on their rates and the rate structure we prepare for this filing.

Let me take a moment to discuss AUF's rate proposal. We have taken additional steps in this case toward consolidating rate structure. We are proposing a statewide consolidated rate for both water and wastewater customers. This means that our customers across the state would pay the same rates, similar to the way the electric and gas companies do. This concept has been used many times – is used by many utilities because over time all our water and wastewater customers will need upgrades and improvements to their systems. So for example in Zephyr Shores we are proposing in our rate case an average water bill of \$50.11. This is actually a decrease from the \$52.26 of their current water rate. Without a consolidated rate structure Zephyr Shore proposed property bill would be approximately \$72.00. On the wastewater side we proposed an approximate 21% increase with a proposed average bill of \$85. We have also proposed a less aggressive

Crowd: shhhhhhhhhhhhhhhhhhh (crowd got very noisy)

Jack Lihvarcik: – we have also proposed a less aggressive conservation rate to our gallonage charges. We believe this request will address the concerns some customers with large families and higher usage. You will hear further explanation of our rate case in our rate proposal from the Staff of the Commission today. We look forward to hearing your comments. We will be available after the meeting to answer any questions you may have. Thank you.

Andrew Maurey: Next we will ...

Crowd: inaudible ... for water.

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Andrew Maurey: Next we will hear from the Office of Public Counsel. And please if we can keep outbursts from the audience to a minimum. Please, we're recording this and when that happens it will override what the speaker is saying and we will not have a clear record of the proceeding. So, we can understand the emotion involved but if you could keep outbursts to a minimum we would really appreciate it.

Charlie Beck: Hello everyone my name is Charlie Beck. I'm with the Office of Public Counsel. Ah, let me briefly describe what we do. Our office is independent of the Florida Public Service Commission, they will sit as the judge in this case and decide it. The Legislature created our office separate from them to be your advocate in front of them, so we are now preparing our case.

Crowd: clapping.

Charlie Beck: I can tell you now that we are going to do everything we can to fight this rate request by Aqua Utilities.

Crowd: (a lot of clapping)

Charlie Beck: We have three attorneys in our office who are working on the case, as well as an analyst. We've also hired, ah, outside experts who can appear as expert witnesses in the proceeding. We've hired a CPA firm that specializes in this. We've hired an expert in finance and we've hired an engineer from a large engineering firm in Orlando that are going to help us review the case. Ah, we are in the midst right now of discovery which is a process where we try to get the information from the Company to analyze their case. We're already in fights with them. We filed a motion with the Commission asking them to order them to produce the information we need to analyze their case. Ah, just very briefly, also, we are very unhappy with the Notice you got about the rate proposal. The one you got in the mail simply gave you the rate proposal without

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your present rate to compare it to. We also think it was misleading about the usage charges because they occur 1,000 gallons not just for the bands that you set. We have prepared an analysis to try help you analyze what they've – what they are asking for. Ah, we have extra copies if anybody needs them, raise your hand and we'll try to get you some. Steve Reilly is also an attorney in our office and he's here tonight, he'll be handing some of these out. Thank you so much for coming. It makes a great difference that you're coming here tonight. We appreciate your being here.

Crowd: clapping.

Andrew Maurey: We'd now like Staff - Commission Staff to provide an overview of the rate case process being used in this docket.

Dale Buys: Good evening, my name is Dale Buys and I'm a Regulatory Analyst at the Florida Public Service Commission and I will – I will be going over the rate case process. My presentation will cover the Proposed Agency Action process, also referred to as a PAA process, Staff's review and analysis of Aqua's rate case filing, the Customer Meeting and what happens if the Commission's PAA order is protested. Aqua requests that its rate case be processed using the Proposed Agency Action procedures which are allowed by statute. The PAA process is an informal process and costs much less than going to a formal hearing. Under the PAA procedures the rate case must be completed within 5 months of the official filing date and the PAA can be protested by any substantially affected person.

Now let's talk about what the Commission does in a Proposed Agency Action process. In this process the Commission Staff performs review and analysis of the utility's rate case filing. The Commission holds Customer Meetings, which is what we're doing here tonight, and Staff prepares a written Recommendation and finally the Commission makes its decision during a Commission Conference. Now during Staff's review and analysis, Staff's auditors will conduct an audit and audit Aqua's book and records. Staff engineers will determine the appropriate percentage of used and useful plant, the quality of service provided by the Utility and the prudence of Aqua's operations. Staff accountants and economists will then review and analyze any

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accounting issues, the rate issues, and the billing issues related to the Utility's rate case filing. In all rate cases the Commission will hold a Customer Meeting as we, again, are doing here. The purpose of this meeting is to receive comments from you the customers regarding the quality of service provided, the interaction between Aqua and its customers, the proposed rate increase, and to answer any questions that you have. This is the customers' meeting and we are here to listen to your comments and your concerns. Now if you would like to make comments or ask questions we ask that you please sign up on the Customer list that was available before you entered the room from Dick Durbin. The customers will be called up to speak in the order in which they signed up. Now for your convenience we have prepared a Special Report, which is the green paper I think most everybody has, and this has pertinent information regarding Aqua's rate case filing. It also contains Staff's contact information on the second page. So please make sure you have a copy of that Special Report before you leave here tonight. And again on that left page of the report we have included a special self-addressed customer comment letter, so if you do not wish to speak here tonight you can simply write your comments on this form and mail it to the Commission or you can give it to one of the Staff members present here tonight. Now your letter will be given – will be filed in the correspondence side of the docket file and it will be given the same weight as if you spoke here tonight. Now after the Customer Meetings are concluded and Staff completes its review of the utility rate case filing, Staff will prepare and file its Recommendation. Staff's Recommendation is reviewed by the Commissioners and then voted on at a Commission Conference in Tallahassee. At this conference, Utility representatives, the customers, and the Office of Public Counsel are allowed to speak. Now if you would like to speak at this Commission Conference we ask that you please notify a mem – a Staff member at least one week prior to the date of the Conference. And, again, Staff's contact information can be found in that Special Report. Also if you would like to receive a written copy of Staff's PAA Recommendation please see Dick Durbin or myself after the meeting so that you can provide us with your mailing address. Now if you would like to stay up to date with the progress of the rate case you can track the docket on the PSC website. The web address, and it's at the bottom, is www.floridapsc.com. On our web site you can review official dockets filed in the case. You'll need to – it'll be simple enough to enter the docket number which, again, is on the front of the Special Report. We also have a link for streaming live video and audio so that you can watch and listen to the Commission Conference as it happens. Now Staff's PAA Recommendation is tentatively scheduled to be filed in February of next year. The Commission Conference is held 12 days after filing the Recommendation, and at this Commission Conference the Commissioners may to either decide to approve, deny, or

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modify Staff's Recommendation. After the vote at the Commission Conference the Commission will issue a PAA order within 20 days. Once the PAA order is issued the 21 day protest period begins where any substantially affected person may protest the order and request a hearing. If no party files a protest the new rates will be effective upon issuance of the Consummating Order, which usually happens 3 to 5 days after the expiration of the 21 day protest period and if a party protests – other than the Utility – protests the PAA Order the Utility can put the new improved rates into effect. However the amount of that new rate collected would be subject to refund with interest back to the customers. If the PAA Order is timely protested the formal hearing process begins which must be completed in 8 months. Customer servi – part of that process involves Customer Service hearings. We'll hold a technical hearing in Tallahassee where Aqua and opposing parties will litigate the issues and of course the customers will have an opportunity to testify before the Commission. During the hearing process each party is responsible for - and bears the expense of filing testimony, putting on witnesses, preparing cross examination, conducting depositions and, of course, attending the Prehearing Conference and the hearing in Tallahassee. After the hearing process is over Staff prepares another Recommendation based on the evidence presented at the hearing. The Commissioners will address Staff's Recommendation at a Post Hearing Commission Conference. Participation at the Post Hearing Commission Conference is limited to Commissioners and Staff. The Final Order is then issued within 20 days of the Commission's vote. Now a party may appeal the Commission's decision to the First District Court of Appeals. Again this concludes Staff's presentation. I thank you for listening and now I believe it's your turn to speak, and please keep in mind that tonight's meeting is being recorded and if you have signed up to speak, please come forward to the microphone when your name is called and please state your name, address, and , if you would spell you name for the record. Thank you.

Andrew Maurey: Thank you. At this time we'd like to hear from the elected officials in the audience. Senator Fasano.

Crowd: Clapping.

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Senator Fasano: Good evening and, ah, first of all I want to apologize to the customers – apologize for facing towards each of you tonight because you're the ones that will make the decision – you're the ones that will make a recommendation to the Public Service Commissioners and, my hope of course is that your recommendation will be to deny any rate increase. Um,

Crowd: Clapping.

Senator Fasano: I won't take but a couple of minutes because I'm not a customer. Ah, you probably heard from me before because I am a customer of – a former customer of Aloha Utilities, which is now FUA, but those who stand and sit behind me are my constituents. Ah, they're the ones who are going to have to pay the enormous bill, ah, if this rate increase is approved. They're the ones that are already having to endure the rate increase that was granted only two years ago. Ladies and gentlemen what this comes down to, unfortunately, is a rate of return. You created a – a scheme a couple of years ago, um, that created this four tier grouping of – at a cost to people in Jasmine, people in Palm Terrace and people in Zephyr Shores. What it comes down to is they saw their rates go up significantly. For some, over 100% in the last couple of years. What it comes down to, is now because people were penalized - because with the rate increase – many of these good people back here – what did they do, they conserve. They conserved their water because that's what you wanted them to do. They reduced the amount of gallonage in their homes, the amount of times they flushed their toilet or washed their dishes or did their laundry and because of their conservation they're being penalized by Aqua because Aqua wants that rate of return that is guaranteed ...

Crowd: Yeah, yeah, yeah.

Senator Fasano: ...by the Public Service Commission.

Crowd: Clapping.

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Senator Fasano: Please don't. Please don't penalize these individuals again – these ratepayers. You're talking three communities. Specifically let me talk about the two that I represent – Palm Terrace and Jasmine. Both of them are older communities. Both of them are communities that were, that were – that had a utility company that was probably built by an old developer many, many years ago

Crowd: Palm Wood Terrace.

Senator Fasano: and of course Aqua comes in, purchases this utility, doesn't even consider what the costs may be to be put on the backs of these ratepayers and yet the Public Service Commission grants a huge rate increase. Consider this, that the people in those two communities have seen their taxes go up, have seen their property and casualty insurance premiums go up, but for our senior citizens that live in that community they have just heard that they're not going to get any cost of living increase in regards to their social security check.

Crowd: No inflation ... Thank you.

Senator Fasano: And I would ask you to consider that. Consider that most of the homes – NO, all of the homes in those two communities have seen a devaluation in their properties significantly – significantly over the last couple of years. Let me tell you a quick story. Had a senior citizen come in to see me today – 80 year old. She just got a notice from her mortgage company – servicing company I should say – that her mortgage is going up about \$289 a month because her taxes are going up and because her property insurance is going up - that means her escrow is going up. Now she had to go - because she's on a very fixed limited income - she had to go to the bank with a credit card and take out a line of credit from her credit card, a cash advance if you will, for \$200 so she could pay her mortgage payment this year – this month when she found out her escrow went up \$289. Now I have to tell her that there's a good chance that the utility company that she has, Aqua, she's going to see her rates go up 100%. There is

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no way. There is no way economically that she, nor anyone, can afford those type of rates. We're talking about a community of families and seniors that live on a fixed income, for many who are looking for a job. Where Pasco County today has an unemployment rate of 13½%. Consider all of that.

Crowd: Yeah ... clapping.

Senator Fasano: Before you make your decision I know you'll listen to these fine people behind me tonight. Listen very well, but before you go home I would ask you to go drive out into these three communities. Take a look – take a look at how these people are just barely surviving. Take a look at how these individuals are struggling. Understand and appreciate what they're going through, and now a major national utility company comes to Florida and says we don't care, we're going charge what we believe is in the best of our interest not the best of the customer's interest. Please, please do me a great favor tonight. Not only listen, but come to the conclusion that you need to do two things: 1) You gotta revisit the scheme that you created a couple of years ago and 2) when you go to the Public Service Commission in a couple of months – when you make your recommendation tell them Absolutely No – Zero increase for Aqua Utilities. Thank you very much.

Crowd: Whistles & clapping.

Andrew Maurey: Thank you. Next is Representative Legg.

Crowd: Clapping.

Representative Legg: Thank you, thank you very much for allowing me to speak and I'll be very brief. It's always challenging to follow our good Senator. He so articulate and was able to paint an excellent human face to this and a human side of this story. But I

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want – I want to tell you a little bit about technical approach and kind of looking at the numbers and give you reasons why you should absolutely reject this rate increase. I represent the west side of Pasco County, specifically Jasmine Lakes and as the Senator said earlier this proposal is basically reverse Robin Hood, because if you look at Jasmine Lakes, we're not talking about an affluent area we're talking about one of the poorer communities in Pasco County. Over the past few years, the past decade or so Jasmine Lakes has seen a significant deterioration in terms of the value of their homes and their community. This community cannot withstand this rate increase. But let me – let me give you examples, let me give you - it's a little technical but let me give you some numbers that we did in our office and we requested from Aqua – we requested the Capital Improvements for which they're justifying for their rate increase and we kinda crunched the numbers a little bit. I don't profess to be an accountant, but I can add one plus one. Here is – Here's some basic numbers. Jasmine Lakes has 1,509 service connections or homes. The Capital Improvement costs that we were – that we had access to showed us a \$1.3 million dollars in Capital Improvements. These improvements primarily consisted of, for the bulk of it – 80% of it was in two major areas – a pond rehabilitation, which was about \$600,000 and about \$400,000 in meter upgrades or meter replacements. If you break it out, if you break out the Capital Improvements per home, you'll get about an average – average cost per average homeowner would be about \$866.00 for those improvements. If you look at their rate of increase that they're asking– I'm using the average number here for a 5,000 usage home, which is the middle, middle tier, they're looking at a 107% increase which equal a net increase – a net increase now of \$311.76, for a total revenue increase just from Jasmine Lakes of \$470,000 per year. Now what does these number mean? It boils down to this to me. It means that in 2.7 years they would have paid off the so called Capital Improvements. In two years they would pay off the Capital Improvements. Now I have a couple of businesses that I operate, I would love to pay off my Capital Improvements in two years. I would love to pay off my home in two years.

Crowd: Yeah, (clapping)

Representative Legg: That is simply ... That is simply ridiculous business practice in order – in order to do that and I'm not even arguing the validity of the Capital Improvements – which I can, but I'm not going too. I'm just arguing the math - I'm just

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arguing the math on this. So my question is where is the rest of the money going to? Where is the rest of the money going to? Rate of Return, where is it going?

Crowd: Did they raise their salaries?

Representative Legg: This is the issue that you have to ask yourself. This is the issue that you have to ask yourself when you make your Staff Recommendation. If it is indeed so called improvements that they must use – according to my business when we do Capital Improvement it's depreciated over 15 to 30 years. 15 to 30 years to pay off a Capital Improvement versus two years – 2.7 years. There is no way. So I – my conclusion is this...: Jasmine Lakes is asked to do two things: 1) Pay for someone else's improvements. So you're doing reverse Robin Hood. You're asking the poorest people in Pasco County to subsidize someone else in the State of Florida, which is absolutely ridiculous, or even worse you're asking them to pad the lining of someone else. And I hope it's neither the case and I would strongly urge you to look at the numbers. Strongly look at – Strongly urge you to look at the models and reject this rate increase. Thank you.

Crowd: Clapping.

Andrew Maurey: Representative Weatherford.

Crowd: Clapping. We need help now ... We need help now!

Representative Weatherford: Thank you very much for having me here today. Ah, first of all I want to thank Commissioner Skop, thank you for being here, I know that you're the only person on the Commission that took time to come down tonight and I know you don't live close to Pasco County but we appreciate your presence being here, so thank you for taking the time.

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Crowd: Clapping.

Representative Weatherford: Ah, I'm going to make my comments brief, I think Mike and John have hit this thing on just about every single way, but I wanted to come at it from a little bit of a different angle. Back in January of 2010 this year, January 26 exactly there was a letter that was signed by every legislator in the Pasco delegation which includes the three of us and about 5 others. That letter went to the Chairman of the PSC and asked the PSC to go back and revisit the increase that was given in 2008 and the four tier system which was the beginning of the problem, ah, in this entire issue and we never even got a response.

Crowd: Noooooooooo, boooooooooooooo.

Representative Weatherford: My office – my office sent a follow up letter, individually from my office asking to be responded to – I was never responded to from anyone at the Public Service Commission and so, my only bone to pick here is the fact that if you're not responding to us then how will we know if anyone is responding to them.

Crowd: Yeah ... (clapping)

Representative Weatherford: And I've got copies of the letter. The, - look I'm going to go back and talk about 2008 because what really started this problem and I represent Zephyr Shores which is in my district – that has been hit harder in this than probably anybody back – because of the increase in '08 and the most aggressive tiered system that has ever come out of the PSC, as far as I know, was that rate increase that was given and, um, you have people in Zephyr Shores that literally saw a 400% increase in their water bill. That's insane. Nobody can pay that, and I'm not standing here and telling you that this water system doesn't need to be fixed. I'm not an expert; I don't know what projects need to be done. I don't know what projects don't need to be done.

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What I do know is that no one can afford to pay a 400% increase in their water bill. It just can't be done, and so what I would ask you to do is go back, forget about this rate increase, go back and look at what you did in 2008. Let's fixed the problem that was created, frankly and partially by the PSC in 2008 and then we'll come back six months from now or a year from now and have a rationale conversation, but until you fix what you created two years ago – until you fix that it's not even worth talking about.

Crowd: Clapping.

Representative Weatherford: Again my office will get you copies of the letters that we've sent you in the past and we'll get you a copy of the letter we sent you today. We would ask you to address this and please do not approve this rate increase until we have further looked at what happened all the way back two years ago. Thank you very much.

Crowd: Clapping.

Andrew Maurey: Thank you, ah, next is Commissioner Cox.

Crowd: Clapping.

Commissioner Cox: Well good evening everybody and I would also like to say, ah, welcome to the Commissioner to Pasco County. Um, my name is Michael Cox; my address is 7530 Little Road. I had a letter of opposition that I would like for you to receive and file into your official records. If I could hand this out please?

Every one of the people standing behind me is one of my constituents. Ah, we are elected county wide, I represent the 4th district on the Commission but every person behind me is one of my constituents and I can tell you that a, Jasmine Lakes is in my Commission district and the people there are at a breaking point. There is nothing

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easier that I can say, but that is the case. A couple statistics I'd like to, um, read into the record is that there are 1,509 homes in Jasmine Lakes. The cost of the Capital Improvements made by Aqua is 1.3 million dollars; the average cost to Jasmine homeowners over the life of the improvements is \$867.00. The average annual rate increase per the Jasmine homeowner is \$311.00, an increase of 107% at a 5,000 gallon level. The total annual revenue increase would be \$470,000. The time to recoup the 1.3 million dollar Capital Investment is 2.78 years. That's an unrealistic recap ratio. I will tell you that the meter replacement program that they did would allow them to recapture their revenue in a faster time period because they are being able to, ah, more accurately bill what may have been previously happening. That's a common technique that utilities, water utilities will utilize. They will replace old worn out meters with new meters that more accurately record what's happening through them and by allowing them to have this rate increase, in essence, would be allowing them to double dip into their revenue source. It's my testimony tonight that our office fields lots of customer complaints from their service areas. Ah, we routinely are having to try to run interference and help our citizens to get something of basic necessity and that is 'quality water', and that's not happening with Aqua Utilities.

Crowd: Clapping.

Commissioner Cox: Routinely we are having our staffs attempt to run interference for them. My appointee to the Pasco County Planning Commission is an engineer and he recently moved into the Jasmine Lakes area. And, ah, Mr. Moody when he had his water turned on he noticed that there was a pungent smell of chlorine coming out of his tap. So he decided to test it and he found that it was, at a minimum, five times the legal limit of chlorine coming out of the tap. So I'm here to tell you and to testify before you that the service quality they are receiving is terrible and that there is definitely grounds for denying the request. Ah, again, I stand in opposition to this and I would respectfully request that your recommendation to the Public Service Commission be to 'deny.' Thank you.

Crowd: Clapping.

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Andrew Maurey: Thank you. Next Commissioner Mariano.

Crowd: Clapping.

Commissioner Mariano: Good evening, we appreciate you coming down to Pasco County tonight. Commissioner Skop I remember he got sworn in several years ago and I appreciate you coming down here to really hear this first hand. What you're seeing in here is a very angry group of folks for all the right reasons. Everyone should be entitled to good, clean water at a reasonable price. What you can't see are all of the people that didn't make it in here tonight or are out in the back of the audience, out in the lobby, that either stayed, left or couldn't hear, so they've gone on home, hopefully that your gonna listen to everyone else that's going to be here tonight. Ah, six years ago – seven years ago I was running for Commissioner for the first time, and one of the things that I found was that we had some different water quality issues that are out there for different utilities across the board, ah, across the County. Ah, I worked close with Senator Fasano, kinda plotted a strategy, kinda working together on the Commission side as well as on his Senate seat and working with the State Legislature to try to find out what we could do to get our people good water quality, and I think everyone here, it's probably understood by this - at this point by the responses you are hearing that the water quality out there is not good.

Crowd: Terrible, horrible.

Commissioner Mariano: These people have to not only pay extra money for their water, but they're actually having to go out and buy water to make coffee or to drink. So there's extra expense there.

Crowd: Clapping.

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Commissioner Mariano: I don't know how much water gets wasted because of that but I do know when we used to have testimony here from a utility, you might be familiar with it – Aloha Utilities. Does that ring a bell? We took away a big headache of yours a few years ago when we joined the FGUA and negotiated with them to take over that utility. Those people went through an increase, but even the increase they paid was probably one quarter of what were going through now with these folks facing – that's already been implemented never mind what's coming down the road. I don't think ...

Crowd: It's as much as our electric. Yeah, Yep.

Commissioner Mariano: It's just heading the wrong way. Palm Terrace – to give you an idea as far as a community goes – is an area that qualifies for CDB – CDBG funding and I been trying to actually help them get their streets paved for several years. Haven't been successful because of some other projects that have taken precedence to it, but they can't afford to actually pay for their roads. Even Jasmine Lakes, my very first year in, they struggled with coming up with the money to take care of that and that's again, six years ago. So these are very low income – low income areas that can't afford big - big increases period. Never mind how they're struggling with all the other costs that have increased around the County. Ah, between insurances, as they've all touched on, I don't want to repeat that, but the rate of return is one of the leverages that we have actually looked at when we thought about taking over the utilities. We actually thought about taking back jurisdiction from Aloha and Lindrick at the start. And one of the levers we were told that we could actually use was actually cutting down their rate of return. If the water quality was bad, if the service was bad, and to me it's just inefficient, and when I say inefficient, I mean, if you have to pay managers that are over in Texas and other parts, and they've got little pockets of utilities that they bought up and they can't run it efficiently, well that shouldn't give them the same rate of return than somebody's whose going to be more cohesive and able to run it like a larger utility that's more concentrated. So they shouldn't get that same rate of return because their expenses are higher. That shouldn't wash for these folks just because they're going to be inefficient. Ah, water quality is actually another way that you can drive that down. From what I understand you can even take manager's pay and actually control that and drive that cost down. Now we're trying to negotiate with taking them over into the FGUA. But you

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know what they're telling us. We want you to take our other ones that are in other parts of the state and try to bring that in as well. Well, what's that going to do is if these people are paying twice the rate in another area they want to shift that rate onto the backs of these folks right here and it's just not right? We should be able to negotiate them one by one in different areas. Now we can use your help by cutting down their rate of return and put us in the position to negotiate with them to let us take over one area at a time.

Crowd: Clapping.

Commissioner Mariano: And I... and I got a lot of faith with FGUA to do that. I mean for them to actually work with FGUA and make that transaction happen and then I remember the Chairman was up there before you, ah, he said "If you can take them over we would be delighted". Okay, we did that, we took over Lindrick and other troubled utilities. We've taken over the infrastructure as far as what needs to be done. The infrastructure improvement as Representative Legg mentioned was really weak. It didn't have to be done. Ah, certainly the expense could be questioned, but not even to get to that, this is not a troubled system that we can't fix. The County surrounds it. We could take it over very easily and work with it. I want you to try to implore that.

Crowd: Clapping.

Commissioner Mariano: And one of the things that where we have to separate, when we separate Aloha or Lindrick, etcetera, is cause we don't want to put the burden on the rest of the County, which wouldn't be fair, just like we want the burden shifted to them. Let us take over the system, let's roll back the rates to where they were before is what Representative Weatherford said and let's start from there.

Crowd: Clapping.

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Commissioner Mariano: Let us take care of our people. We've got a great utility system; we're all set up for it. Put them in a position to come back to the table for us and let us work our own Pasco County utility areas and separate them from the rest of the state. Thank you.

Crowd: Clapping.

Andrew Maurey: Thank you. We will now hear from or take comments from the customers. Again, this meeting is being recorded. Additional copies of this recording will be available on the Commission website. When your name is called, please come forward to the microphone, give your name and address, and please spell your last name.

Charlie Beck: Thank you. Ah, the first customer signing up is Louis Villei – Villei.

Crowd: Yeah ...

Louis Villei: Hello. Thank you for having me up here in front of you tonight. My name is Louis R. Villei – V (as in Victor) I L L E I. I live at 7741 Greyburch Terrace, in New Port Richey in Pasco County, which happens to be, ah, Palm Terrace Gardens. Um, I can only speak for my subdivision because that's the vicinity that I lived in – or that I live in and I just wanted to let you know that I'm here to say no to the petition of the rate increase and challenge the previous rates increasing – that increase this by asking for a reduction of our rates and a refund for the past year equal to the County rates that they are now – the County residents are receiving.

Crowd: Yes. Clapping.

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Louis Villei: I will explain this as I go along. Ah, the Public Service Commission received letters back in 2007, 2008 from Aqua Utilities stating the fact that they never had a rate increase since 1991. Well I got news for you, they didn't purchase Florida Water Systems out until 2004. So why would they even make a statement like that? I have no idea. Alright, take in mind that they didn't, well I'm going to leave that there, ah, the County – the rates at that time from Florida Water Services was 25% higher than the County utilities, which was doable for the residents of Palm Terrace Gardens. I'm prepared to submit to the press, media, TV and the Commission, and some of the other representatives here that I've been in touch with for the past 2 ½ months – every year we receive an Annual Report of the drinking quality of the water that we receive, well in the top letterhead it caught my attention that Aqua Utilities purchases its water from Pasco County Utilities.

Crowd: Ohh, that's crazy

Louis Villei: That's right, they do and right now there's a little bit of an iffy question about if the wastewater treatment is being done by the County also. Well I've been back and forth with a few of the staff members today trying to get it ironed out and I haven't had any further communication with them. Ah, I did receive some information from District Commissioner Jack Mariano's office that the wastewater is being treated at Jasmine Lakes waste treatment plant. Now why are they shipping our wastewater to Jasmine and how are they doing it? It's gotta be through some kind of system that is incorporated through the County to get it down there. Okay, the rates that are charged by the Pasco County customers, the base water charge is \$7.16. The base sewer charge is \$14.18, for a total charge of \$21.34. Aqua Utilities is now charging, this is current, \$15.71 for the base water, \$35.44 for the sewer, so a total of \$51.15 without turning the tap on.

Crowd: Terrible ... highway robbery.

Louis Villei: The gallon usage per County charges for water and sewer is \$6.27 per thousand. Aqua is charging \$14.42. Ah, the total charge is, between back and forth, the

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difference comes out to about 237% - 237% higher that Aqua is charging than what the County is charging right now. Our monthly – my monthly usage runs between 2,700 gallons to 3,200 gallons depending on the length of the billing cycle and my bills are running near \$100 per month.

Crowd: Right.

Louis Villej: Now it's hard for me to understand how a family with children that live in my subdivision can afford to have their rates any higher than this.

Crowd: We can't.

Louis Villej: They can't. They got kids that are in school. The plant on Ranch Road may be nothing more than a deception to the County residents and our Commissioner for what they are doing out there to so – I believe that it should be investigated to see how and what they are actually treating our wastewater.

Crowd: Yeah, right.

Louis Villej: Docket 100330-WS which was sent to the Palm Terrace residents' bulletin - bulletin or, excuse me, to Palm Terrace residents and the bulletin that we received from the Public Service Commission needs some clarification. I got that earlier today from ah, Andrew Morei - Maurey, excuse me, and Ralph, but basically it was quoted, ah, that 2008 which is on the docket, which is part of the bulletin that you say was when Aqua's last rate was approved. Well that is wrong. The truth of the matter is they have had several increases since then. On September 25, 2007 our Pasco County Board of Commissioners approved a three year increase for the 2008, 2009 and 2010. On February 15, of 2008 Aqua filed a Petition for Intention for a rate increase for Palm Terrace Garden and was granted. On August 29, 2009, Aqua Utilities filed again a

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Notice of Intention to go into affect October 29, 2009. I have – we've had rate increases from 5/08, 10/08, 4/09 and 12/09. I will submit copies to the Board and anybody else who wishes to have them showing these rate increases, and I can go back to my original bills back to 1999 when it was Florida Water Services if you would like to see those too.

Ah, those discrepancies in the bulletin and the docket notices that – that were mailed to Palm Terrace Gardens, I think we got some of that cleared up earlier this afternoon or this evening when I first arrived here about band one, band two, how do you decipher where you're at, who's doing what, what the average is. All we would like to do is get more clarification on what you mean by 'average consumption'. Break it down just like the County does. Base rate, water, sewer and how much per gallon. Don't make it complicated, it's not. It's a simple issue. Ah, okay, we need to, ah, I would like to, for example, have a fact finding committee to investigate these rates, the operation, the question regarding how they are doing what they are doing, and what they are charging the people in Pasco County. Aqua Utilities needs to get out of Florida altogether.

Crowd: Clapping. Whistles.

Louis Villei: The corporate office is in Pennsylvania. The billing goes to New Jersey. We have a President in Sarasota. I mean, why spread it out. We have a County operating facility here. Let us use it. We have our well ...

Crowd: Whistles. Clapping.

Louis Villei: Our well fields are here. We pump out of Starkey, Cypress. That's where our water's coming from. We don't need any outside intervention to run our own County utilities.

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Crowd: Right. (clapping).

Louis Villej: Pasco County allows – Pasco County Utilities allows for disconnect and reconnect for their customers. So we have a lot of snowbirds down here, which we call people that move between the north and south during the winter and the summer. Well if they go up north they don't have the luxury of disconnecting down here. They are being charged a monthly rate of \$51.15 per month – per month for not turning the tap on. We got – the streaming is not included in that figure, so that's the straight line right across the board.

Crowd: 5371... right

Louis Villej: Ah, a lot of people that I know who are snowbirds are asking the question, "why not?" They're allowed to do it up north, they're allowed to do it in certain areas, they're allowed to do it in the County, but they can't do it with Aqua. They have monopolized the situation so bad that we are on the short end of being hammered by corporate America right now.

Crowd: Clapping.

Louis Villej: Now addressing the Public Service Commission and their staff. I've had—we have found it very unprofessional in handling these calls to hand in the complaint of Aqua Utilities to your staff. Ah, we get – examples are, "we don't handle complaints, nor do – will you be able to file a complaint or if you don't like it, move".

Crowd: Ohhhhhhhhh.

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Louis Villej: Now these are just a few of the responses we got calling your office. Now the Public Service Commission represents the public, us, we the people,

Crowd: Right.

Louis Villej: and I think you forgot who you work for.

Crowd: Yeah, yes – that's right. (Clapping) here for the people.

Louis Villej: You are here, you are there, you are in Tallahassee, you are there to protect our interests and our way of life without corporate America getting in the way. Um, we cannot sell our homes because when people come in they don't want to buy anything in our subdivision, in either Palm Terrace Gardens, Jasmine Lakes, Zephyr Shores – the first thing they're gonna do, they're gonna check the rates and if they're \$200 a month or whatever I'm going somewhere else. So the people who have their homes for sale are not moving. The people who want to move into the area won't buy. So you need to look at the whole picture not just pieces of what's going down right now. Renters, once they move in, they get a monthly bill, they're out, they're gone. Where we're living right now Pasco – Palm Terrace Gardens, Jasmine Lakes are in a very suppressed, ah, time right now. We have a lot of vacant homes. We have a lot of homes in foreclosure. The bills keep running up, I don't know who's going to pay for them at the end – the bank? Who's going to take up the differences that they're talking about? The bills keep right on trucking with Aqua Utilities. If you're not there it still keeps running. Again, as Jack our District Commissioner, ah, Jack Mariano said, "We cannot lump all these utilities in the same package." They need to be addressed on a one to one basis.

Crowd: That's right.

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Louis Villej: This is an election year. Look around and see who is here, better yet look around and see who is not here.

Crowd: Right.

Louis Villej: Then cast your vote for those who will protect our interests.

Crowd: Yep.

Louis Villej: I thank you for letting me speak in front of you today - the District Commissioner, his staff, the Public Service Commission, Pasco County Utilities. Again, no to the rate increase, decrease our current rates back to the 2007 level before the 2008, when this all started, and give us a rate reduction NOW for the rates this year that Aqua been given – as far as a reduction - as far as a refund, excuse me, on what Aqua has taken from us this year alone. The higher the inflated ...

Crowd: Clapping.

Louis Villej: The higher the inflated profits, the higher price Aqua can demand for the utilities that want to be purchased by the County. Thank you very much.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Shirley Gissy.

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Shirley Gissy: Ah, my name is Shirley Gissy. It's G I S S Y. I live at 7741 Greybirch Terrace in New Port Richey. That's in Palm Terrace Gardens. I'd like to read a letter that was written by one of my neighbors, she's a snowbird, she's in Maryland right now and this has to do with Aqua Utilities and the PSC.

To Who It May Concern: We left Florida the last week of April for Maryland for the summer months. After receiving our first full water bill from Aqua Utilities in the amount of \$53.71 I decided to call them and inquire about a more feasible way of handling the situation while not occupying the property. I was informed we had no other options. I tried every possible way I could to think – to get a more reasonable rate while away and was told that no matter what the situation the owner would be billed each and every month until someone came back to that address. In other words, if the home is in foreclosure or someone just moves away for whatever reason the owner will pay before water will be restored. Ah, in case of death and the home is sold the next owner will pay. I've inquired with a friend who lives in Gulf Highlands during the winter and is in New York during the summer and that's a subdivision right next to Palm Terrace Gardens. Ah, and their monthly bill while they're away is \$26.34 and that includes watering the lawn once a week. Um, our neighbor didn't have a yard, they have pebbles, so they have no watering involved. Um, the people in Gulf Highlands they also have an option of turning the water off for \$43.00 and the same upon return. Um, we in Maryland pay \$25.00 to have the water shut off and restored. After getting nowhere with Aqua Utilities and being informed we should move to Gulf Highlands, I decided to call Florida Public Commission and spoke with Sue. Ah, I explained my situation in hopes of receiving some advice on how to handle the problem. Instead I received a very unprofessional and rude remark quote: "We have no other option, if that's Aqua's policy – if that's what Aqua's policy is and if we didn't like it we could move." I assume she was implying back to Maryland since her attitude was not a good one to begin with.

According to Aqua's policy we will be spending \$429.68 for no service while away for summer months. It seems very unfair considering policies of other utility companies. This all just seems so unfair for a private company to come in and just incorporate any price and policy they wish and the customer has no choice in the matter other than to move. We certainly were never told these fact when we purchased the property for retirement. Any attention or action you can put forth would be greatly appreciated.

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The letter is signed Mr. & Mrs. Steven Sines at 7725 Greybirch Terrace, Port Richey. Thank you.

Crowd: Clapping.

Ralph Jaegar: Ms. Gissy - Ms. Gissy would you like for that letter to be put in the docket file?

Shirley Gissy: Yes.

Ralph Jaegar: Okay, we'll get – we'll get that from you, we'll make sure that gets in the docket file.

Charlie Beck: The next customer is Dave Bussey.

Dave Bussey: Good evening. My name is Dave Bussey. I live in Zephyrhills in American Condominium Park and I'm a full time Florida resident. Ah, for the past 13 months my average water usage has been 1,100 gallons. We don't use much water in our parks where we live over in Zephyrhills, um, and I have some prepared remarks, ah, I would like to encourage – I'm so proud of everyone that's here and I know the disruptions aren't appreciated and there's a way to solve the disruptions. Get organized!

Crowd: That's right.

Dave Bussey: So you don't feel like you're at a disadvantage. That's what we do, and we want to organize all of you throughout the state of Florida to solve this problem much quicker than if we just come to these meetings and bitch.

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Crowd: Clapping.

Dave Bussey: Ah, before I give my statement I want to thank the Commission, the Commissioners, the - you folks. Ah, I've been in touch with several of you over the past few months and you've been very helpful in providing information and giving me answers to questions that I've had. Of course I had to run by Charlie to make sure you were giving me the truth but – just kidding. Ah, but I want to thank Charlie and his staff too. They've been very helpful and I am very appreciative of all the public officials that are here this evening both elected and otherwise. Ah, it means a great deal to us for you to be here, and I'm looking for Will Weatherford right now and I don't see him. Kinda concerns me cause he needs to hear what I have to say, but it will be in the record.

Now that being said I'm here to speak against Aqua's latest request for more money. In addition, we, the ratepayers of the Zephyr Shores system want the Commission to revoke Aqua's certificate as there is no legitimate reason for them not to – or for you not to.

Crowd: Yeah.

Dave Bussey: Now I'm – I'm speaking specifically about the Zephyr Shores system and I'll explain why. I do have a comment about Customer Service.

Crowd: What service?

Dave Bussey: Aqua's track record over the past few years when compared to all other private utility companies in Florida is despicable. Aqua customer complaints account for almost 50% of all the complaints of all these other companies. That should be a key qualifying factor regarding requested rate increases. The current cap band rate

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structure was adopted because it was the best of several really bad ideas, and I'm taking most of this information from 200 – 20 some pages of transcript from the March 16, 2010 meeting in Tallahassee. It was the best of some really bad ideas. In keeping it in perspective it's still a really bad idea. The current cap band rate, I'm not going to refer to it as a solution, it's an idea. More appropriately a better name would be "band aid rate structure" because it, all it does is hide the economic cancer that is continuing to grow and that will eventually infect every Aqua ratepayer in the state of Florida. Unless the Commission and Legislature provide a cure many of us will find ourselves unable to relocate to more affordable housing because no one in their right mind will buy a property where there are high utility rates that are ever increasing, not to mention extremely poor customer service and a quality of water that is held in contempt by the huge majority of Aqua's customers, not just in Zephyrhills but throughout the state of Florida. Again keeping things in perspective, in 2009 as a new resident to the state of Florida I was presented with a 336% increase in my base facility charges. 336% without ever using any of the service and now in 2010 we're likely to get another 30-38% when this is all said and done. In my introductory remarks at this meeting in Tallahassee I referred to a Commission statement which in part says you are to facilitate utility services at fair prices. The Commission was not in compliance – my point of view – of this statement then, nor is it now, because I've come to find – I've come to find that there's a lot of code words that you folks use and I'm going to talk about those code words, and one of them has to do with fair prices, those are nothing more than code words for guaranteed profit. Mr. Willis stated that one major problem with Aqua is that they purchased several small systems that are uneconomical to operate.

Crowd: Clapping.

David Bussey: This raises a fundamental question. Where's the logic in giving a certificate to a for profit company that is buying utility systems that will never make a profit on their own. In most other states that would be considered a very bad business practice but not here in Florida. Why? Mr. Stallcup explaining the cap rate band – that really bad idea – to the newest Commissioners last March. He said that the Commission voted to cap the rates of the very expensive systems to avoid affordability problems that would arise for people having to pay those extremely high rates of which I am one. Well, if are rates are indeed capped for our protection, then why are we here tonight?

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Obviously cap band rate structure are code words. Now we understand why Commissioner Argenziano voted against the really bad idea this cap band structure, she said that she fundamentally disagreed with the decision of the majority of the Commissioners to create a cap band rate structure in which the ratepayers of some systems would be subsidizing others. Subsidizing is another code word. It's a code word for welfare. She went on to say that the Commission's decision was nothing more than putting a bandage on a separating wound. She concluded by voicing the need for the Florida policy makers to address the fundamental problems with the state's patch-work system of public, quasi public and private providers of essential water and wastewater services so that the higher and higher rates being mandated, as they are now, would be eliminated. Even Commissioner Skop – did I pronounce that right Sir?

Commissioner Skop: Yes Sir.

Dave Bussey: Even the Commissioner belatedly agreed that she was right, referring to the current state of affairs as I believe you said, 'untenable situation'. I can give you the page number.

Crowd: Laughing.

Dave Bussey: Regarding customer affordability – more code words. In recent conversations with staff members it has been clearly explained to me that there is little if any concern for customer affordability. In fact the Commission's working definition of affordability seems to be that the Commission must – under the mandate of Legislation currently in place – you must guarantee Aqua a profit on any system they own even if a significant number of their systems never make a profit on their own. In short Aqua's ratepayers – we're subsidizing Aqua Utilities Florida to keep them in business so they can make a profit.

Crowd: Ahhhhhhh, no, boo

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Dave Bussey: In other words, we the ratepayers are required by a legislative mandate to pay whatever it takes – and that's a phrase that was used by a staff member that I talked to, and, again, confirmed by another staff member I talked to when I was calling about this information. Yep, whatever it takes – that's what we have to do, we have to make sure they stay in business to provide the service they're required to provide. Whatever it takes!

Crowd: Boo

Dave Bussey: And that money comes from us.

Crowd: Keep that money right here.

Dave Bussey: Cap band rates, I don't think so. Cap band, affordability, subsidization call it what you want – the bottom line is that the state of Florida is using a welfare system to keep this water profiteer, and others like it, in business ...

Crowd: Yes.

Dave Bussey: ...and we're providing every penny to fund this legalized scheme. You're making it happen following the laws that have been created that tell you to do so. Commissioner Skop stated – let me back up – who is rewarded for our efforts – Aqua stockholders who don't contribute one cent to ensure that we rightfully get what we deserve -

Crowd: Right, right.

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Dave Bussey: - quality water, good customer service, good rates. They get profit off of our backs and they don't have to provide anything that comes near what we deserve. Commissioner Skop stated that in many instances municipalities are able to provide high quality water at lower costs to the customer, but if you can't compete on a quality cost basis then we need to find a statewide solution to address that.

The Commissioner was right and I think we're all aware of the projected difficulties in being able to provide water to all who need it in the state of Florida at an affordable price and this is much more than a problem for the PSC to solve. Hopefully the Florida Legislator – Legislatures will step up to the plate and get to work on this problem while it is still manageable.

Now with regard to the Zephyr Shores system specifically, a state wide solution isn't needed. We already have access to the municipal water. It's actually sealed off. We're actually hooked up to it, it's just sealed off. Ah, the Commission has the authority already, right now, the Commission has the authority to solve our problem, but it's so entrenched in keeping Aqua profitable at any cost it won't dedicate any time to do so or perhaps it's just afraid to rock the boat too hard for fear of who knows from, well we all know that if you rock the boat too hard, it appears that a – well you might lose your job

Crowd: Yep, yep ... laughing.

Dave Bussey: for doing what's right. As I said we already have access to Pasco County's municipal water and wastewater. Actually our wastewater is already being processed by the County but in a much higher rate only because Aqua gets its slice of profits for doing nothing from this high cost, uneconomical system that we have that is propped up by the Commission's "whatever it takes" so called mandate from the lawmakers. Pasco County offers quality drinking water. Aqua can never do that.

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Crowd: Never.

Dave Bussey: Pasco County offer quality customer service. Aqua can never do that. Pasco County offers Customer Affordability. Aqua has no desire nor can they ever do that.

Crowd: Right, right ... (Clapping)

Dave Bussey: Pasco County water and sewer lines are already connected to our system and Pasco County, as you've heard here earlier this evening, with the help of the FGUA is willing and able to purchase the Zephyr Shores water system from Aqua if the Commission will just revoke the certificate. Thank you.

Crowd: Yeah (Clapping)

Charlie Beck: Thank you. The next customer is John Manzione.

John Manzione: My name is John Manzione, ah, 7604 Hawthorn Drive in Palm Terrace Gardens, Port Richey, and I don't have all the stats and everything else like everybody else does here. I'm just going to be very plain and simple. I look at this paper and I see that they're charging us at least three times more than everybody else.

Crowd: That's right.

John Manzione: I mean that ridiculous. Very simply, me and my wife, I don't get around very well. I have COPD and stage lung disease. So I can't go the beach and get – go swimming or anything like that, so we put a pool in. I have a friend who works for Pasco Utilities, the water, - tells me "hey call em up, they'll do something for you for the sewer

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they got, I guess – whatever it is, I don't know. I call them up. Oh we don't that. So I put in a 10,000 gallon pool –and none of that water's going into the sewer but I'm getting charged for it going into the sewer.

Crowd: Right.

John Manzione: Right. So they're already making money on me. They're double dipping me.

Crowd: Yeah, yep.

John Manzione: Okay, I have a well this, ah, – what do you call it, - hose wasn't working properly, so I use the regular water there, my son once in a while wants to make a couple bucks off of me, tell him wash my car, I'll give you ten dollars. They charge for the sewer again. It's not going into the sewer.

We drink a lot of coffee in my house. I make a gallon - I make a pot of coffee, ain't going into the sewer. It does eventually.

Crowd: Laughing.

John Manzione: I get charged twice

Crowd: Clapping.

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John Manzione: for that water. And now very simple, my last comment that I'll make. Palm Terrace Gardens, we have an epidemic of homes that are vacant.

Crowd: Yea, yes – That's right.

John Manzione: Right across the street from me they have a house I used to own. Had great people move in. Tell you the truth they were across the street from me on disability like me. Great people – Roy and his wife, I don't know if they're here or not. I mean I would love to keep them in the neighborhood on my block. Took care of property, put up a fence, friendly, help you out once in a while. Got they're water bill, they couldn't afford it. It was ridiculous. They had to move. So the next people that took it over was Section 8. Next thing I know there is a big ass sign in front of their property. A church has opened up across the street from me.

Crowd: Laughing.

John Manzione: Wow, ain't that wonderful. Got other houses on my block that are getting destroyed by the kids or whatever else is going in there. God only knows. But half of the problem is that they can't afford the water bills. I'm getting to the point I can't afford the water bill. I heard them talk about the housing. Bought my house in '05 for \$100,000. You know what it's valued at today? Forty. How am I supposed to sell that house? They tell you to move, nobody can get a mortgage for my house. So if I want to make \$100,000, somebody's got to come up with at least \$50,000, \$60,000 so that they can get the extra forty from the bank. Nobody's going to do a mortgage for \$100,000. I mean, you know, that's all I have to say. To me, the only I can put it, I'm getting ripped off. Thank you.

Crowd: Clapping.

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Charlie Beck: The next customer is John Thornton. John Thornton. (no response.) Next is Frank Reams. (no response.) The next witness is Robert Provost.

Crowd: Frank is here, hold on, Frank is here.

Frank Reams: Good evening and thank you for listening. My name is Frank Reams. I live at 34445 Yellow Birch Place in Zephyrhills, Florida. Ah, I don't have Aqua for water service, but I certainly am sympathetic to those people who do, and I think I addressed some of you folks at the Commission last March. We had about 50 people up there from the Zephyr Shores and also from Polk County and I got just a very few brief comments.

Ah, Aqua's got total control over these customers. You know our whole American economy is based on choice. We have a choice for the church that we want to attend, we have a choice for the TV that we want to watch or we have a choice for the automobile we want to drive, we got a choice for the home where we want to live. These people are captive. They don't have a choice. Ah, I just got a couple of comments that I want to make and these kinda relate to some issues that's out of the state, but I think are pretty prevalent to what we're speaking about here tonight. Ah, recently I found a letter that Senator Shumer from New York had written to the GAO and what the letter concerned was the fact that Aqua has been borrowing money from the Drinking Water State Revolving Fund in several different states. Now this money is available to small water companies throughout the US. It was an act passed by the Congress back in the mid 90's and the purpose of this was to allow the infra structure to be rebuilt, the loans repaid over a long period of time and at a lower percentage rate than what the current interest rate might be. Well Aqua has 68 million dollars of this money and in the state of New York, Pennsylvania, Ohio, Indiana and Missouri – they also are allowed by the state to implement the DISC charges, which is a distribution in service – improvement service charge. This means they don't have to have any action by the Public Service Commission, so once they've made that investment they can simply pass it off to the customers. I haven't been able to follow up on whether of not he's had a response back, but I intend to follow up on that. Another thing that the state of Ohio has done that I thought was very interesting, but recently the Office of Public Counsel addressed the Ohio legislature and they specifically requested on two companies, Aqua of Ohio and Ohio American Water Company, that any rate increases that they be given by the state

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of Ohio, that the stockholders pay 50% of the cost of that improvement. I happen to have that – I got a fax sheet on that. Here, let y'all read it.

Now the other thing that I'd like to just briefly mention, I talk quite a bit about this cap band rate structure because – I don't have my numbers in front of me, I apologize for that, but I can tell you this, in cap band four there's around 7,500 Aqua customers, that are included in that rate band. That's 42% of the customer base. They're paying 54% of the total revenue that's collected by Aqua each month if you use an average usage of 5,000 gallons per month. So, and because I've really gotten interested in this thing, I talked to some systems up in Lake County and they were very happy. Well when I dug into it I found out they were cap band one, their rates went down, they didn't go up, they went down. Two systems like that. We were told on March 16 that it had to do with the maintenance requirements on these systems. I've personally researched every system, I've got – I know the age that it was first put into service. That is not true.

Ah, the other issue. Aqua tells us they've been in business for over a hundred years. You'd think pretty quick that they could get some things right.

Crowd: Laughing.

Frank Reams: One of them, one of them would be customer service. Now just ...

Crowd: Amen. (Clapping.)

Frank Reams: I want to give you some numbers. In 2007 there was a total of 351 customer complaints to the Florida Public Service Commission. Of those, Aqua claimed 186 of them or 53% of the total. 2008, 384 and Aqua had 167 for 43%. 2008 a total of 377, Aqua had 175 for 46%. Now January thru August, there's been a total of 214 complaints. Aqua has 99 of them for 46%. I'm sure by the end of the year we're going to

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be able to give Aqua the award for the most customer service Commission complaints. Now I want to remind you that the Commission regulates about 150 water companies in the 34 or 35 counties that you regulate. You don't regulate all of them, but they're something seriously wrong with this company, why is it that we continually have all these dissatisfied customers. Always complaining. Now when we talked about the – this a – well we went to Tallahassee to get the Commission to continue monitoring Aqua's customer service thru 2010. Now I've been following, they've submitted four reports. They've submitted May, June, July and August. Now about 2,400 of those total complaints for the systems that's under regulation by the Florida PSC, ah, 2,800 have to do with billing. Now, I was just over here in Jasmine Lakes last Tuesday evening and talked to some customers because I feel sorry for these people and I also made some contacts into Palm Terrace and I got them there also. There is a young lady there who just bought a home in Palm Terrace in March of this year. She got some kind of a special loan. She's locked into it. She's unable to sell the house. When she called Aqua to find out what the water costs were going to be she was told under 50 a month. When she went to the real estate agent, before she made the purchase, he said it's very low.

Crowd: Ohhhhhh, laughing.

Frank Reams: Well I've got news for ya. She was in tears when she handed me her bills. For five months she had eight different bills from Aqua.

Crowd: Whoa.

Frank Reams: Now when I totaled up all the bills that Aqua had sent to her it was almost \$900.

Crowd: Ohhhhhhhh, jeez.

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Frank Reams: Now I'll tell you it took me a while. Ya know I brunt some midnight oil trying to figure out what the hell they were doing. Pardon my french. Finally when I got through and I said 'Okay here's what we got to do. We just put in what the basic service charge is each month and we'll total that up and see what we get when we get to the end. When I got all done with it, what she should of paid was around \$500. She sent me the checks by email Monday night. I got them. I looked at it. I think she paid \$511.00, so that was right, but the point is, here's a company that's been in business for a hundred years and they can't even send a correct bill to the customer, and then when you go and you try to complain to these people they want to tell you a lot of different things: "It's not my fault."

There's a lady down in Highlands County, 94 years old. She got a water bill for over \$300. This was in July, and I think that complaint is still open with the Commission, I've been unable to contact her son-in-law, but in that case he said something's got to be wrong. She doesn't do any laundry. She can't be using \$300 worth of water in one month. So he set another meter in between Aqua's meter and the house. Unable to get a hold of her to find out where it stands, but I can tell you this, his meter registered 40 gallons; Aqua's registered 70.

Crowd: Whoa, whoa.

Frank Reams: Now there was another case of this. These are both about the end of July. The other one was over in Seminole County. The lady over there who lives in a very small house trailer. Her normal bill was \$15 a month. She got a bill for \$300 a month. You know what Aqua tells em , "Well we'll set up a payment arrangement for ya and that's the end of the story – we'll set up a payment arrangement. Now I want to just close off with a comment Senator Shumar made because I think that it – I think it's very accurate, "The provision of water is a public need and the entity that provides this service must be held publicly accountable." Unfortunately it appears that Aqua America is putting their shareholders before the residents who simply seek safe, clean drinking water. Thank you.

Crowd: Amen. (Clapping)

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Charlie Beck: Mr. Provost.

Robert Provost: Yep, I'm Robert Provost. That's P (as in Paul) R O V (as in Victor) O S T. I want to thank you 'all for listening to us tonight and I want to thank our Senator Fasano and our Commissioner, Jack Mariano and Weatherford and Legg who were here to help us also.

I am the Chairman of the Board of – in Palm Terrace Civic Association and believe me, ah, the stories that you have heard already told don't go far enough. We have a lot of widows in our community and they're living on social security period. We have one that came up to me yesterday at the meeting and she said, "You know Bob" she says "What can you do tomorrow night?" I says, "I can't do anything except explain out what's happening." And she says, "You know I can't afford to stay in my house, I 'm living with my son." She can't sell her house but yet she paying \$53.71 a month for water that's not even hooked up. She has to pay that bill. This is just one of them, and I mean we got a lot of them that – and I'm not talking a big, rich social security checks either. When you – when it comes to one of our dinners and we put them on, they have to stretch – and some of them can't even made the \$7.00 that we charge our members for a full meal and music that it is, but anyhow, ah, some of the other things that are going on and we do have between 1,000 and 1,200 homes. I do not know the exact number, I'm sure it could be looked up very easy but I know when we used to deliver the bulletins we took 1,200 and – we didn't have many left over.

As far as the water quality, stinks is a very minor word to put it. Ah, I want to let Aqua know that yesterday I received 'I do not have to boil water notice'. I never received a notice to boil water.

Crowd: Laughing, clapping.

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Robert Provost: So if there was something wrong, I guess it was some ditch or something they were digging, the first thing you do is notify them you're going to have bad water. Well, we're use to bad water so it didn't make much difference coming through.

Crowd: Clapping.

Robert Provost: I had – I have two filters on my – two outside filters going through and I can hardly change the filters quick enough to keep it clean. Within a week, it looks like it's been there for two years, and the water that does come in you got that limestone deal, which it is common with Florida water I'll give 'em that, but it is Pasco water so I believe the water's good when it leaves there. I don't know where the dirt's coming from, but it only comes from Timber Oaks over to us so I don't know what they're doing but they aren't improving it.

Ah, a lot of the same things that you've already heard on our rates increases are the same. Now I've been living in there for ten years, ah, I've been in Florida for 23 years. It used to be great, now you live in Tanglewood East, I had my own well, I didn't have to worry about Aqua. I just had my own well, my own conditioner and, it cost me pennies per month and I had my own water. Ah, but also, when the other gentleman mentioned that a – and said that this young lady over here, ah, that had the letter from the lady who's up in Maryland. She's paying \$53.17 a month for not being there. I, myself, since I retired that's what I get every month. I went up in June. July I get a bill, a good size bill from Aqua. I called Aqua and says, "What's this bill for?" That's for the water you used. I said, "Well I got news for ya, I didn't use any water, I shut it off and put a padlock on it so that you could not turn it on." And they said, "Oh, well, I guess we only estimate them once in a while." Well why put on these electronic meters if they aren't doing it every month and she said it's not uncommon that every couple of months they don't go around and read them, they just estimate your use. So, why go through the expense of putting these fancy meters on there without following up onto it?

Crowd: They get more money.

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Robert Provost: No I'll ... yea ... Also the government came out with this COLA last year and this year. It's mentioned before and I will re-emphasize it. We didn't get any increase in our cost of living because inflation supposed to be stagnant, but I haven't seen it out of our water bills or out of our electric bills. They keep going up. Now when you get to the water bills, I don't mind my electricity bill because it's smaller than my water bill.

Crowd: Clapping.

Robert Provost: And also my taxes are lower than my water bill.

Crowd: Yeah (clapping)

Robert Provost: So where do you point the finger when you got a problem? We as citizens can't make more money like our federal government does. We have to pay the bills, but when we get ripped off like this is happening and this started really waking us up back in '08 when this went through. How it ever got through the Commission I have no idea. If I – If I wouldn't have known better, I'd say somebody's on the take.

Crowd: Yeah (Clapping)

Robert Provost: But, no, no, no, no, but I know none of you folks would do that, but that's the first thing

Crowd: Laughing.

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Robert Provost: That's the first thing that hits your mind is how – HOW could you ever put this through? And I say if they can't take us back to the old rate previous to 2008 then say that "we don't want it and then can go back to Britain Manor and Pennsylvania, which is right around the corner from my son up there, and they can charge less rates and better water up there than what they're giving down here. 'Cause my son pays less than half of what I do and they got the big expensive homes.

The other thing, I would be happy to do, is hook into Pasco County Water.

Crowd: Yeah (Clapping).

Robert Provost: When you can take your base rate

Crowd: We'll do it tomorrow. (Laughing)

Robert Provost: When you take the new base rate that they're – I'm not even talking usage – the base rate of 55.53 is what their – on their, the notice we got, the same for Pasco County is \$16.53. So you tell me what they're doing between the line in Timber Oaks where they get the water to my house which I hadn't seen any water repairs outside of the meters – don't forget those meters.

Crowd: Oh yeah.

Robert Provost: Their retention pond over there off Range Road looks like a stink pond.

Crowd: Clapping.

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Robert Provost: I have got more complaints from our members over there because of the smell and the dirtiness around there than you can imagine. So anyhow all I'd ask you to do is please – we have finally got Direct TV, we got dish TV, we got Brighthouse, we can choose. Let us choose between Aqua and Pasco County. Thank you.

Crowd: Clapping. Yeah.

Charlie Beck: Thank you. The next customer is Celeste Snyder. Is Celeste Snyder here? Okay, I'm going to mispronounce ...oh

Celeste Snyder: I didn't really come prepared tonight. My name is Celeste Snyder. I live at 8001 Lotus Drive, Port Richey, Florida, Jasmine Lakes.

Crowd: Yeah.

Celeste Snyder: Okay. There's a lot of people that would of liked to come tonight – they weren't informed clearly. The Aqua sent a notice, most people threw them away, there was no signs put up in the entrances anywhere. So we don't really know about it unless someone hears. I missed a meeting last week at our civic association. Unfortunately I didn't come prepared to read anything. I only took some notes coming in here tonight and through the speeches of many of our members. Ah, sad to say, its gotta stop, the increases are ridiculous. We're in our sixties, we'd like to be retired but we can't. And all of us have a good reason why we can't. We can't afford it. We average close to a hundred dollars every month. That's \$1,200 a year. There is no call for this. That last increase that we got, the basic, ah, \$55, ah, \$53 whatever it is monthly, is ridiculous. To turn my water off for a month and pay that kind of fee is outrageous.

Ah, I have a couple of notes here again, some of the notes: Why the basic rate and then the actual usage is beyond all of us. That is double dipping. Hopefully this is not a

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means of appeasement to us. I hope not. I hope you all listen to us clearly. We can only thank, ah, Mr. Fasano, Mr. Legg, Mr. Mariano and others, Mr. Cox. Why are we continuously getting the increases and not other areas? We are supposed to be one of the highest counties in the state of Florida for water rates, water prices. We'll gladly take on Pasco County. We'd love 'em.

Crowd: Yeah. Clapping.

Celeste Snyder: Okay. I mean we can't say enough about it. Why do we still keep getting these increases and then we still have contaminated water? When we get the reports, the reports are reading it's contaminated. It's okay to drink it, but it is contaminated. Did you ever pour a glass of water from your sink faucet and look at the crap floating in there? Excuse my french. It's bad. When I gotta use bottled water to make my coffee, filtered water or bottled water to make my iced tea, that's a shame. I drank some water the other night cause I ran out of bottled water and I poured it in my bottle because I have to have a little bit at night. I almost threw up when I woke up and got the water – the water woke me up into a total awakesness. It was so bad. The taste was horrific.

Okay. Ah, deny this increase. You got to deny the increase. You cannot give them this increase. Ah,

Crowd: Let's go to Pasco.

Celeste Snyder: I would take Pasco anyway. When they came in with the meters I was really upset, and I believe that was out in 2008. I'm not sure. Ah, I had just had a new meter put in two years prior to that because I complained my meter was not working right. We read our meters everyday and we watch the usage. One month we had 8 or 10,000 gallons, I don't have a pool. I got a kiddie two-ring pool in the back that I used to use for the kids, but that's it, or the dog, but we don't have a pool, but yet we're getting these huge astronomical increases. Where are they, we don't know. Anyway they put

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the new meters in. We asked why. Oh we have to. I says, "Who's paying for it?" I said, "We are, aren't we?" They said, "No". Well guess what, we got that increase. I think we paid for it.

Crowd: Yeah. (Clapping.)

Celeste Snyder: And I'm sure everyone agrees with me. What do we do to pay these bills. Well we stop buying our meds. Okay? We don't pay another bill. We rob Peter to pay Paul because if you don't pay your water bill guess what they'll do? They're gonna shut you off and then when you do ask them to come out and look at my meter – what's wrong? Oh we'll do a bucket test. You know what a bucket test is? It's a five gallon bucket and they pour it out. Oh, it's working, no problem. That's their response, and they'll leave you a yellow tag on your door. We'll do a bucket test. And when you do get Customer Service they're so doggone snotty it's pathetic.

Crowd: Clapping.

Celeste Snyder: Someone needs to do something. I'll tell you what replace, all those idiots up there in Pennsylvania and New Jersey and wherever else they are and maybe you need to start with some of the employees down here.

Crowd: Yep.

Celeste Snyder: We've got a plant, a treatment plant in Jasmine Lakes. The treatment plant, the people in Foxhollow, right behind it can't stand it. They can't sell their homes and they can't keep them rented because it stinks so bad. They're talking about the plant over in – off of Ranch Road, our plant is just as bad if not worse.

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Crowd: Clapping.

Celeste Snyder: You want to talk about a cesspool, this is it. Then they take, they have the nerve after we have to pay for the payment of these roads, and it took my 3 years to pay mine and I had to borrow the money because I didn't have – it took me 3 years, I pay a thousand some dollars to have my little front half section – 1,000 feet across or 100 feet across, excuse me, it took me a thousand some dollars to pay it and they let these stupid – oh it makes so mad – freight trucks, eighteen wheelers come through and pick up that sludge in the back. You know what it's doing to our roads? You know what they look like – and you guys approved these guys and they're not paying for those roads. We are, on low incomes. Most of the people are retired or alone. I can't retire. I can't afford to retire. Okay, and I'm mad, I'm excited. You all will have to excuse me. So what do we do? We stop taking showers? Maybe we should go to the gas station and clean up take a sitz bath over there.

Crowd: Yeah (laughing)

Celeste Snyder: You know what? It's coming to that. Maybe go to a YMCA or a club, get in someone else's club, because we can't afford this. We time our showers, we read our meters every day. I know what it takes for my wash, my dish washer, my clothes washer and our showers. We know how many gallons we're using. We still can't get under it. If you ask me, deny the increase, and you're not gonna like to hear what I have, I hope I'm not going to get thrown out for what I'm going to say. Throw the fat cats out. Okay, there's too many people getting rich off of us and it's not us. Okay? Ah, if you deny these increases it wouldn't happen I think. If they've been here all these years, where's the money and where's the profit going to? Where is all this money? That \$750 meter we all had to pay for or whatever it was – that we didn't need –and if it is working why aren't they reading them? It's electronic, they go down on their scooter and read it with a meter. It's just like the electric company. We don't have any problems with the electric company, it's just the water company, and when you can't drink the water and you're afraid to shower – then we have had bad water too. Another instance, bad water, no signs were put up.

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Crowd: Right.

Celeste Snyder: The signs came up afterwards. "You do not need to boil anymore." I'm thinking, wait a minute, when did we start boiling?

Crowd: Laughing.

Celeste Snyder: I've been drinking this. I'm cooking in it. Oh my God, I'm drinking coffee, I'm making, you know I said, "Aw, that's crazy." So if you deny the increase maybe this – we'll be able to take a look at. I don't understand why we pay a basic rate and then a flat rate for what we used, and a basic sewer rate and that always twice as much as the water. And again, mine doesn't all go down the sewer either. Where is it going? Why do we pay for?

Okay what about that plant in Jasmine? I don't know, I could go on and on and on. Aqua is the most disgusting excuse - excuse for a water company. It's the worse. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Pasquel Colsorto? Pasquel Colsorto? I'm probably mispronouncing it ... Colsorto not here?

The next witness is Henry Pasquel.

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Crowd: a little louder on that microphone up there – I agreed. We can't hear you in the back.

Henry Pasquel: Everything that I was going to bring up has already been brought up.

Charlie Beck: Next customer is Brian Diaz.

Brian Diaz: Thank you everybody for listening. My name is Brian Diaz. I live on 10441 Jasmine Lakes. I won't tell you the street might raise my bill up a little bit more.

Crowd: Laughing.

Brian Diaz: I bought my house in 2007. My rates went up in 2008 – doubled. They said: "Number one we're putting in new waterworks, we're fixing the pond. Should of gave me the ten thousand, I would of fixed that pond and even painted the structure in the middle. They get cut once every two weeks – the grass. It's so bad and stinks so bad there, turtles are walking out of the pond.

Crowd: Laughing.

Brian Diaz: They won't live there. I have them crossing my yard every day. Gotta be disgusting. I've had two breaks in my line. Each one, before my house, before the structure. Pasco, I call them up – "That's not us, that's Aqua. We'll send Aqua out to fix it. I get hold of Aqua, 30 minute standby just waiting on the phone for somebody to talk to. "We'll get there when we want to get there." That's more or less what they tell me. Could be two days. Last time they fixed, it was four days. I had to shut the water off in my house every time I did something. I have four bills with the exact same amount of water usage – four different prices. This is kinda hard to understand but mathematics

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usually tells you – and I never went to college – it should have been the same price. I spent 20 years in the military and drank better water sitting in Saudi. Sometimes we're thinking about peeing in our helmets.

Crowd: Laughing.

Brian Diaz: If Aqua cannot get their stuff straight, cannot get their paperwork and finances in order, overpay somebody to clean out a pond that never got cleaned out – what are we doing? Paying somebody to put money in their pockets. I'm not saying it's them or you but kickbacks got – kickbacks are going somewhere.

Crowd: Clapping.

Brian Diaz: Not in my pocket.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Marsha DeCoachio.

Marsha DeCoachio: I'm going to write in my comments.

Charlie Beck: Thank you. The next customer is Nancy Hetherington.

Nancy Hetherington: Good evening. My name is Nancy Hetherington, H E T H – Good evening my name is Nancy Hetherington, H E T H E R I N G T O N. I have lived in Palm

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Terrace Gardens for over 25 years and I assume we are all here for the same reason and that is to repress a halt in the planned increase in our water and sewage rate. Like many of the people here today I live on social security. That is my only means of income. How can you in good conscience consider a rate increase from the very people that can afford it the least? I am but one voice here today. I'm here asking you to reconsider this unfair rate increase and thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Paul Stakun. Stakun?

Paul Stakun: Good evening, my name is Paul Stakun. That's spelled S T A K U N and I live on Danny Drive in Zephyrhills and I live in the Zephyr Shores Water District. Alright I can't repeat everything that the other folks have said. They're very eloquent, the ladies and gentlemen that have come up here. They've made all the points that I made my notes on. So, ah, just a couple things I want to add to. Ah, as far as their quality of the water and the, ah, the poor customer service that everybody's well aware of for Aqua Utilities. That can only – I can attribute it - that to poor management and it doesn't take any money to train people to be better customer service agents, and it doesn't take any money to have their employees monitor the water supply, ah, to see if this - the correct amount of chemicals added to it and things of that nature. I can – if, if it's just poor management or do you guys really care?

Crowd: Noooooooooooooooooo!

Paul Stakun: Okay. Ah, the water meters they said it needs infrastructure improvements that may cost so much money. I went on the internet and I found three major plumbing supply houses that sell those electronic water meters that they've all – installed in our parks. They're for about \$50 to \$75 and I'm sure at the quantities that Aqua purchases them at they're a lot – the price is a lot less. So, I don't buy a lot of this infrastructure improvement that they say costs so much money and I would urge the ah

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– the ah staff of the Public Service Commission to pay more careful attention to their finances, their financial, ah, data that they provide to you to see that it's correct. Maybe their books need to be audited. I wouldn't take their word for what they say.

Crowd: Clapping.

Paul Stakun: And, finally, I want to urge the Commission, as someone previously said, to revoke the certificate of Aqua Utilities

Crowd: Yeah. Whistles. Clapping.

Paul Sakun: in the State of Florida. It's about time that someone has the intestinal fortitude to stand up and do what's right. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. Mr. or Mrs. Roman – or I'm sorry – Gerald Roman. Mr. or Mrs. Roman?

Kenneth Winencott

Kenneth Winencott: Hello, my name is Kenneth Winencott and I live in Jasmine Lakes. Ah, I'm here, ah, I saw the paper saying that Aqua Utilities base water is \$15.71 – that's our base water, and our base sewer is \$35.44. Pasco County is giving us – gives the water \$7.23, their base sewer is \$9.30. The City of New Port Richey base water is \$7.47, ah, base sewer is \$9.30. Port Richey is \$8.40, the base sewer is \$14.69. Hernando County is \$5.15 for their water and base sewer is \$12.95. Where do these guys come off in charging us three times or twice as much than everybody else. Who

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are they getting rich off of? Us? Why? Why? I want to know, and if you have any heart and you have any soul you would say to these people, "Get the hell out of Florida".

Crowd: YEAH! Clapping.

Kenneth Winencott: Not only – not only get out of Florida but they should be thrown in jail for what they're doing.

Crowd: Yeah, yeah.

Kenneth Winencott: They throw thieves in jail – people who steal from people get thrown in jail. That's what they should be doing. They should be thrown in jail. Not, not given – not given an increase on their rates. What for? They're not doing anything for us. They're gona – just taking care of themselves, and if you have any heart you would – you would see and help us out. Please help us out. That's all I'm saying. Help us, *please*.

Crowd: Clapping.

Charlie Beck: The next customer is Ed Miller.

Ed Miller: My name is Ed Miller. I live in Palm Terrace. Just like to say I heard them talk about all these improvements, and like other people all I've seen is a meter. I have not seen a single pipe dug up. I have not seen an Aqua utility worker out there at anytime, anywhere in Palm Terrace. Ever. I've been living there for 18 years and since they took over I have seen my water bill go from an average of \$60 to \$65 a month to \$130 a month for a family of three, and like the other people watching their meter, I keep looking though – we have been conserving. I have stopped watering my lawn most of

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the summer because I couldn't afford the water. So I had a dead lawn. We cut down on how long we took showers. We cut down on how often we ran the dishwasher and I still seem to use over 6,000 gallons of water a month.

Crowd: Whoa!

Ed Miller: I don't know how. Now I was shutting everything off, not watering the lawn, but it always seems to manage to get up to that next tier over 6,000. As far as the retention pond on Ranch Road, I drive by that every day on my way home from work, and pray that the wind isn't blowing when those sprinklers are going cause it hits my car and my car stinks for three days

Crowd: Clapping.

Ed Miller: from their effluent water disposal. The pond is full of scum. It's got garbage cans in it. I've seen tires in it. They don't do anything to it. Nothing, and that is what – I turn the water on at home when I go to take a shower, I have to wait 3 or 4 minutes for the smelly part of the water to get out of the pipes and go down the drain. We never drink the water at home. I can't make ice cubes out of the water at home. You take it and put it in a drink, as soon as it starts to melt you might as well throw that drink out because it will taste terrible. You take a glass, put water in it, let it sit on your counter for 10 minutes. Sediment on the bottom, ring around where the water's sitting and this is the kind of quality water we're getting. It's terrible. We buy nothing but bottled water. My wife buys tea, and when she was out of a job we had a hard time making ends meet. I called them because they had sent me a notice saying we're going to shut your water off, which I got the notice the day before they were going to shut it off. So I called them and I said, "Can't we do something?" They said, "Pay or we turn it off and it will cost \$40 to turn it back on and we don't know how long it will take us to turn your water back on for you." It's like, thank you very much. I am a hostage to these people.

Crowd: Yep.

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Ed Miller: I can do absolutely nothing but either pay what they want or go without water and that is absolutely not right at all. I agree with the other people. Get them out of my area, get me with the County.

Crowd: Clapping.

Ed Miller: Keep the money here in Pasco County, not up in New Jersey, Pennsylvania and everywhere else. Get our people back to work in the County and tell them, "Stay away, we don't need you, we have people right here that can take care of it." And that's all I got. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Theresa Elyigo. Theresa Elyigo. E L Y I G O.

The next customer Carol Talaga.

Carol Talaga: My name is Carol Talaga. T A L A G A. I live at 7800 Ilex in Palm Terrace Gardens and I'm one of those widows that cannot afford this water anymore. It gets 10% of my annual – on my monthly pay and if you double that that's 20%. I can't do it. I just need – I'm not asking you guys to reject this, I'm begging you too reject. Please don't let them do this to us. Please.

Crowd: Clapping.

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Charlie Beck: Thank you. The next customer is Diane Manzo. Diane Manzo.

Crowd: She's coming.

Diane Manzo: Good evening and thank you for the opportunity. Ah, most of my questions – I'm sorry – I'm Diane Manzo, 7932 Lotus Drive, Port Richey, Jasmine Lakes. Ah, most of my questions were answered previously and I don't want to be redundant with them. However, I did have a couple questions as to why does it cost us two times more for our wastewater to go down the drain than it does to filter and purify it before we get to use it? Also why are we not charged the actual usage rate instead of rounding it off to the nearest thousand? I have a list from January of '09 up to the current month and my usage has been ridiculous. It's never been steady. Now granted in the summer you wash more, you, ah, shower more. We'd have underground sprinklers so we water with the sewer water or the ground water, but I have gone from 3,600, 2,500, 3,000, 2,600, 28, 29, 36, 26 down to 25, from 25 to 1,000 in October and then I jumped to 10,500 dollars – ah, 10,500 gallons. Ah, when I called up, before I ever got out to check the meter, I got the usual response, "I'm sorry. You have to pay it. Ah, there's nothing we can do about it, but we will send somebody out to look at it." It took me over four weeks to get someone to come out and check my meter. I did find out that I had a very, very small drip on the side of our house. I still find it hard to believe that 9,000 gallons of water was used in one month. That's more than filling one pool. Ah, then I dropped down from the 10,500 to 3,200, then to 2,700 to 1,700 in February, to 2,100 back up to 2,600 in April, 35 jumped to 6,000 to 7,900 and now I'm back down to 2,400 again. Our usage is continual. We do the same amount of laundry every week. We take the same amount of showers. Half the time, for three months, we're not even here. So why am I still getting these high rates? We don't get an explanation for it, but I would like to know why if we are using like 3,050 gallons can't we be billed for 3,050 gallons or 3,055 gallons instead of running it up to 4,000.

Crowd: Right.

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Diane Manzo: That's money out of our pockets also, and that's all I have to say. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Bruce Sprague. Sprague?

Richard Jennings.

Richard Jennings: Hello my name is Richard Jennings, J E N N I N G S, 10232 Orchid Drive, Jasmine Lakes. Some of the things I'd like to, ah, just talk about, ah, many people have talked about the majority of the large items. I find it rather curious though that when the bill comes through – my wife and I talk about it often that it fluctuates dramatically. You do basically the same work all the time. We have an irrigation system – ground water, so we're not using it for that. I power wash the house to paint it. Our bill went up. I watered it – I did it off of the well but yet miraculously still goes up. I don't know. I just don't understand, maybe we had a bad week that time. Now with that in the paper it talked about how – how did it say – there was a 16% reduction in the amount of income that they were having, buy yet we're going to raise it 20%. 16, 20, doesn't even add out. So I started running some quick numbers. I looked it up on the internet to see how many homes were platted in Jasmine Lakes. The number that I came up with, and then I used the base fee. Now if the theory is we need to raise that base fee so that we can recoup our losses and keep our fundings going, in about eight years I'm going to owe about over a million dollars a month – or excuse me, a year.

Crowd: Laughing.

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Richard Jennings: I'll have to foot the whole thing if I'm the last man standing in Jasmine Lakes. My bill will be over a million dollars a year. There's not that many banks to rob.

Crowd: Laughing.

Richard Jennings: And it is really disappointing to be honest with you. Ah, with that, ah, some of the notes that my wife and I have put together, um, it's like – and the lady earlier said it about affording medication, food, things like that. Um, there's raccoons in the area – we won't even bother with that. I just - I'm a little worked up to be honest with you.

The auto-readers – that's another funny thing. The auto-reader is going, now we don't need five meter readers, we only need two. So now our overhead is less. How long does it take to recoup those by saved wages?

We have an economic situation going on throughout the country, through Florida, here in Pasco. Pasco had to tighten their belts. We couldn't go back and say, "Oh, gee, Pasco County, yeah, you need more money, we'll give you more money." Now with the utilities, we need more money, let's raise the rates. Now Jasmine, ah, well years ago it was Jasmine Utilities, there were interconnects and probably still are with the County. The County is more than able and I'm sure more than eager to take over the system and run the system out there.

Crowd: That's right.

Richard Jennings: They have more than competent staff to do such. Um, a lot of things were already talked about. One that I found rather amusing also that my wife showed me before I came up. Here's a letter that came through the mail. First line in it that she underlined, 'Our water system originally violated a drinking water standard.' It's not the first one that we've gotten, and what really, kinda surprised my about that. I said, "What was the date on that?" She says, "It's not even dated and neither is the envelope. So I don't know even when this one came through. But it's not the first one that we've had,

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and I found it very curious that – yes, when you had a water break you've had the little backwash going on, we need to take and put out the signs, put out door hangers in the area. If it's an isolated street take care of it that way, but just to put signs in the front of a sub-development, there's three roads going in and out of Jasmine, put up a little sign. Maybe you see it, maybe you don't, well we did our minimum. The water meter at our father-in-laws home in Jasmine, just over on Rosewood, down from us – one of the last meetings that he was at, he says, "You know you put that thing in there, the corner turn ball valve to shut that off, the cork – not the cork stop but the corner turn ball valve to shut that thing down – the valve instead of being square it's laid over on its side. You can't get on it with a wrench, with a water wrench. The guys say, "Get with me after the meeting, give me the address I'll take care of it. That's over a year now and it hasn't happened.

Crowd: Laughing.

Richard Jennings: So I guess me and a hack saw are going to get to be good friends. I called them up, I said, "Come out and look at this thing. C'mon do me a favor here, look at this." They come out, they look at it and said, "Well we can – we'll just get our own crescent wrench and we'll turn it, but it's our valve don't you touch it." Now wait a minute, if I got a water break in the house you damn right I'm going to touch it. I'm going to turn that thing off and crimp the line off if I have too. I can't take and call up where ever the phone line rings and then wait for an hour for somebody to come down and shut off a valve that's laid over, where if it was standing upright just get on there with a valve key and snap it shut. You can't put a valve in correctly what makes you think you can run a water system.

Crowd: Yea, heck yea (Clapping)

Richard Jennings: and I'm being very honest about it. There's a lot of money in sewer that's – it's you know, I understand that it's their bread and butter – bad joke, but then again, you know, its gotta be run a little better, I'm sorry, and I got to tell ya that if they think that we're just going to take and go hand in hand and skip down that little yellow

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brick road singing 'kum-ba-ya' when we get to that curtain and we ask who that man is behind the curtain, somebody's going to say, "Greed", cause this is just silly.

My wife think I'm being very – love her dearly, wonderful woman – she thinks I'm being gallant, because, I'll be out having a cup of coffee in the morning. She comes out and joins me after awhile, sometimes she likes to sleep in a little bit – weekends, and ah "We'll let's get up and go do something?" "Okay, we'll I'll get in the shower." (haha) "You go right ahead." I let her go ahead and take the shower first, and I'm being generous, I shouldn't really tell this cause then it get out. Because I don't like the smell.

Crowd: Laughing.

Richard Jennings: and with this much hair, I don't need it in it.

Crowd: Laughing.

Richard Jennings: So, I let her do that. Now I will top off the water for the coffee pot the night ahead, let it sit there, let it air out, so that we don't have it in there. Now I'd like to go so far as to say but it's really not true, but I heard it once on TV as a comic standup, 'Don't drink the water hard, you'll chip a tooth.'

Crowd: Laughing.

Richard Jennings: and that's a bit of an over exaggeration of course, but I'll tell you what with all that's going on to raise those rates that amount that drastically, um, borderline frequently, it fluctuates when it gonna happen and how much its gonna happen by, I'll tell you what for the system that's out there and the way it's being handled I'll tell you like my daddy would of told me, "That dog don't hunt, there's no

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reason for it. It don't hurt ". Ya know it's just being done wrong. And I'd like to thank you for your time.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Clayton Smith or Cleton Smith. Cledes Smith.

Cledes Smith: Ah, welcome to Port Richey, Florida, Pasco County. My name is Cledes, C L E D E S Smith. Okay, ah, I'd like to ask, ah, do we have, ah – the Public U- Service Commission do we have Mathew Carter the second Chairman here?

Andrew Maurey: No Sir.

Cledes Smith: Okay. So, he's a Chairman here?

Ralph Jaeger: He's a Commissioner.

Cledes Smith: Okay. May I approach?

Ralph Jaeger: Yes.

Cledes Smith: These people on the Commission or have you guys taken over?

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Andrew Maury: Two of these Commissioners are still on the Commission.

Cledes Smith: They still on there. Okay. The last time we's here we had ah, you know, a discussion about – so my neighbor, ah, this is what the people here in Pasco County is drinking. Now this is only two – see everybody what y'all drinking through,

Crowd: Yep.

Cledes Smith: I mean I'll show you the water. Here's the water that comes out of the system. I don't have this. My neighbor back behind me has this system put in. There's four of them. It costs you \$25.00 a month to filter the water out so you can drink it. Your water coming through, sand and stuff, right through the pipes. Right through, here it is. We'll give it to the Commissioners, you can analyze it. This is what happens to our water you want us to drink. You want to give 'em a raise, but you got the filthiest water that ever was on a planet coming through them pipes. It ain't the pipes, it is this junk. If you want to feel it or anything.

Crowd: Laughing. You want to feel it? Laughing.

Cledes Smith: This is what we folks have been showering in. Would you like to drink this? They expect me drink this. That's coming out of the faucet. This comes out of my – a person's plumbing behind me. Okay? He's a plumber, his wife has got a hip replacement of 77 years old and he's a retired plumber. He put this system in his house. It costs almost \$500. Okay? He buys four of these filters about \$25 a month.

Now, 2nd item here, \$53.71. My mother-in-law passed away and I had to go out of town for a whole month and I got paying \$53.71. Not one drop of this water, this filthy water went through my pipes. Not one drop went out through the sewer line system. I paid \$53.71. Okay? That's what I paid. Okay. In ten days that I was home they said I used

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400 gallons of water. \$59.47 for ten days. \$53.71 for not being here. Okay? When I get back another 18 days, \$68.13, coming through these pipes that you want me to drink. That you want me to shower with. I do take a shower in this and I wash the clothes, but all the clothes are yellow. My white t-shirts I don't wear them no more cause they're completely yellow. My bed clothes is yellow, everything's yellow, and this is the proof right here, wanta hand it to the Commission and give it to ya ...

Crowd: Laughing. Clapping.

Cledes Smith: Here's another – here's another thing. Okay. Pasco County at Denton Avenue has all the water wells. That's where this water's coming from. I live in Palm Terrace. 10835 Rexdale Avenue, Port Richey, Florida 34668. Okay? This is the highest water bill I've ever had in my life is down here. I worked 59 years to get here. Ladies and gentlemen I spent 4 years in the service flying up and down this coast keeping the Cubans and the Russians out of here back in the '50s. Okay? That's what I did. I worked 39 ½ years to get here and when I get here I can't hardly afford you and this water. I don't understand this water. Okay? And another thing you just keep raising, you never have the right rates. You raised my electric rates on the water bill for a lighting system and, ah, \$1.68, I mean, a \$1.68 – it went from \$1.68 in 2007 all the way up to \$2.37 or .63 cents – let me get my notes out here. The electric – you raised the electric bill without representation. Fasano and none of you was present. You just raised it and that was it. It was \$1.68 in 2007. Where did you get the permission to raise it to \$2 and, ah, .82 and it went back down to \$2.29. It was a \$1.68 for the lighting system through a water company. Which I don't understand how your water system got anything to do with a lighting system. The PSC gives them permission to raise it anytime they feel fit? Nobody – none of these here water rates is, ah, any good I don't think. But if everybody in here drinks that water that's what it looks like, and the sand comes through there like crazy. I haven't never drank the water. I've lived here 13 whole years. Okay? Never drink your water. I gotta go to Sams, I got to buy water, buy water and buy water. Only thing I do is take a shower and, but my hot water tank filled up with sand, got a new one – I don't know how much it's got in there now but that's alright . You call the water company and they say, "Hey we can't help you we'll drain it." When I first moved here we had a pumping station on Premiere Street - Ranch Road and Premiere. Three houses down, it was consumed in a house – pumping station. Okay? So you outta go

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up there and smell the sewer lines and the open pit of the water. Now, we had like a down pour and Fox 13 was there and they filmed it. The water came over and the raw sewage came down all into the subdivision on Pasco County all the way down Ranch Road. Come down all of it, and pour sewer waste, and you know what the Board of Health says, "You get ringworms". You guys otta– your down here now why don't you go up I-19, this 19 out here, got up to Ranch Road, you make a right, right beside the Wachovia Bank, you go up pass Zimmer Road and take a look at it for yourself. You say, "Boy we're gonna let them raise their rates." I don't think that if you go up there and look at it you will never let this place – these people even be in business. I don't see how you can sit up there and give all these raises to a company that don't do nothing.

Okay, they say you have breaks in the line. Well, okay, we had a break in the line. It took about two days before they even fixed the water. You know who broke the line? Verizon broke the line. You know why? Putting in underground cable. Zimmer Road was the same way. Verizon broke the line, but we are getting penalized. They don't say boil the water, nothing like that. I haven't never drunk your water – Aqua Water. Florida Water was the one sold Aqua this place. They sold them a lemon. I can't help that. They don't need to be in business. Pasco County owns the water we sell to the Aqua. We also own the sewer company. The customers of this Pasco County, we the people own all of it. Why would you grant them a raise that Pasco should be supplying the water and the sewer. Not \$35 like all the rest of them around here. That's a lot of money to be putting out. You know that? I haven't got a raise in two years in my social security. Have you guys got a raise?

Crowd: Noooooooooooooooooooo.

Cledes Smith: No, no I'm asking you – the Commission? Have you got a raise? Are you

Andrew Maurey: No, cause of the economy.

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Cledes Smith: Okay, this guy wants 5 million bucks he got for retirement, the President – this is a new guy here that spoke today. He got 5 million when he retired off Aqua Water. That's all I got to say, I just hope you deny the request. Go up there and take a look at that junk.

Crowd: Clapping.

Charlie Beck: The next customer is Ron Dorsen. Ron Dorsen? Okay, Mr. Dorsen in here? Celia Sharkey? Celia Sharkey? Marla McDonnell?

Marla McDonnell: My name's Marla McDonnell and I live on Arbordale Drive, that's right in front of the retention pond that everybody's talking about. Um, I can't sit outside and enjoy the \$121,000 house that I bought. My kids, I have three young children, one in which has a disease that he will have for the rest of his life and he can't drink the water. Um, the – the fence they've planted beautiful bushes around this thing – I don't know who paid for that but they're all dead because of the smell. But the smell is horrible, you can't – I cannot open my windows, I have to keep my windows shut, and I have to have my air on. My water bill runs me anywhere from \$150 to \$180 a month. Now I am a mom with five children. I do not work. My husband works, and his hours just went down to 24 hours a week. That's it. We have no more money. The retention pond – I don't care if it just rains tomorrow – it's flooded. I have to call Pasco County to have them bring out the barricades so cars won't go down there when it's flooded. I'm the one who has to push these people out when their car is stuck and I'm in that nasty water. It just irritates me that you spend so much money on a house and you can't enjoy outside.

I saved for many years \$3,000 because I wanted clay pavers in my front yard and on the side of my house. Unbeknownst to me they were putting new meters in, which they failed to tell me and destroyed my clay pavers. I called and they said, "Would you like your new meter?" No, I don't. I paid \$3,000 for clay pavers to be put in and they destroyed it and didn't have – not come out to fix it. Don't want to hear anything about it. That angers me. I don't have the money to move. I am not a rich woman. I'm trying to

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raise the – I have five children, trying to raise the last three, and I can't do it with a water bill like that. *Please*, don't let them raise it. Thank you.

Crowd: Clapping.

Andrew Maurey: Thank you very much for your comments. We have at least another 30 speakers after this. We would like to take a brief 10 minute break and resume with the rest of the testimony. I – I hope you will indulge us. At 8:40 we will resume. Thank you.

(Break)

Andrew Maurey: Thank you very much for accommodating the short break. We are ready to resume. Um, Mr. Beck could you call the name of the next customer.

Charlie Beck: Yes, ah, Maryann Nightengale. Maryann Nightengale?

Crowd: She was here, I really don't know ... A lot of people in the hall.

Charlie Beck: Okay, as I go through the list, everybody will get a chance to speak at the end if we've skipped over anybody that's in the hallway. Maryann Nightengale?

Marilyn Simon? Marilyn Simon?

Rose Bedidict? Rose Bedidict? Is Rose Bedidict here?

Art Cooke? Is Art Cooke here?

Barbara Skaggs? Barbara Skaggs?

Arnold Markwell? Arnold Markwell?

Gerald Novack? Gerald Novack?

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Lynda Wittkopp?

Lynda Wittkopp: Gentlemen, leaders, friends. I'm Lynda Wittkopp, W I T T K O P P, 10531 Azalea Drive, Port Richey, Jasmine Lakes. I'm reading the literature and I don't – opps, sorry – I don't like to talk. I'm reading the literature and I don't buy it.

Number one they're showing a list of utilities. This is the elite list. Nowhere is Pasco County, City of New Port Richey, City of Port Richey – any of these entities mentioned. I am proposing that if we are to believe Aqua that they are stating that they can't afford to maintain the water company that they purchased. If this is indeed the fact, I'm questioning why didn't they do a feasibility study like other corporations do so they know what they're buying. This just does not add up.

Water Quality: I went away for a week. When I returned I attempted to take a shower. When I turned on the shower, out came black water. I had to drain my water heater before I could shower upon returning home. I live alone. I have two toilets in my house. I use the handicapped one because it only makes sense. I have to put bleach in my other toilet so it doesn't get a black ring. We have – this isn't a third world country. I am stating that I do not feel that Aqua is justified in this rate increase. I do not choose to be their stimulus package. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. Ah, Laurie Jenss?

Laurie Jenss: I'm here. Hi, my name is Laurie Jenss, J E N S S. I live at 7400 Rhinebeck Dr., in Palm Terrace. Call me naïve but I never knew there was another water company besides Pasco County Utilities since moving here in 1996. I have already been outraged to begin with when it comes to the higher rates of this water

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company and have complained over the phone and via e-mail. Um, Aqua is double or may be more than double than costs already compared to Pasco County Utilities. From 1999 to 2009 I lived in the same house with my husband and four kids and paid only \$45 a month. My husband was diagnosed with cancer in 2008 and passed away in 2009 so our home went into foreclosure. I had to find a rental for my kids and I, excuse me – and I transferred all my utilities and to my surprise I received a water bill from an out of state company in Pennsylvania and had to mail payments to New Jersey. I was confused. I live in Pasco County, what happened to my water company that I can go pay right here on Little Road. Then when the bill was over \$100 and I had one less adult in the household. It did not make sense. I called and told the representative that – I called Aqua and talked to the representative and said this had to be wrong since my bills were \$45 a month for a family of six and now my husband has passed on – I wanted someone to come and check my meter. The representative told me, “I don’t know how you total bill used to be \$45 when our base rates add up to more than that” So, I’m like, “Well hello then there’s a problem then.” Um, she even went on to say we were actually using less than the average gallons used by my size of family. Wow, imagine my bills for water being more than \$105 than they are now? I’m living on my husband’s social security survivor’s benefits and had all my bills budgeted until the water bills from Aqua now more than doubled Pasco County Utilities. It completely does not make sense when I know there is another water company which costs way less – way less. Why doesn’t Pasco County Utilities buy these water lines and keep it within our own state.

I have copies of the rates here, which I know you probably have yourselves, but if you want to take this – and I have one of my highest bills over \$105, so you can compare. Um, obviously the rates are high to begin with so we don’t need an increase. They need to be substantially reduced. I was seriously not going to renew my lease in January just because of this water company. Unfortunately my landlord told me a few months ago, after living there only 8 months that he was foreclosing on all 14 of his properties and we had to move out in a few months. I seriously tried my best to find another home on my budget and in my kids’ school zones with Pasco County Utilities cause I did not want Aqua, but, um, the only house that came to surface had Aqua. I almost refused the rental because of it, but I realized my family needed a roof over their head as soon as possible, so I am stuck. And one more thing is that the bills are due at the end of the month and there’s lots of people like me who don’t get paid until the 3rd in the beginning of the month, so I tried to mail it out to New Jersey at the end of the month so that it

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would get there in time for when my money hits the bank but a few times its gotten there late and, um, Aqua sends out a shut off notice not even if you are a week late and they charge you a \$5.00 late fee. I call up the representative and I said, "I – was I really late in sending it?" And she says, "Yes you were over the six day grace period." So to mail it out of state, all they give you is six day grace period and then you're getting letters of being shut off. Um, and then if you do want to have the convenience of paying with your card over the phone, so it does be on time, there's a \$5.00 fee for that. So you lose either way, and when I had Pasco County Utilities they had a more gracious grace period and they send you a friendly reminder that you are in arrears, no threat of shut off for being just a week late. Thank you and please reduce your rates or get out seriously.

Crowd: Clapping.

Charlie Beck: Jan Bucka? Jan Bucka? Peggy Magruder?

Peggy Magruder: My name is Peggy Magruder, M A G R U D E R. I live at 11231 Yew (Y E W) Tree (T R E E) Avenue. Our zip is 34668. You're gonna look at me standing up here and you're going to think well this is a nice healthy person. Look fairly good. I've had a rough hoe. I've had five heart attacks, been dead four times. I have a stent in the right coronary artery, I'm living on a defibrillator with 20% heart function and I really get upset when I have to fight with people over a water bill. I never ever, ever thought I would see the day, with all the emotions that I have gone through in the last 6 years of my life – five way by-pass, sink hole, fighting disability for four years, fighting a sink hole in this county for four years, getting ripped off on the amount I should of got back. Because I had a heart problem I couldn't live upstairs in my building. It was a town house. So, I had to rent, and I have rented most of this time in Port – New Port Richey with low water bills. Moved to Port Richey, lived on Kingsbridge, low water bill. Moved into this house which took a lot of money to get into because as a renter we have first, last and security to pay and once you're in, you're broke. My husband has a job. We make under \$2,000 a month. I get a whole \$400 social security. Doesn't add up to much. By the time I get done paying my bills I'm almost to the \$1,200 a month mark.

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Out of that – that doesn't include food, gas, insurance and all these other things. So I'm on a very limited budget.

This company is despicable. They outrage me. I had a bill that was due – I have them in here – it was going to be late. They sent me a shut-off notice. The date on the notice that they wrote it up was February 9th, shut off was on the 22nd. Unfortunately due to something out there the bill arrived at my house on the 20th of that month which was a Saturday. They're closed on Saturday and Sunday to call them, to get it paid, because that's how I have to do mine and pay the extra \$5.00 because, unfortunately, with my budget that's the only way I can get the money there on time when I can, without borrowing it from somebody else. Well, I call on Monday morning, have the name, confirmation number and time at 7:30 in the morning, when they opened. A few moments later my dog is going nuts outside – it had already been paid and confirmed. When you do this with the electric company, they have a little phone and they get on and they check out to see if its been paid and they won't turn you off. They came and turned me off that morning, early in the morning. It's not due until the 22nd which should be that day on the 22nd, that's how the electric company is. They give you a notice until 4:00 in the afternoon to get your butt out of bed to get there and pay it. All I had to do was pick up the phone and I did that. So, my water got shut off. I had to pay \$45 to get it turned back on and it took them 2 days to do it. I have never - I'm going to be 68 years old, I've lived in Indiana and Florida twice now, twenty some years, have never seen such garbage for management in my life. My father had a real estate company for 30 some years here and owned a business in Indiana my whole life that I was in Indiana, and had he run his business for one week the way you run your business he wouldn't have had one. And the despicable people you have working for you – I am not a person that gets angered easy. I'm a pastor's wife, but I'm geared up and I hope I have God on my side through this junk. But I'll tell you what; I'm not going to put up with it anymore.

Crowd: Clapping.

Peggy Magruder: And if it takes suing you personally for the stress that you have put my system under with a 20% heart function – when I'm not suppose to get upset – I just may see what we can do. I'm sure there's a lawyer somewhere in this state that would

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love to jump on this case and so we could have a class action suit against you if they don't do anything about it. That's what I'm ready for. I wouldn't live through it. I would never live through the end to see it. But I'll tell you what; I'll go off with a smile on my face if they do it to you.

You need to straighten up your act. You're the president of a company and you – all of ya, standing back here or in the bathroom laughing it up – what are you laughing about? You think this is funny? I don't think it's funny. Do I think it's funny when I have to come down that same road and smell that same garbage that everybody else smells, and it is an honest to God fact – the ducks used to swim there – you don't even see them, they're dying. You can't kill them as a human being, but you are and they should be fined, because if those animals are dying, the Merganser ducks you're not allowed to touch them. They're not allowed to be killed. You can't shoot them in your yard to keep them from eating your greens, and your flowers and plants, but they're doing it and they're getting away with it. Gopher turtles, an endangered species, guess what? They can't stand to be there either anymore. So they're digging in everybody's yard to find a place to live. It goes beyond human. It's even with the animals. You know we deserve clean water. I'm sure where you live, where ever that is down here, you have clean water to drink. You can get up in the morning and turn on your water. I have to buy my water. You know what it costs me a month to buy water? I won't even let my dog drink your water.

Crowd: Amen.

Peggy Magruder: I just – I just – you should be ashamed of yourself. I don't know how you can hold your head up and look at us. I really don't. All these people that give all these facts, something better be done.

Crowd: Yep. (Clapping.)

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Peggy Magruder: Because I have lived long enough waiting on people to do things for me in my life that I needed to have done and I'm not waiting anymore, and because of them – I'll just let you know, I have no money to move either. I'm being held captive also. I can't drink their water. I can't afford their water. I'm living in a place where it's sand – I'm a sand lot kid. Had a nice yard, can't afford to water it. All the plants died I put in. I can't even have a place that gonna look nice to live in. Do we not have a right to some of these things? Clean water, to be proud of where you live, to be proud of what it looks like. Come and see where I live. It just got painted. The yard's dirt – it's dirt. I can't use my back porch because when the wind blows it blows dirt all over everything all the time. I can't enjoy my life.

I pay my bills when I can pay my bills and I do the best that I can. I'm not going to have someone running my budget. They don't know what my budget is. They don't care what my budget is or anybody else's out here for that matter. I don't know. Ya know I have fought and fought and fought for a lot of stuff in my life for a lot of years. I have a very limited life. Try and live with 20% heart function. Most people are in institutions, but I do the best I can and you need to do the best that you can. Why would a company not want to do their best? I have never heard – blew this off of here I'm so angry

Crowd: Laughing.

Peggy Magruder: Why would a company not want to do the best job that they could do? Tell me? Answer me? Why couldn't you as a president – look at me, don't put your eyes down, look at me – why can't you do the best job that you can possibly do in your life to protect other people? You're in charge. Do you know that? You hold us captive. You're in charge of our lives literally by what you're feeding us. Did you ever think about it that way? Maybe not. I think you'd better start. It's time to grow up, get a grip and do something right, and if you can't manage a company you need to go back to school, and whoever else is on the board with you. Your shareholders, whoever it is, need to be really ashamed of yourselves, cause I am ashamed of you. From the top of my head to the tip of my toes every part of me is ashamed of you. It's disgusting and let me tell you something. All of you and anybody else who is here – I already talked to Mike Fasano

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cause he dealt with me on my sink hole. Go home and try and sleep good. I don't, cause I can't sleep good not knowing if I'm going to have water when I get up tomorrow.

They took my money one month. Said I didn't pay my bill. I did pay my bill. I paid my bill. They gave me a \$4.00 credit two months later. They were wrong but didn't acknowledge it for two months. Have a good life. Grow up.

Crowd: Clapping.

Charlie Beck: Thank you. The next witness is Arlene McCauley. Is Arlene McCauley here? Jerry Conte?

Jerry Conte: Good evening Commissioners and Mr. Beck. My name is (Gennaro) Jerry Conte, C O N T E. I've been a permanent full-time resident of Jasmine Lakes, Port Richey, 10329 Grapefruit Drive in Jasmine Lake. Ah, when we first came we were with Jasmine Utilities. Had no real problems. I did not need a new meter put in. My meter was working perfectly. We were told we were getting new meters. Ever since they have come on the scene, I didn't need a water main break to boil water, we boiled it all the time and the residue that we see as we boil it is incredible. Ah that's one of the things that we have to do. I'm not here to ask you to lower rates or not give them a rate increase, I'm here to ask you to revoke their certificate. I don't even want to have to deal with them anymore. I'd rather be with Pasco County.

Crowd: Clapping.

Jerry Conte: The other things that – the analogy that they used about electric companies being the same, they outa move here because it isn't that way. We have Progress Energy and I have Withlacoochee, I do not pay what the Progress Energy people pay. It may be irrelevant because it's electric rates, but just to tell them It's not

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true what they said about that, oh, that everybody should be the same. It shouldn't be. I have Withlacoochee, I pay a lot less for electricity but more – a lot more for my water than my electricity and I'm not with Progress Energy, they have their own rates in a different county. So, please just think about everything that's been said. You've heard a million different statistics and that's about all I can say, is that I hope you just reject them and get them out of here. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. It's either Mr. or Mrs. Cardona? A. Cardona? Mr. or Mrs. Cardona? Christopher Ruiz?

Christopher Ruiz: Good evening, my name is Christopher Ruiz. My last name is R U I Z, 11124 Tamarix Avenue. Hello everybody. Thank you for everybody to come out, you know stand together and everything, to try to make it through this. Um, as you can see, um, you've been hearing all the statistics, all the stuff that you've seen, the evidence and everything but I want you to understand the true statistics that you see are these people showing up. It's very important that and how damaging this situation is, I mean it's beyond belief. I mean if you really sit down and how much this is affecting everybody – the environment, people, everything. I want you to understand that one of the biggest things that fuel, crime rate, is poverty. Okay? When people lose their homes they tear up their homes. Nobody wants to buy them. These communities are crumbling – they're crumbling, they're falling apart, and I want you to understand something that this company, this company does not care about people. They've thought about it, it doesn't faze them. There are two different people who run companies, corporations. There are people who have the knowledgement of how it is going to affect the community and there are people who are in it for the money. This is what's going on here. He doesn't care about people, he cares about money, and when he runs this community down to the ground, when there is nothing left to sit there and salvage, he is going to continue on and move to another state. I want you to understand something, that if you stop this, if you discontinue this, you are also changing history, you are standing for the people. You are saving other people's lives, not just in Florida but the United States of America. These people have a problem here. Okay? They do. They don't care. That's what it is.

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And it's important, as a community, as a commissioner, county that you have here cares. We need you to actually acknowledge what's going on here. It's important. They talked about the environmental issues. This is going to also affect people psychologically, socially, community wise. I guarantee you within like years, within like years, within at least two or three years these communities will crumble if you allow this to continue on. You do, and I want you to understand something also, another problem that we have is that the quality of water that everybody's telling you about. I want you to know something, whether you realize it or not this water's so contaminated, we're ingesting this water, it's making us sick. It's making us sick and as a result of when you get sick, you go to the Doctors, you go to Walgreens, you spend more money, which means less money to live. I want you to understand that their corporations that they're running is not running by a democracy they're running it like communism. That's what they're doing here, because they don't care. They don't care about people. They don't care whether we live or die. Whether that lady who had that heart problem. He doesn't care. He doesn't. But you have to believe in that, cause he believes in it, but it's more important that you believe in it and realize what are the negative reinforcement that's going to happen beyond this. Cause if you don't , I mean it reflects off of you. It's important that you do this. I mean I can't even believe that we're all here and a lot of us have sacrificed our evenings and our plans to stand up for who we are because you guys have to have a public hearing. Anybody with any kind of knowledge would know and logic would understand that this is atrocious. It is. It's very atrocious. As a matter of fact I think the reason that people are angry, it's not the fact that they've lost money or they're losing their lives – cause we are, they're taking our lives away. Money is the free will for us to live and you know that and you're taking it away, and you're asking us to come to a public hearing so we can appeal to it. This is something that you guys should of realized that this was a real bad idea.

Crowd: Right.

Christopher Ruiz: A bad, bad idea.

Crowd: Right, Amen.

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Christopher Ruiz: You know, and I don't know if it's because you didn't realize or anything like that how I hold nothing against you, but it's important that you make this decision because there's gonna be a lot of people who will hold this against you if you do not stop these people. They're out of hand. They're destroying lives, and not just humans, they're destroying animals, environments. This is the whole reason why we are having the problem that we're having in America, cause we're having big name corporations run amok and tear the community apart. I want you to understand that if you destroy a foundation, which are the people – which are the people, and you are also – but you let people like them destroy the foundation – they have nothing else left and I guarantee you something, when there's none of us left, YOU are next on the guillotine. You are, and that's what it is cause that's what a human race is about. Once we disappear, guess who's up, guess who's next? You guys are sitting up there. That's what happens. It's a domino effect, do you not understand this? It's a domino effect, it's a massive domino effect. There's a reason why it's an effect. That's why they call it an effect cause it affects everybody, everything. I can't believe this, I mean do you understand that you have people on oxygen tanks, defibrillators, everything. They're fighting for their lives for this. This - we're America man. I mean we fought for stuff like this so we didn't have to go through this and we're having corporations doing this to us now. It's the truth. I mean if you – if you really can't understand I'm really sorry. I'm really, really sorry, but I'm telling you right now this man should be held for criminal charges of all kinds – of all kinds.

Crowd: Clapping.

Christopher Ruiz: It is not an opinion, it's a fact. You've had all the stats that you need. What do you want? You want a dead body be dragged in here so that you can find out how malnourished that water is? It's disgusting and so is he and his company, cause they don't care and that's what builds us as a foundation is caring about this community. It's important, it's very important.

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Let me tell you something, this guy here – this guy here's not a business man. He's a professional con artist. He rewords everything that makes it look legal. There's many corporations out there who do that, that's why we're having this whole economy problem. Cause everybody wants a piece of the cake and nobody wants to share it no more. That's why. Him and other big corporations like Progress Energy also, they are just running us through the ground and they don't care. Why do you think we call and complain? Do you think we do it for –because we're just trying to be nasty or disorderly – NO, it's affecting us tremendously. And I want you to understand something if you allow this and they will, they will wipe us clean as a result of it. They will. Don't think you will not be the next ones, cause you will. Maybe not any time soon, but down the road somebody's gonna have to take the blame. Somebody's going to have to take the blunt end of the stick, cause we are right now and when we cease to exist, you will be next, cause the rich people find other people, like the middle class and lower class. We are expendable. We are, and that shouldn't be that way. It shouldn't. I have nothing against rich people. I want you to understand that. What I have a problem is - is with rich people have no morals and no scruples and this is what this man represents and so does his company. Thank you very much for your time and listening and all that. Have a good evening. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The customer is Ralph Zanello. Ralph Zanello?

Ralph Zanello: My name is Ralph Zanello. Spelled like Z like in zebra A N E L L O. 7634 Judith Crescent, Palm Terrace. Commissioners, Commissioner Mariano, thank you all for being here tonight. Um, you've heard numerous people tonight speaking about various conditions of the water. The costs, the prices, you've heard Aqua Utilities telling us how much money they need to upgrade systems and have spent already upgrading systems. Ah, I'm not going to point a finger at Aqua Utilities and accuse them of being bogus, ah, I'm just going to create a – give you some information on some facts that you can take of the computer as I did. Ah, back a few years ago the City of Port Richey turned around and did major upgrading of their sewer and water systems. They opened the roads, they laid new lines in the roads, they put scrubbers on their treatment

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plants so that there wouldn't be odors, they created a filter system which was a very good filter system on their water, they turned around and disposed of all their iron particles that came from the water property, they even drilled a new well. City of Port Richey in comparison with Pasco County, New Port Richey and Hernando County is one of the higher costs for the utilities. Ah, for instance, a person living outside the city limits that's on their city water, they would pay a base water of \$10.50, a base sewer of \$18.36 and per thousand it would be \$2.31 for water and \$4.65 for the sewer. That's what they're paying now. They never really had to raise the rates ridiculously high as Aqua Utilities is proposing and they're charging. I've cut back on my water as much as I can I have a well for my irrigation and for my pool and for anytime I use water outside the house, washing the car or whatever. My average utility bill runs around 1,800 gallons a month. I can't cut it any lower than that cause my wife and I and sometimes my daughter are living in the house, and I have a water bill here that was just for this month - \$79.67. That's almost \$100. If I had – if I had the City of Port Richey and I was living outside the City of Port Richey my water bill and sewer bill would have been, ah, based on – on, well I did a base of 3,000, but my water and sewer bill if I was on the City of Port Richey would have been \$41.39 at 1,800 gallons. That's almost half of what I'm paying for Aqua Utilities. And Aqua Utilities doesn't give me filtered water, ah, that's free of iron particles, smells, and whatever else. It doesn't give me, ah, the lack of not having an orange ring around the toilet bowl from the water sits in the toilet because I don't want to flush it after it's used each time, but if the water sits in there awhile it turns orange, ah, with a ring. Aqua Utilities doesn't give me the opportunity to go pass the treatment plant on Ranch and Zimmerman for a – without having to close my windows, ah, and make sure that if I'm running my air conditioner in the car that it's inside circulation not outside. I mean, New Port Richey I can go right next to the treatment plant, cause they put scrubbers on, like I said they put filters on the system, they ah, did a lot and they're not even asking for anywhere near the amount, and if you figure the population. The population of City of Port Richey is 4-1/2 square miles. They have about – I'd say about 1,800 houses, maybe 2,000 residences in the area. So we're talking fairly equal populations, but yet they can keep their rates low, and I think the reason is because they're not greedy. They don't want to make money off the backs of citizens who are on fixed incomes. I'm quoting you facts – any one of you can go on the computer and get the same information that I got. As a matter of fact I have some extra copies if you'd like them of the comparable rates in the area. Ah, and if you have any conscience at all and if you've listened to the people tonight, we're not here just because we're - we don't want a raise on rates. Over the years our rates for everything has been going up, we understand that, but when we get ripped off, when we can see

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what other people are paying, when we can talk to the County who is willing to take us on and have us as their customer, ah, but the terms that Aqua Utilities has given to County are terms that no one in their right mind would accept right now. Think about all these things. Think about the people that you've listened to tonight. Think about the people who have spent their time here, ah, and think with your mind, and in your heart and I think what you'll find the same answer in both your mind and your heart is that, 'They don't need this raise, they don't warrant this raise and may be they don't even warrant being in the business in this state of Florida. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. Paul Nobel? Is Paul Nobel here?

Diane Wright? Diane Wright?

Rita O'Connor? Rita O'Connor?

Lorie Moritz?

Lori Moritz: Hi, my name is Lori Moritz. I live at 11214 Kapok Avenue, Port Richey, Florida in the Palm Terrace Gardens subdivision. First, I'll try to be very brief, I appreciate you listening to each and every one of us tonight. Um, I just have to say Aqua Utilities is absurd. It's ridiculous, and I don't know which – I hardly doubt any of you have Aqua Utilities. You probably all have really nice, clear, clean drinking water. When I went to go give my 4 year old daughter a bath in the tub it filled up with brown water. I had to drain all of the water out and run the water until it became clear. It's disgusting water. I drink bottled water – my whole family. I refuse to drink the disgusting –ah, there's just crap particles floating around in their water and you know how much I pay? \$150 a month, \$150 – 1 5 0 a month. Ah, Aqua Utilities, Aqua Utilities I don't know how they do their usage. One month I will use 5,600 gallons, another month 6,500 gallons, another month 5,000 gallons. It keeps going up and down and I do nothing different. I just think it's absurd – they're trying to pass this increase - this rate increase. Our water, ah, I live next to a foreclosed home. It's been foreclosed and vacant for over 3 years. Their water is still on and running. I should just hook up a hose to theirs and

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start using it myself so that the next person can pay that bill, because \$150 a month is absurd and ridiculous for something you can't even drink. I don't give my cats this water. It probably killed my dogs because they ended up with kidney disease. With all of the stuff that's floating in this water – try it yourselves. Try it, look at it and please, please reject this. We cannot afford this. I am 39 years old. I am a stay at home mother. My husband works in Clearwater. I have elderly neighbors, they cannot afford this. My neighbor that lives directly across the street, she's caring for a husband who's in a hospital bed. They live by themselves. Their water bill also is \$130 to a \$140 a month. How can, I mean, how do you justify it? How can they justify this? I would really like to know because I think it's an awful lot of money to be paying for something that is totally disgusting and not worth it period. I don't drink the water. I'm lucky that I'm able to even bathe in it, and all the ducks from the duck pond, they are all coming to our houses now and looking for water at our houses. I have had – I couldn't tell you how many ducks and then they crap all over the place and they pee all over the place on my front porch. My kids walk out there, I walk out there. We can't walk out there bare foot because there's duck feces all over, which then I have to get the hose and wash it all off and – because they're so disgusted with the duck pond. There's garbage floating in it. It's green stagnate that floats from one side to the other and it's just disgusting, and please, please reject this. I don't think – you don't have Aqua Utilities do you?

Crowd: Laughing.

Lori Moritz: So you probably don't know what the water is like, but please – and I'm not trying to be mean – really take into consideration what we're all – what we're all drinking, what we have to deal with. It's not fair and for God's sake \$146.39 a month, I mean my toilet bowl is probably cleaner than what comes out of the tap. It's gross. It's just disgusting what comes out of there and I don't think they should be allowed to have any more rate increases. I have friends that live in Beacon Woods, they pay \$40 a month. Two years ago before the, um, the 2000 rate increase, \$19.45 is what it was. The utility proposed final rates \$45.26. That's doubled. We used to pay \$60, \$70 a month in water two years ago. Now it's almost \$150. No one can pay this. No one can make this on one income, and it's not fair that they have us right there. We have no one else to go to and that is just not fair. So, I thank you all very much. Thank you.

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Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Frank (unclear).

Frank _____: Thank you Jack for being the only one that stayed here. I stand before you people, I don't know who you are, I don't know what your titles are and I'm sure I didn't vote for you, but I'm here and I'm watching all these people come up here and begging you and, from what I'm understanding, from what I hear, you caused the problem. Disgraceful, absolutely disgraceful. My father, if he were here, he'd call this racketeering. Up in New York, where I was a community board member, right, these people wouldn't be allowed in our neighborhood, we'd throw them out a long time ago and if you went along with it we throw you out, and if you go along with them, we'll throw you out.

Crowd: Laughing. "You should"

Frank _____: But we're not gonna, cause you're a nice guy. I mean I got my thing here and I wore it for a reason, cause after November we ain't got nothing else to do. We're going to take care of Washington then. Then we're going to come back and straighten this county out. These people are outrageous. This is a joke. This is a monopoly. There's laws on the book about a monopoly. I know. I lived in New York. They took the telephone company apart. They took Con Edison apart and everybody else, and Con Edison being the utility company. I used to work there – ten years. When we changed meters we didn't take the ones off the shelf that ran slow, we took the ones off that ran fast. That's all right, that's number 1. Number 2, we got now automatically read, ah, meters. I would like to know what Aqua is doing running up and down telephone poles. Could it be that they've got devices to manipulate the meters? I mean, it's an accusation at this point and I going to go looking' into it, what are they doing looking up telephone poles, they're supposed to be on the ground. They ain't done nothing over there. I've been here for what, 6 years now. I was paying \$30 a month, now I'm paying \$70. Now we pee out in the garden, we don't wash the dishes, we take the – we take the – we take the wash down across the way over at the Hudson because

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it's cheaper to bring it over there than to do it in the house. What's next? Outhouses? I'd like to know is it permissible, cause it's the sewer charges. Can we put in septic tanks? That's a way to defeat these people, and, you know, I appreciate what all the other people brought here with information. Do your homework this time, cause we're fed up. Now we're going to come and we're going to straighten this out one way or another. So, if you like your job, do the right thing. Thank you very much.

Crowd: Clapping.

Charlie Beck: Thank you. Michael Hroch?

Michael Hroch: Yea I bet it is. How are ya? Michael Hroch, 7430 Rhinebeck Drive, Port Richey. I own two businesses in this county. Okay? And on the things I do I'm a contractor and as a contractor, if we don't provide a service to the elderly, we take their money and we don't do what we're supposed to do, we're closed down in a heartbeat. Right, Jack? We – They don't wait months, weeks – you make a complaint that as a contractor we don't do what we're supposed to do they immediately revoke our license. It's not a "well lets investigate it for six months", if you didn't do what you're supposed to do you lose your right to do business. These people are telling you that they're doing the right thing for us. Let's concede that everybody has said exactly the same thing. The water's bad. The service is terrible. They don't do this, they don't – we all know that, its – you don't want to hear the same thing here, you already know it. If they're not doing their job then why are they still allowed to serve us? We're not asking you to do something because they did something wrong – they suck. They're nothing but a problem. They're hurting everybody in the community, and what they're really doing is giving everybody a bad name. We don't want you to do the wrong thing. Do the right thing. We know what's right and wrong. You know what's right and wrong. One of my other businesses is I own a bunch of houses. I live on Rhinebeck Drive and ten blocks away I own another house. Me and my wife live in the house on Rhinebeck. My electric bill averages \$110, \$115 a month. My water bill averages \$140, \$145 a month. That's wrong. Ten blocks away I have four of my children live in another house. A little bit bigger house. Their average electric bill is about \$140 a month. Their average water bill is \$35, they're Pasco Utilities. It's wrong. You know, you guys might be doing what you

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have to do but it's good for you, it's not good for the people. We don't want anything we're not entitled too. Give us what we're entitled too, which is clean water, clean air and just what's right.

You wonder where their capital improvements are going. Well I got to tell ya. You heard these people talking about water main breaks. Well my house is one of the mains that broke. County came and dug up my property. They had to put a new ah – sewer, not a sewer line, a storm water line in. The County called and had all the lines marked. Because I live in the house everybody came out. The telephone company came, the power company came, water company never came. While they're digging up the line, what do they hit but the water main? A 3 inch water main line shooting water all over the place. Filling up, going to flood my house, that the storm water people had put a vacuum to keep the water from flooding our house. They had to suck the vacuum out to keep the water. Because you want to know why? Because Aqua Utilities doesn't have shut offs. An hour and half later, when they finally got there to shut off the water, you know what the guy said, "They don't work". They don't work, they couldn't shut off the water to flood my damn house. 7430 Rhinebeck Drive. My last name is H R O C H, more than happy to check your records. Okay? They had to have another guy come in who had to jump in the hole that they dug and he's up to here in water trying to glue a valve on with 3 inches of water rushing out of the pipe. Not only one side of the street, cause there's a – supposedly shut offs at both ends, neither one works. So, where is this capital improvement money going? Well I'm going to tell you. One of the other things that they do is, couple years ago when Aqua was in our neighborhood they had these little beat up S10 trucks that they drove around when you saw them. I mean little 15 year old trucks, so naturally they're going to replace their trucks. Right? So now they got these nice big F350 pickup trucks with all the lights and all the bells and whistles on 'em, and you can always see them cause the guys sitting on my dam corner reading the paper all day long with the lights flashing. There's where the capital money went and these are not accusations, these are not – these are facts that I can prove. I have photos. We have the pictures of the water. I have pictures on my phone of my house getting flooded because they couldn't shut off the water. The County has records of my street being flooded because they couldn't get a pipe on for three hours. We got the County's vacuum truck trying to keep my house from flooding because Aqua Utilities' capital improvements didn't work. So, all I'm asking you is – I'm not too concerned about the rate hike, cause I'm pretty sure it's not going to happen, what I'm hoping for is that we rescind this that they get to do business in the County, just as if Jack would do

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my license if I screwed with an elderly person. If I do work for an elderly person and I don't do what I'm supposed to do, they take my license and put me out of business. I ask you, sir, to do the same. He didn't do his job and, you're only as good as the people who work for you and I understand that, but the people that work for you suck. Thank you.

Crowd: Yeah baby. Clapping.

Charlie Beck: Thank you. The next customer – I can't read the name very clearly – Sally Die - Sadie

Sadie _____: We share the drain pipe...(inaudible)...Fortunately this time thanks to Pasco County they came in and made the pipe 24 inches instead of 18. Okay? Alright, and , um, anyway they made the pipe bigger that they put in there and I don't have – when it rains I don't have the water coming down Ranch Drive and making turn onto Sanford right into my house and yard because it goes out and goes out in (???) in the new system that they put in. We do have a drain which they put in cement and concrete back there in the back to keep it done. This part belongs to Pasco County. We had a storm, three years ago, and three trees went out over my back yard, fell across the ditch. We had 8 feet of water around the place, before this was all done. But now with Aqua, Aqua probably is a very good company. They've tried and tried to get us what we need but somewhere along the way something got done wrong. I don't know what, but we don't have the service. I have a meter with my next door neighbor who is not there anymore on the Hern property. I have a sewer thing and next door is also her sewer line. You can't even see it half the time, so I don't know how they're reading it to get the right use, amount of electricity and water. Okay? And then on top of that we have water across the street from us, we have a squared sewer thing – I don't know what you call it there – but it's a – one where they can pop the thing out, they have a light that comes on that regulates the stuff for the sewer part. So they're adding a bunch of money for us to operate this. We have some kids in our neighborhood who have tried to destroy it. We have asked them to stay off of it, not make a jumping jack of it and everything else, but it's unprotected. Its – one piece of it, some lady backed into part of

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it the other night and broke it. So we have that. It really needs to be looked at. Okay?
And I appreciate it. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. Lori Gutierrez. Lori Gutierrez, Hawthorne Drive?
Ken Howe, Ken Howe here?

Ken Howe: I'm sure you've heard enough tonight, so all I want to say is I've looked at the Public Service Commission's website. The very first sentence, 'The Florida Public Service Commission is committed to making sure that Florida's consumers, not the utilities, receive some of their most essential services: electric, natural gas, telephone, water and wastewater in a safe, affordable and reliable manner.'

Safe: in March of this year in Jasmine Lakes, in the wells in Jasmine Lakes, there was traces of e-coli bacteria where – where a boil water notice had to be issued.

Affordable: I'm looking at a three thousand gallon consumption. Pasco County Utility charges \$40.66 for water and sewer at the present rates, Aqua charges \$94.41. I have no problems with profits but what Aqua's charging us 123% more than Pasco County.

Reliability: Try to call their Customer Service and get some help. You're not going to get it. After hours we - I report a leak. I was talking to somebody in Wisconsin, and then as far as any type of Customer Service office, there's no Customer Service office in Pasco County. Why not? We can't even go and talk. We got to wait on the phone. You call up to report a leak, you call, you get a recording and they hang up on you. You have to call five times. So all I'm asking is: Do your job to the consumers not to the utility. Thank you.

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Crowd: Clapping.

Charlie Beck: Thank you. Jeffrey McConnell. Jeffrey McConnell?

Neil Gibson? Neil Gibson?

Joseph Thomas? Joseph Thomas?

Walter Peters? Walter Peters?

Nathaniel Abbey?

Nathaniel Abbey: Hello my name is Nathaniel Abbey. I live at 10524 Azalea Drive. Ah, I'm a new home owner. Purchased the property 4 months ago and ah, I used to live in Spring Hill and there was a tremendous change from the utility bills to what I currently have now. I wasn't surprised – or I was surprised when I did see on the first month there I got a notice, after the fact, that the – there was tests that showed presence of coliform bacteria and this is two samples out of every ten. So that means one in five houses had contaminated water after the fact and I was drinking it. I have medical conditions where I need clean water. Obviously, from hearing everyone speak tonight this isn't – Aqua Utilities is not providing this and I'm requesting that you do not permit them to operate here and I hope you deny their certificate to uprate. Ah, I'm looking at this rate comparison chart and if you ever took statistics any number over 100% it's unreal – it's unrealistic. So I'm against this pay increase especially with an economic crisis this country's in already and we have resources here, in our own state and in our own county that could provide better services than this corporation, Aquafina Utilities.

I have changed the way that I have lived using the water frugally, like – like as in if you're taking a shower you just don't let it run, you turn it on just enough to get wet so the suds can flow and wash what you need, but are you really washing with dirty water? I can't take the chance of having an infection from some of the pain treatments that I take, ah, or do. So, I don't wash that often there in my home. Ah, I use water bought elsewhere, and the filters that I do have on the house still show insignificant, ah, quality in water. Ah, I just hope that you just take into consideration what everyone here had to say this evening and waited until I got up here to speak too and reiterate the fact that we

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are all unhappy and unsatisfied with the quality and the services that Aqua has for us, and, um, to consider other alternatives in supplying water services and also electrical services if possible. Ah, I have bills with me over the last four months that have changed. Recently I've noticed a credit and that was for a street lighting I guess. On a daily average usage I only use 71 gallons. They say you use 100 gallons just to take a shower. So that's how much water I use out of the house, and I still pay an average of right around \$70 because on this chart the first month I was there I used 250 some odd gallons daily average usage and that bill was outrageous cause I came from a county where the bill was only \$17 maximum just doing whatever you want with the water, on a septic system also. The sewer charges that are mandatory even if you didn't use the water are \$53 – is just not right. If you're not using the water why are you going to pay for these services? It's – it's just not right. Ah, now when you on a limited income and you're on a budget this pay – you estimate for what you can afford and for water an increase of what they're trying to ask for here is just unreal – it's unreal, and I just hope that you take all these facts into consideration and make the right decision and no longer do business with Aqua. That's all. Thank you for your time.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Mary Ann Ballagna? Mary Ann Ballagna?

Brian Sheehan? Is Brian Sheehan here?

Tammy Dickus? Tammy Dickus?

Kelly Bowman? Is Kelly Bowman here?

Anthony Deleone?

George Dignan?

George Dignan: Hello my name is George Dignan. I live at 7406 Dauvin Court, Port Richey 34668. I've been in Florida about 35 years and I've never run across this situation yet. Ah, my complaint is not so much with Aqua Utilities as it is with the people

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that are there sitting in front of me making the decision because you all look intelligent people. You've got the same information I've got. You see the charges are so far out of proportion that they're absolutely ridiculous. This meeting of the public should not even had to take place. When these people came to you and ask you for another rate hike you should have been able to sit down as intelligent business people and see how ridiculous this whole thing is and if you can't see that then you shouldn't be in the chairs you're sitting in. I can't blame Aqua, because as greedy as they might be and as unethical as they might be, they're only going to take what you allow them to take.

Crowd: Claps.

George Dignan: They're not going to take anything that you don't hand to them, and they could care less about all the complaints that are coming from this room. They can laugh at them, that's probably what they were laughing about in the hall. As long as they've got you under control – the people sitting on that chair up there – then they could care less about what anybody in this audience says, and if you can't wake up and see that then you should give up your jobs, because if I had the authority or the power I'd give your jobs up for ya. I'd be ashamed of myself if I were any one of you people that even allowed this meeting to even exist, because these people should of never been allowed to even make that first request in 2008. And when they came back to make another one, when you people didn't even answer the letters from Representatives, political representatives and you can't even answer their letters then how in the world would you listen to us. I'm ashamed to think that we have people like you making our decisions for us. Good night.

Crowd: Clapping.

Charlie Beck: Is there anybody else who would like to speak? We've run through the names of the people who have signed up. So, this is it, if you want to, come on up.

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Mike Paone: Alright I'll say something. My name is Mike Paone and I live at 11235 Tamarix Avenue. I moved – Paone. P A O N E. 11235 Tamarix, Port Richey, Florida. I live in Palm Terrace Gardens. I moved down here in 1989. Um, when I first moved down here I was a plumber. Ah, I put in many, many miles of water mains, water pipes, I fix up, you know all that great stuff. We came down here and I thought it was pretty great that the company we had – the water company they would give us these notices and they would say listen we have to shut down our system to maintain it and we're going to open up this valve and your waters going to come from Pasco County now. So you may smell a little change in your water quality, which was usually just a little extra chlorine because they opened one line and they tend to add a little chlorine in there to kill bacteria. That's all it was for, and anytime you shut down a main and open them up you will get some extra sediments and what not from the pressures. Okay? I came down here and I said, "Boy this water is awful", so I put a water softener in my house. I had that water softener in my house, um, about two years before Aqua Utilities took over. My water softener went bad. You know it's been in quite a few years. I put a new one in. That one lasted me a whole two years. I took it apart, I looked inside of it and that nice filter that the gentleman brought you, well the inside of my water softener was absolutely black. Okay? The resin was dead. Okay? I just put a brand new water softener in, I'm down – I raised three children down here also. Now I'm down to my wife and I, my son's in college, my last one. I put a water softener in – 42,000 grain water softener. A water softener that's probably big enough for a house of five, may be six people. My toilets are dirty. I have, I have a staining in them. I still have hard water coming in and there's nothing wrong with my water softener, just to let you know. Um, I – your clothing, everything wears, okay? I understand the plumbing business because I've been in it for so many years. Um, when you have a water main break there's two things that you can do. You can repair the problem so that you can get the water back on for everybody, so everybody in the development will have some water, you know in a timely fashion. Now what you need to do you is you need to go back and say 'hey we may have to change 30, 40 feet of pipe because we did a repair, that's all it was, was a repair.' Well they leave their repairs in the ground until something else explodes. Some of these repairs are very, very difficult to do. I have to give them that cause I've done major, major repairs. Um, and absolutely my job is to come and give you the customer the water back in a very timely manner. Okay? I did my job. I've come back to the corporation, I say, "Listen and, I'm sorry, I don't know your name, but, um, these pipes are in disarray. They really, really need some upgrading here." As you guys being the professionals and your engineers really need to sit down and say, "Hey listen this is an old system. This system has been put in the seventies. It's an old system. It's gonna fail.

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There's going to be parts that are going to fail. Is there an older section – are their pipes breaking in that section the most? Let's change it." It's simple. It's simple. It costs money. Okay? We're paying an extremely amount of money. For the amount of money we're paying for our water, we should have the best water system in Pasco County. I came here – I moved down here from New York. I moved my wife and two kids down here. We had a beautiful lawn. I moved into a neighborhood. I was the youngest couple in that neighborhood. There was no kids in the neighborhood. I didn't even notice and I went in there and I seen this neighborhood go to its highest peak and I seen it go down to the ground. We absolutely – everyday I drive down the neighborhood, there's another house that's foreclosed on or shut down or somebody moved into it and they couldn't afford their utilities and they just leave it vacant. The kids are running amok through the neighborhood and just – it's just awful. My water is awful. I have filters on my refrigerator. I have filters coming into my home, and being a plumber I put another valve in my own house because I know the problems here when I leave I shut my water off in my house. So, their meter could explode off the wall and do whatever it wants it's not going to run through my home. Um, you know we don't have the opportunity if we have our own well to shut Aqua off and use our well water no matter how deep our well is. I understand that if everybody in the community shuts their water off, if say we have 700 and, I don't know, 700 and something customers. All right, if 400 of our houses are vacant or not in use, who's paying for the water. Aqua comes in and says, "Hey we've got 700 customers, we'll divide it by this, each house is going to pay \$53. Geez, now all of a sudden we only have half that amount of people, we got to raise them to \$100 now just to have the water turned on." Doesn't that make sense in mathematics to you? Somebody's got to pay for the loss of people. Who's paying for it? We are. But why can I move to Pasco Utilities and only pay \$50 for the same thing they're giving me for a hundred. It's, it's outrageous. It's absolutely outrageous. Nobody should have to pay that. There should be some kind of a cap. Pasco County is the most beautiful county in Florida. I don't think – I don't know if you've ever noticed this. I fish this county. This used to be a county for the rich. This was a very, very rich county. We used to have high, prestigious people who used to come here to vacation. Have you noticed that nobody vacations down here in Florida anymore? I mean, it's just absolutely becoming destructful.

I seen them the other day, they were on Zimmerman and, I can't remember the side street. They were doing the repair. We don't get notices that we have to boil water. When we did a job and I had to shut your water down I had to go door to door and they

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didn't care if there was 10,000 customers in that – in that neighborhood. I had to go door to door and hang things on your door so you can see it, or tape them to your mailbox so I didn't have to get out of the truck and say, "Hey listen there's a water main break, you have a boil notice water in effect until I come around and hang a new notice that says, "Your water has been cleared." We don't get that. We get a little sign. A little barricade sign and they put it in the weirdest places, so all of a sudden three days later your driving up the road and you see this boil water notice and were like, "Well we've been drinking the water all these days, I didn't notice nothing." What am I drinking? I've had my water tested before we failed quite a few times in our development. Who's held responsible for that? You know, like I said, maintenance is part of what I'm paying for. I'm paying you a service. I come to your house and put your plumbing in your house. Do you want your toilets to flush? Do you want to be able to turn your faucet on? I mean this is great the way the world is, you go in there, you turn your faucet on and the water comes out. It's beautiful. We don't have to go pump anymore or carry buckets. You know, we don't have to do any of that stuff. This is serious, and I do commend you guys cause I'm watching you, I'm sitting back here really quite and I'm watching all of you and I truly believe your all paying attention to what all the customers are saying, cause it's not only my 700 people, it's 1,000 in Jasmine Lake and then you have Zephyrhills, and those people came all the way from Zephyrhills. We had other meetings here. You know where they were held? They're held in Tallahassee. How many of these people that are in their 80's and 90's do you think that are going to pack in a bus or a car and they're going to drive up to the Commission and say, "Hey listen we can't pay a rate hike." Nobody. Absolutely nobody's going to do that. We have a water crisis in our neighborhood, why shouldn't we have our meetings in Pasco County where the problem is? This is fair to us because we can come, and you saw by sheer numbers, I mean, half the people are still out in the parking lot, they left before they even came in here. So, I mean, I can't blame, you know, I feel bad for you in a way because you're getting beat up on. You are the President of the company but, I mean, you know what you really need to do you need to go and look at who works for you. Maybe you don't have a part in all of this, you know I was a president of a company once and it's great because I can allot all my jobs to everybody and collect a nice paycheck and isn't that the American dream. We want to be up here. I bought my own house. Damn, I used my own cash to buy my own house. American Dream. Had my own business. American Dream. Got hurt on the job. Got a plate in my neck. Had 4 discs operated on in my back. Had my knee operated on. Know what happened to my American dream now? I'm on disability. Now I have to squeeze my quarters together so that one day that my kids – The \$50,000 home that I bought in the 70's, I mean in the 80's. It's now back to

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\$50,000 again. You know, two years ago I sold the house across the street from me for twice as what I can sell this and it was only 1,000 square foot house and I'm in a 2,000 square foot home.

I mean this all can be straightened out, and I truly believe that. I think we're being strong armed, I think your being strong armed too, by the way, but when you have over, let's say 300 people here tonight and they're all telling you the same story and they're handing you their bills. So you know they're not just making this stuff up, it's not smoke and mirrors. What is Aqua Utilities telling you that would honestly make you guys make a decision to say, "Hey they need more money. They really need more money cause they got to fix stuff." What did they do with all the money we've been giving them since 2008 when they had the other one? In 2009, what did they do with all the money? Where did it go? It didn't go into my system. I'm a plumber I know what goes in there. I know when they work on the lines in there, I've done that. I've dug, I've stood out in 90 degree weather down here in Florida. I did what those poor guys that work for him and make him a millionaire do. You know what I feel bad for them, because I did it. I don't feel bad for him, cause, you know what, I want to go out fishing with you because I know the waters around here, anytime, Sarasota I'll take you out anytime you want to go, we'll go do some tarpon fishing, whatever. But, I mean, someplace it has to stop. There has to be something. They have to turn around, and – I don't know how they're going honestly tell you that they need this much money when everybody else in the county is doing it on half or less. So, I would honestly say, either they drop their prices down to be reasonable with everybody else and fix the problems that are really there, and have the water tested and show you that the water that we're truly getting is good water or revoke their license. You would do the same to me, if I came in your house and I did a job for any one of you and I bilked you, my butt would be in jail and I'd be talking to Judge Webb or one of them right now. Trying to bail myself out, and I'm not blaming you, I'm not blaming them. It's everybody. It's absolutely everybody here tonight except for the customers that are coming here and begging you. I know the lady that can't stand the smell, you know why, because when I drive home from here tonight I have to go past that to get to my house, and when the wind's blowing right it, it almost hits my house and I'm at the end of Tamarix. I'm way the other end and you can smell it and it's horrid. She used to be out there with her kids playing all the time. Those kids were – I'm telling you they were always out in the road and, you know, you got to slow down because kids are running around. Nobody's ever out. They all keep their doors shut. There's a pond right next door, right next to their retention pond – there's a swamp or

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retention pond right there, now from what I was told that their sewage water is not supposed to run into that – that drainage pond and their sewers do overflow into there. That street has a problem with flooding and heavy rains. Um, the grass grows very high. I know the guy actually that cuts the grass for them in there, um, he used to work for the old water company that was there and this was the greatest thing, if there was a problem in your house, he actually lived in our development. His water company made him live in the development so if there was a problem we had a number, we called them, and they sent Steve out. I mean he was there like that. 700 customers were really happy because of Steve. It's honestly two, three days to get somebody to come to your house. You get a water main break, you cannot wait two to three days. Absolutely not. If they're worried about making money, they're letting the water flow before their meter and it just pouring out in the guy's back yard, flooding all the neighborhood. Who's paying for all of that? Their new meters are great. They want to save money, you put these new meters in there. Fantastic. They're probably to the gallon, I'll give them that, that these meters are so exact. Now what I had was I had five guys walking around reading meters I only need one and he sits in his car and he goes "boop" "boop" and that's it. So they fired four or five guys. So now they got all of their paychecks. Where did that money go? Okay, what's happening now is Pasco County needs jobs. Aqua Utilities have taken those jobs away. Okay? We all have to come with the times and we understand the meter thing is with the times, ah, but they're taking jobs out of Pasco County. If we took over the utilities we'd be putting jobs – we'd be bringing money back into Pasco County. Why should we give money to people that live in Pennsylvania and New Jersey? Why don't they have their billing station here in Pasco County so at least we can hire some people to do billing? They're taking money out of Pasco County that we need. Pasco's a beautiful county, and we're losing more and more each day because of stuff like this. And I thank you very much. You all have a good night.

Crowd: Clapping.

Charlie Beck: Is there anybody else who'd like to speak?

Andrew Maurey: We found a request for, um,

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Charlie Beck: a woman?

Andrew Maurey: Yes, yes please come forward.

Judy Rivera: My name is Judy Rivera, R I V E R A. I live at 7700 Venice Drive. I called my girlfriend today who has her two children and her mother who lives with her. Her two children are adults, and asked her what her water bills were running. She had an 8,000 gallon water bill. The price of the water bill was 7, er, \$73.14. It's just my husband and I in the home now. We do everything we can to keep the water bill down. Um, don't flush the toilet all the time. You were brought up be clean, flush your toilets, do this, do that. You can't afford too. Um, my water bill for 2,900 gallons was \$95.53. Why can Pasco County have their water so cheap? We buy it from them, their line runs right behind our subdivision that Aqua buys it from. I know a person who has read the meter before – and charge us so much. It just doesn't seem right, and then the water's very bad. We have a filter on the refrigerator, we have a filter at the sink, we have a filter outside of the house, the water still smells like everybody's been saying. Um, their improvements that they're doing – we're not really seeing anything other than the meters. That's about the only thing. Somebody did mention about the bushes they put around the pump, the grassy area where they spray their water after they treat it which smells so bad. People said they have to shut their windows and their cars. Yeah you do. You don't want to drive by there and have that blow in your car and have it be on you and go somewhere, but I walked over there today and I counted the bushes that they planted. One of their improvements, it would have looked real nice had they taken care of them. On one side of the street, 197 bushes, 39 of them had a little bit of green on them, all the rest were just dead. On Ranch Road, there's only 50 bushes left. Now when they planted them they were even pretty much on both sides of the fenced in area. There was only 50 of them left and 15 of them had green on them. Why did they need to spend that money planting bushes when they could of maybe cut our rates back a little bit for us? There, ah, twice this year already we've had double bills in the same month. Their dates run anywhere from 28 days to 33 days. In June we had a bill that was due June 1st and then June 29th we had another bill that was due. Same thing in March. We had a bill due March 1st and another bill due on the 29th of March. A lot of people just can't pay two water bills that are outrageous in one month because they only get paid once a month

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and they're so quick to shut you off and so slow to turn you back on. Um, one time they were doing some work at our neighbor's house in the back yard at the lot lines. They closed up for Friday night, covered everything up, water was leaking out of it running down the road, bubbling up. So we called the water company. My friend called, I called. They asked me, "Well is the water gushing?" No it wasn't gushing but they weren't going to come and fix it. Just let the water run, but boy if it was on our side of the meter they'd be charging us for it, and I just want you to think about those things. Think about everything that everybody has said here tonight. We can't afford any higher bills. We, we want better water and bills back, and I thank – I don't want to say I thank God, but I am just so grateful that my two teenage daughters moved out before 2008 and the rates went up. I don't know what we would of done. I really don't. We pay over \$100 every month for water, and with two teenage girls – I don't know if you guys have girls or not, but you know they don't take two minute showers. You know they wash their hair every day, so think about it. Think. I'd really appreciate it. Thank you.

Crowd: Clapping.

Andrew Maurey: Commissioner Mariano.

Commissioner Mariano: Well I appreciate you letting me get back up to speak. Ah, we went through a similar hearings with Aloha customers sitting in the same chairs that you're in now. Listening to complaint after complaint. Seeing babies with – ah, their bathtubs how they got soiled by the poor water quality. I wanted to listen tonight to get to hear all my citizens, all my residents here to express themselves to you, so I could learn as well to what they're exactly going through. I've heard a lot of it before, but I wanted to be just like sitting in your chair to listen to what was going to be going on. Ah, I think it's been overwhelming the information that you've been able to pick up tonight to what these people are going through. Ah, as the gentleman said, as far as your mission statement, as far as helping people get good, clean, reliable water at a reasonable price. I think very clearly it's shown that that is not happening. Part of the reason is as far as I guess back in 2004 when they bought this system and a few others, maybe they paid too much for the systems. Now I don't know about any of you if you bought property in 2004, compared to the value then but compared to the value now, most

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people are in a worse situation. The values have dropped. Um, you're required by Florida law – from a letter I get back from the PSC back in January 8th of this year, ah, that you're required by Florida law to allow utilities to recover the prudent cost of providing utility service. I'd really like you to look into what prudent measures they've gone into and whether they really happened or whether they didn't happen and to whether they actually should be reimbursed for and make their rate of return on top of that. Ah, one of the problems with buying small utilities all around, with pockets around it, ah, is they are inefficient. Well if they're inefficient, they paid too much money for it, why should they be entitled to make money on top of what would be a normal, reasonable rate. To me it doesn't sound fair and it doesn't seem like following Florida law. They got other utilities they are actually a worse value than the one they bought here, and what they're trying to do is incorporate those higher costs, averaging them out so that everybody that's in their whole group that they own in Florida, ah, spreads out the rates amongst them. Well that's not fair to these people here. Pasco County has got a history of keeping costs down, making the citizens a very affordable tax rate, ah, working things very conservatively with all the constitutional offices that we run very efficiently here. To have these people come in, raise up the rates way out of proportion to what the County even charges when they're using County water to get a good chunk of their water, um, it just doesn't make sense to me.

What's also disturbing to me, and this is a quote, and I met with the president, ah, Mr. Lihvarcik and his assistant that sitting with him tonight, ah, when I read in the Sun Coast News, published information which he confirms he said, ah, and I'll tell you how he justifies it, ah, as I can best remember, but the quote was, 'He considers poor taste, dark color and bad odor of the Company's water situation their secondary problems.'

Secondary problems. I guess e-coli ranks higher which it probably should but, think about that – poor taste, dark color, bad odor are only secondary issues. We've heard about people on medication worried about the water quality they get. You've heard about the water lines that break and people don't get the notices. These people are not being treated, - when I say these people, the people that serve – that buy the water from them are not being treated the way they should be. It's not reasonable and in no way is it fair that they should go. I mean, you've heard the testimony – plants, dogs, ducks, all being affected with their quality of life. Ah, you know, I've heard people

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complain about Aloha when they were here, but this takes it to a whole new level. Not only do you have water quality but you got higher prices to go with it. You know when Aloha was in here we had trouble with not only people that didn't want to move in, matter of fact when I first looked at moving to Pasco County, when I found out I might have to live, it I was going to live down in Trey, to live there that I'd have to have Aloha water, I changed. I moved up to Beacon Woods and you've got regular Pasco County Utility water and I'm much better off for it. Ah, when you get people that are coming into Pasco County, they expect certain things, much as they do anywhere in Florida. When they come in and they buy a property at a certain price and they're getting certain utility rates when these rates get raised up in a bad economy like we're doing what happens is more people are moving out, and if they got a raise up their rates because less people are using the water that makes it more unfair. So what's happening is the cycle's getting worse and worse. The rates keep going up, more people keep moving up, and the rates want to go up again. It doesn't make sense. You're letting them make their own situation worse. We're trying to negotiate. We tried, let's say through the FGUA to negotiate with them to buy, but they wouldn't let us just package the Pasco County systems. Our objective, our mission from the Pasco County Utilities – Pasco County Commission is to take utilities that are in our county through the FGUA and at the appropriate time, once things are amortized down the road and in a long term program, to take them into Pasco County rates and bring them in where they can be part of our system. Meanwhile we take them into our system as soon as we possibly can. The other way we could do it is just buy them on our own. Charge them a different rate and hopefully get them down to that rate. It's got to work one of the two ways. We're flexible either way. We prefer to do it through the FGUA so they can set up the improvement, set up the tie lines. It's worked well with Lindrick, Aloha and five other utilities we've bought, but they want to package in other utilities which they're buried in economically and put that on our citizens, and it's just not right. I'm not interested in their business model and how that works. Ah, I firmly believe that you need to rollback the rates and I think if you actually go back and look at the investments that they've made – get some documentation, if they cleaned out the ponds where did the debris go? They had to dump it somewhere, they had to have a permit for it. There should be some receipts for that. Let's check that out. Look at the price they paid for the meter. Is it a reasonable price, or they paid too much money for it. You shouldn't reward them if they're paying too much money for any products they're buying or any services they're overpaying for. That should be part of your job to find out what's real, what's prudent, and what's a good investment. If they're going to throw away money because they think that you're just going to give them more money, based upon the rate of money they spent they get

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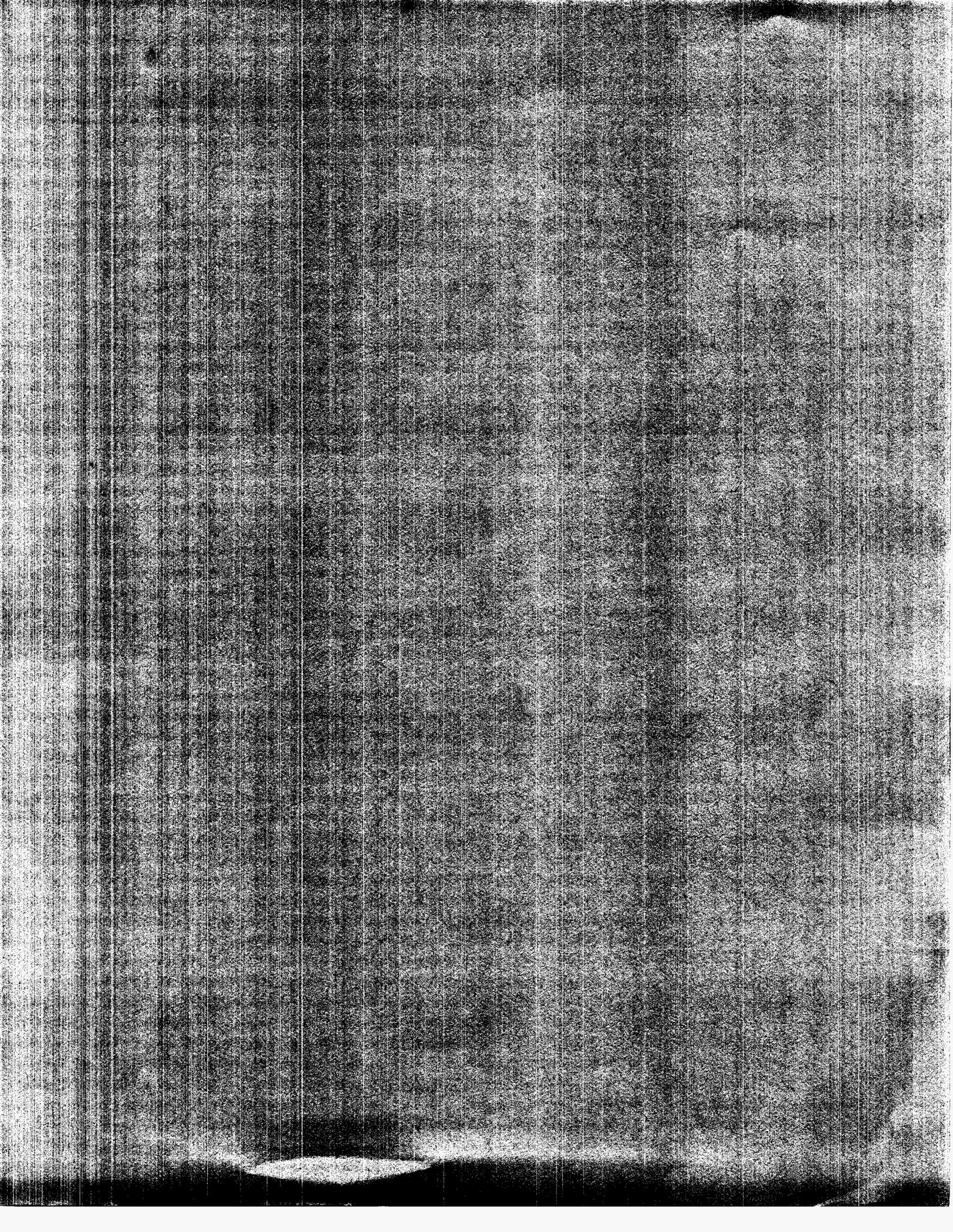
a certain rate of return, we'll they're going to keep on wasting money. I mean we were so happy to get Aloha before they went to this anion exchange program that they were gonna go through, because we felt that by taking them before they did that we saved ourselves a lot of money. Our unemployment rates – 13%, by government standards, the reality is it's probably 25%. Home values have dropped everywhere, but home values have dropped more here because of the Aqua rates. There's no sell and move option available to these people. These widows, these veterans, the families they're in their homes and they don't have an option to go anywhere, other than go through foreclosure and bailing out that way, but we have good Americans here, they don't want to do that. They want to do things the right way and they're expecting you to do the right thing as your looking at this program as well. There aren't any jobs available. I'm sure that widow, I'm sure that gentleman who just got laid off or got cut down to 24 hours a week, I'm sure he'd like to keep on working, but he can't go out and make the extra money he needs to supplement what's going to happen with the rate increase. So, the situation is going to continue to get worse. Ah, the rates have killed this area already. More is going to devastate it. Ah, I would like you have it – to have you open that previous rate increase. Take a look, take a look at the receipts. One lady was in here, and this is important as well to consider for down the road for the state of Florida, but one lady we were talking to outside when we had the break, she said, "You know what, I am so frustrated I'm thinking of leaving Florida." This is an economic issue. We can put all the incentives we want to get businesses in here. We put all the incentives in to want them to relocate here, but if you don't have people here and you have high foreclosure rates and low vacancy rates, people aren't going to want to build here, they're not going to want to invest here. You know, it's killing the state with the way this is set up, and I know this is not all you, we need to look at the legislature as well to change this, but you can look at this real close and try to work with them. Ah, we've tried to work – work to negotiate with them, it hasn't worked. We'd be happy to go back to the table again, but from what I've learned is you have the power. If someone's not giving good water quality service, obviously the attitude is not there to do it or the expectations are completely different from what our people are used to. You heard all these people say, "Hook us up to Pasco County Utilities", that tells you that they're reasonable as far as to what we're doing. The prospects of coming back in and negotiating with them is something we look forward to, but if you can control their rate of return and if they're not giving good service, good water quality, then I believe you have the right, and someone can correct me if I'm wrong – if I'm misinterpreting what I've been told, but you have the right to control their rate of return. So if the normal rate of return is between 9 and 11% and you all of a sudden take them down to 0% because they're not giving good water

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quality service and you know that Pasco water quality is good when it gets to their pipes. If they're not giving good water quality service or good customer service, don't you have the right to lower their rates down? Don't you think it's appropriate? I certainly do and I know they deserve better than what they're getting for rates and service. So I would like you to look at that issue, bring it forward and make some recommendations to go that way. Um, you know you've heard from all my citizens that are here, a lot of them left, a lot of them stayed in here cause they wanted to speak. Probably a lot of them heard the same points over and over again. I appreciate you giving me the opportunity to come back up to speak to kind of capsulize what I'd like to see you to do and within the law I'd like to see you do it. I plan to work with your staff, we're going to send you some more information, and these people plan to go to Tallahassee, from what I hear may be three bus loads if it needs to be depending on what the recommendations are. I would love to see this rate increase denied and I would love to further see an investigation opened back up to see what they spent their money on and whether it's prudent and maybe that should be reevaluated. I thank you very much for coming to Pasco County. Ah, I hope you spend a little extra time tomorrow if you are staying overnight to take a look at some of the issues that they've talked about so that you can actually see it, smell it, and appreciate what my citizens are going through. Thank you very much.

Crowd: Clapping.

Andrew Maurey: Thank you for coming out tonight. This Customer Meeting is adjourned.



ATTACHMENT C

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Andrew Maurey: Good Evening, I would like to call this customer meeting to order. Staff Counsel would you please read the notice.

Ralph Jaeger: By notice, this time and place has been set for a customer meeting in Docket No. 100330-WS Petition for an increase in rates by Aqua Utilities Florida, Inc.

Andrew Maurey: I would like to welcome all of you to this customer meeting. My name is Andrew Maurey and with me tonight to my immediate left is Ralph Jaeger and Dale Buys, to my immediate right Cheryl Banks and Tom Walden and when you came into the auditorium this evening, you met Dick Durbin and Bev Demello. We're all representatives of technical Staff of the Commission. Also tonight we have the pleasure of having Commissioner Nathan Skop with us. Commissioner Skop, would you like to address the audience?

Nathan Skop: Yes, thank-you madam chair. I'm Commissioner Nathan Skop for the Public Service Commission. I only have two months left of my term but thought it was important to come out tonight and hear everyone's concerns and I'm looking forward to doing that. With that, Mr. Chair, I turn it back to you.

Andrew Maurey: Thank you. We'd like to thank you for taking time out of your schedule to attend this meeting. The purpose of this meeting is to receive input from Aqua's customers regarding service quality, customer service, and the proposed rate increase. The Commission is interested in hearing from you and you, your comments are being recorded. A copy of this digital recording will be placed in the docket file as a public record and can be accessed from the Commission's website. At this time I would like to explain how this meeting will proceed. First we will listen to a brief presentation

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from Aqua Utilities Florida which will be followed by a brief presentation from the Office of Public Counsel. After these two parties have concluded their presentations, a member of Staff will provide an overview of the rate case process. Once Staff's presentation is finished, we will begin to take customer comments. Customers will be called to speak in the order in which they signed up. If anyone who would like to speak but did not sign up, please see Mr. Durbin by the door and he will include your name on the list. If you would like to submit comments but do not want to speak tonight, you can submit your comments in writing. We have available a docket or document called a special report. You should have been handed one of these when you walked in. On the last page you will find a customer contact form. If you'd like, you can write your comments on this form and hand it to any PSC Staff member tonight before you leave or you can take it with you, write your comments later and mail it back to the Commission. If you have friends or neighbors who were unable to attend tonight's meeting you can take extra copies of this report with you and distribute them. At this time I would like Aqua Utilities to provide a brief presentation on the requested rate increase.

Jack Lihvarcik: Good Evening, my name is Jack Lihvarcik. I'm President of Aqua Utilities, Florida. I appreciate the opportunity to offer some opening comments to our customers of Alachua and Marion counties concerning this rate case. We have additional Aqua staff in the back today to answer any questions and address any concerns that you might have after the meeting. We are here today to hear from you our customers and we understand that a rate increase is never easy. I would like to take just a minute to explain to you improvements that we have made to the water and wastewater systems that are the reason for our need to file a rate increase.

Over the past 2½ years Aqua has spent 8.4 million dollars in capital improvements to comply with DEP regulations and improve water and wastewater

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quality, service reliability, for more than 22,000 customers throughout the state of Florida.

In addition, since filing this case we will be spending an additional 3.7 million dollars or about 73% which is directly related to infrastructure improvement projects. At both Arredondo Estates and Arredondo Farms, the improvements include a major wastewater treatment plant upgrade to improve the quality of the treated effluent at the plant. Collection system upgrades and replacements, rehabilitation of percolation ponds and sinkhole remediation at that site. For the water systems we installed new water meters, distribution system water lines replacement and repairs, new pumps and motors at the wells and chemical feed equipment. In the Marion County systems, the improvements include new water meters, distribution system replacements and modifications at various water plants to improve water service. Hydropneumatic tank replacements, pump and motors replaced and electrical service upgrades for improvements at the water treatment plant. We look forward to hearing your comments and will be available after the meeting to answer any questions that you may have. Thank you.

Mr. Maurey: Thank you. Next we will hear from the Office of Public Counsel.

Charlie Beck: Good Evening everyone and thank you for coming this evening. I'll try to keep my comments short. Um, my name is Charlie Beck and Steve Reilly is also here. We're with the Office of Public Counsel. Let me just describe just a little bit how this works. The Commission is sitting in this case and they'll decide whether to approve or not approve uh the request for rate increase by Aqua Utilities. Our office is completely separate from the Commission. I mean we receive our funding separately from the Legislature and we're created to represent your interest in front of the Public Service Commission. So we're going to do everything we can to fight the rate increase

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that Aqua has asked for. We've already hired a number of folks who are expert witnesses, we've hired an engineer whose gonna review the systems of Aqua, we have an accounting firm that specializes in Utility Regulation that is looking at the case. We also hired an expert in Utility Finance. If this case goes to hearing, all of those people will be testifying in opposition to the rate increase by Aqua. Right now we're engaged, very much this is very much like a court case, we are engaging in discovery right now. We've asked the Company to produce records and answer questions that we've had. We already have a dispute with them; they want to delay getting us the materials we need to analyze the case. So we've asked the Commission to issue an Order requiring them to do that. This case will progress and the Staff I think will tell you more about how the case progresses. We're also concerned about the Notice about the rate increase. The one you got in the mail simply gives their proposed rates and doesn't give you a comparison of what your current rates are so that you can compare the proposals with what you currently have. Also if you look at the notice you got in the mail, when you look at the usage charges it doesn't tell you it's per thousand gallons. So you could look at that and think that well maybe six or five thousand gallons carried by the usage charge. That's not true. So we've prepared a hand-out and I've gone around and talked to some of you and we have more for anyone who wants it trying to compare typical bills at different usage levels so you can see what your bill is now and what it would be if Aqua's rates were approved. I should mention that Aqua is proposing statewide uniform rates which is something they asked for in their last case and they didn't get. If the Commission doesn't go along with that proposal, the rates could be vastly different than what you see in any of these things, both the one we've given you and the Staff has. It could be a lot lower or it could be a lot higher than what the Company has proposed. With that thank you for coming it's important that you testify and tell the Staff of the Commission your concerns because they'll be making a recommendation to the Commission on Aqua's rate increase. Look forward to hearing from you.

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Mr. Maurey: Thank you. I would now like Staff, Commission Staff to provide an overview of the rate case process being used in this docket.

Dale Buys: Good Evening. My name is Dale Buys. I am a regulatory analyst at the Florida Public Service Commission. Tonight I will be going over the rate case process. My presentation will cover the proposed agency action process; also referred to as the PAA process; Staff's review and analysis of Aqua's rate case filing, the customer meeting, and what happens if the Commission's PAA Order is protested. Aqua requested that its rate case be processed using the Proposed Agency Action procedures, which is allowed by statute. The PAA process is an informal process that costs much less than going to a formal hearing. Under the PAA procedures, the rate case must be completed within 5 months of the official filing date and the PAA can be protested by any substantially affected person. Now let's talk about what the Commission does in the Proposed Agency Action process. In this process the Commission Staff performs a review and analysis of the Utility Rate Case filing. The Commission holds customer meetings, Staff prepares a written recommendation and finally the Commission makes a decision during the Commission conference. During Staff's review and analysis Staff Auditors will conduct an audit of Aqua's books and records. Staff engineers determine the appropriate percentage of used and useful plant, the quality of service provided by the Utility, and the prudence of Aqua's operations. Staff accountants and economists will review and analyze any accounting issues the billing issues and rate issues related to Utility rate case filing. In all rate cases the Commission will hold a customer meeting just like we're doing tonight. The purpose of this meeting is to receive customer comments regarding the quality of service provided, the interaction between Aqua and its customers, the proposed rate increase, and to answer any questions you may have. This is the customers' meeting and we are here to listen to your comments and your concerns. If you would like to make comments or ask questions, we ask that you please sign up on the customer list that is available from

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Dick Durbin who you saw as you entered the room. Customers will be called up to speak in the order in which they signed up. For your convenience, we have prepared a special report regarding Aqua's application for a rate increase. This report contains pertinent information that should be helpful to you and includes Staff's contact information. Please make sure that you have a copy when you leave here tonight. On the last page of the report, we have included a self addressed customer comment letter. If you do not wish to speak here tonight, you can simply write your comments on this form and mail it to the Commission or you can hand it to myself or one of the PSC Staff members before you leave. Now your letter will be filed in the correspondence site of the docket file and will be given the same weight as if you had spoken here tonight. After the customer meetings are concluded and Staff completes its review of the Utilities rate case filing, Staff will prepare and file its recommendation. Staff's recommendation is reviewed by the Commissioners and then voted on at Commission conference which will be held in Tallahassee. Utility representatives, customers, and the Office of Public Counsel are allowed to speak at this conference. If you would like to speak at the conference please notify a Staff member at least one week prior to the date of the Conference. Again Staff's contact information is found in the Special Report. Also, if you would like receive to copy of Staff's written PAA recommendation, please see Dick Durbin or myself after this meeting so that you can provide us with your mailing address. If you would like to stay up to date on the progress of the rate case, you can track the status of the docket on the PSC website. The web address you can see on the bottom (I don't know if you can but) it is www.floridapsc.com. And on our website you can review official documents filed in the case. We also have a link on that website for streaming live video and audio so you can watch and listen to the Commission Conference as it happens. Staff's PAA recommendation is tentatively scheduled to be filed in February of next year. The Commission Conference is held approximately 12 days after filing the recommendation. At this Commission Conference the Commissioners may decide to either approve, deny, or modify Staff's recommendation.

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After the vote at the Commission Conference, the Commission will issue a PAA Order within 20 days. Once the PAA Order is issued, a 21 day protest period begins for any substantially affected person may protest the Order and request a hearing. If no party files a protest, new rates will be effective upon issuance of what we call a Consummating Order. This will occur usually 3 to 5 days after the expiration of that protest period. If a party other than the Utility protests the PAA order, the Utility can put the new approved rates into affect. However, the amount collected from new rates will be subject to refund with interest. If the PAA Order is timely protested a formal hearing process begins which must be completed in 8 months. In this process, customer hearings will be held, a technical hearing will also be held in Tallahassee. Aqua and protesting parties will then litigate the issues and the customers will also have the opportunity to testify before the Commissioners. During the hearing process, each party is responsible for and bears the expense of filing testimony, putting on witnesses, preparing cross examination, conducting depositions, and attending the prehearing conference and the hearing which will held in Tallahassee. After this hearing is over, Staff will prepare another recommendation based on evidence presented at the hearing. The Commissioners will address Staff's recommendation in a post hearing Commission Conference and participation at this Conference is limited to Commissioners and Staff. The final Order is then issued within 20 days of the Commissioners' vote and a party may appeal a Commission's decision to the First District Court of Appeals. This concludes our presentation of the PAA process. Thank you for listening and now it's your turn to speak and our turn to listen. So please keep in mind that tonight's meeting is being recorded. If you have signed up to speak, please come forward to the microphone when your name is called and state your name, address, and please for the record spell your last name. Thank you.

Mr. Maurey: Thank you. We will now begin to take customer comments. Will you please call the first customer?

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Steve Reilly: Our first customer witness is Pat Compton.

Pat Compton: Good Evening. How are you? This is my first time speaking. My name is Patricia Compton. I live in Arredondo Estates. I've lived there for a little over twenty years now and I think the reason which prompted me to come here in the first place is because I don't think that there's a happy medium between the county asking the residents to conserve water and as soon as we conserve water and save a little bit of money, then here comes Aqua Utilities with their profits down and they want to take the money that we're saving. So my theory is I'm being, if they get their increase, I'm being inconvenienced and I'm saving maybe 10 dollars a month and I use that 10.00 dollars to buy extra treats or something for my animals. So it's a good thing I'm conserving water and my animals are getting an extra treat. But with their raise they're gonna get that extra money. Now, I've done my part to be a good citizen and do my conservation. I have just a little list I would like to share with you. First off, I don't rinse my clothes any more. I make sure the washer is full. I wash them. I use less soap, things that I'm not rinsing; this way there is less soap. I don't wash as often as I used to. I might do a load of wash maybe twice a month as opposed to maybe four times I used to do in a month. My showers they tell you to cut down on the amount of time that you take a shower. Well, not only have I done that, but I've decreased the amount of showers per month. And I can pretty much tell you on one hand how many showers I don't take per month but I do wash and I use cheap deodorant. The other thing is my animals' water. I rescue and I rehab and I foster a lot of animals. They tell you, you should change their water every day; well um I don't change their water every day. If there is water in there and there is no debris or whatever in it then I'll change it every other day just to conserve water. I used to give my animals a bath at least twice a year. They no longer get a bath. That's ok, animals can deal with that. My car washes I used to do at least 4 times a year because the trees always spew a lot of nasty stuff on your

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car and my car is white. Now I do it once a year between seasons. The other thing is I don't rinse dishes anymore I...instead of keeping the water running or something I just have a little pan of water there I wash my dishes and then I'll pile them on that little pan and rinse them and dry them. I don't drink water anymore. They tell you to drink at least 8, 8 ounce glasses a day well I no longer drink water. I use this much to rinse my teeth out with when I'm brushing them at night and I wouldn't drink the water anyway because there's nothing but soap suds coming out of it you have to let it sit there in order for the soap suds to go away and make it palatable to drink. The other thing is I've been paying for seminars through the extension office in order to make a Florida friendly landscape. I only have a quarter acre but half of that quarter acre now is native wildlife and almost all the grass is gone. So I don't have to worry about watering that part of the yard. The part in the back where I keep all my dogs and my other animals they pretty much made it sand there's no grass back there anymore so I don't have to water that either. So I save water there also. I've bought rain barrels um so I can collect water so I don't have to use water out my hose when my little flowers need watering. Mopping floors, I mean floors get pretty dirty and you could mop them every day with all the sand and dirt that comes in through Florida. But I choose not to use the buckets of water and I might do it maybe like every other day or a couple times a week. So I think that I've done my share and out of all this inconvenience, I'm saving like I said maybe 10 dollars a month but I think it's worth it. And so my point here is that I would like to keep on conserving water and doing what I'm doing even though I'm only saving like 10 dollars and it's an inconvenience but if they want us to conserve water and every time we do and Aqua Utilities makes no profit and they give them their profit why should I conserve water? Why don't I just go back to my old habits and pay if I could pay for as much as I can use and then I'll stop but at this point I could pay a little bit more but why should I if it's only going to go in their pockets and I'm being inconvenienced. So I will either stop conserving or I will move out of where I am at and move on to raw land and have myself a well drilled and then I'll conserve because whatever money I save is gonna go back

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into my land for conservation measures which is what I want to buy more land for to put conservation easements on there and it won't go into anybody else's pocket but into my land. So that's my story. I'm willing to conserve but not if it's gonna go into someone else's pocket and make me inconvenienced and I appreciate you listening to me and thank you very much.

Mr. Reilly: Ok, Our next witness is Shirley Crosby

Shirley Crosby: Good Afternoon, I'm Shirley Crosby. I live in Arredondo Farms. I have been a resident there for 12 years. I now face retirement that the government has seen fit not to give us a cost of living raise in two years. And in this two years that I did not get a cost of living raise, Aqua went up. I'm not going back to when we had the meeting across the street some time back. I will tell you that their service has not improved, their water quality is lousy, and they have more chemicals that when you turn the water on and catch it in a glass you get all kind of stuff in it. You have to pay for plumbers to come clean out your water heater. Every week I have to take the bottom of the spigots off where the strainer stops the sediment and clean it out. I've done this for 12 years and for all this length of time the water has gone up and up and up. The rent and the lights have gone up and up and up. There has to come a time when you gentlemen and ma'am put a stop to some of this for us poor people. I'll soon be 76 years old and I can't live off of my retirement. I have a ten year old grandson that I take care of and the only way I can take care of him off of my social security and my retirement from the government is to work. And this is putting a very big pinch in my livelihood and I will have to work and work and work until somebody totes me off. Please think of us. We aren't rich people there, we're retired people, poor people. We can't afford this. Like the lady said it goes up around 10 dollars a month. There are 441 trailer spots in Arredondo Farms. \$9.46 a month times 441 trailers is \$4,171.86 for one

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month. If you got it for 12 months, that's over \$50,000 dollars. One place folks...one little place. Please think of us. We just can't stand much more. I thank you for your time.

Mr. Maurey: Thank you.

Mr. Reilly: Our next witness is Vernon Berger.

Vernon Berger: Good Evening. Commissioners, my name is Vern Berger. I too live in Arredondo. I've only been there 30 months and I don't know Ms. Compton or the lady that was just here but I've spoke with a lot of people there. And initially when I came in I kinda didn't wanna believe what people were saying about certain Utility situations till "it happened to me" story. I have my entire Aqua bill...billing from the time I moved in until today. As of yesterday I owe Aqua \$703.60. and not once because I didn't pay my monthly water bill; that can be checked right here. Aqua has not charged me for wastewater for 370 days. Aqua hasn't charged me wastewater since I moved in. I simply was not aware of it. I'm retired military, didn't have to pay for utilities.

I returned to my home in New York. I lived in a rural area. I had a well and a septic system. When I got to Florida and I got in here this was my first real experience with a water bill and wastewater. Well I called them up and the lady the other night told me if I didn't pay this by tonight, I'd be in default. I didn't know I was buying a car. There's been many complaints over there. I have the same currently like the lady over there I have a shower head that uses 1.5 per minute. Being retired navy I do know how to take a 3 minute shower but my problem more with Aqua is through their mismanagement. It's their mismanagement, not mine. If I had known this I would have corrected this a long time ago This \$703... my monthly billing is 50 dollars for the sewer plus my water fees are \$29 so we're talking \$80 dollars a month now for water and wastewater plus now I have to pay \$59 dollars according to the phone calls I'd made a month for the back due wastewater. Again, I'm retired military, unfortunately I wasn't

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fleet admiral I was an E-6. My monthly income is \$1,600. I pay for a trailer. I pay lot rent. I pay the life insurance... few other things. I have a few bucks to get through to the end of the month off that retirement check. I'm fortunate enough now that I do work at a fairly decent job, but um these billings like this have been coming in Arredondo on other people. I was hearing about these things. People beside me got it. A friend of mine got it or more of an acquaintance rather say friend. There are a lot of people that have left Arredondo over the last 6 months because of bills like this. I mean some families they get a 600 hundred dollar bill, they simply cannot afford it. And this type of bill on my retirement and the fact that my wife worked at the University and is no longer working because there isn't enough money in the state budget to hire her anymore...that's enough really to put me back. I'm again fortunate that it's not going to. As these people have said, the water quality in Arredondo is not that great. Our laundry facility that was located right there, the people at Arredondo shut it down because they got an extremely high water bill. I don't know what their issue is with that. I can't speak for them on that but it's made it inconvenient for people like me and my wife. Now we drive five miles to go do the laundry plus pay the machine fees and everything. I just feel that it's really unfair. They stated in their paperwork they haven't had a rate increase since '08, that's incorrect. They had rate increase in '09. They just had a rate increase in July, and now they're asking for this one. They're... whatever is not correct. I brought my personal case to it but as I say I have the whole file here, anybody wants to take a look it, I'm not afraid of somebody looking at my bill. Cause like I say they've been paid. My water bill right up to the 8th of October was paid. Now I have another one but I understand you know we have to pay for water, wastewater those things but to get it back for a year and not be aware of it and they make you feel like you know you're doing something kind of wrong. Well I wasn't doing anything wrong but thank you that's all I can say.

Mr. Maurey: May we make some copies of the bills you're talking about?

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Mr. Berger: You certainly can.

Discussion in background...

Mr. Reilly: Mr. Berger just left. We'll work with Mr. Berger too on the back billing issue. I think there's a statute that you can go back one year I think on back billing issue. We'll work with the customer and hopefully the company as well on his particular problem. Our next witness is Joyce Helm and I also have James Helm.

James Helm: Hello I'm James Helm and this is my wife Joyce Helm. We've been living in Arredondo for maybe about a year now or more.

Joyce Helm: No not a year yet.

James Helm: Ok...within that year's time we had a problem receiving a water bill.

Joyce Helm: Let me explain that, every month I would call about a water bill, they said they sent it to another address. They said I gave 'em a wrong address but I asked the woman how many times have I called you guys in one month? She said twelve times. I said you think I call just for fun. I want a bill but it was times they would never send me a bill and when I did get a bill it's \$700 and some dollars but meanwhile I was sending them money during the month before I even get a bill because I know they like to wait for a year a whole year to send you a bill and it's stacked up on you where you can't pay it. You just have to move out and the water is bad, it's lousy. I had fishes. I had a fish tank. All my fish died and we have to buy water. There were times we didn't have money to buy a gallon of water. That's how bad the water is. And they want an increase? I think that we should get a rebate. Cause the water is lousy! If I knew before I moved in, I would have never moved there. I like GRU. I'm dying to get GRU Clay

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electric now. They are about the cheapest here. They water bill is higher than our light bill. How can people pay that? I just started working. My husband was paying everything for months. We can barely pay the water bill. Here I got a water bill 500 some dollars. They said we use what 30,000 gallons or something in one month?

James Helm: And there's only two of us living in my household. There's no way I don't see how it's possibly use 35,000 gallons of water in one month.

Joyce Helm: And it's just me and him.

James Helm: And I just don't see that. Ok we do the necessary things. Take showers, do the laundry, wash once a week. We only wash once a week. And for us to use 35,000 gallons of water in 28 days we use 35,000 gallons of water over here they got in 32 days we used 5,500 gallons of water. I don't even see how that's even possible and then from the month of October the 13th well let me go from the month of September the 15th to October the 7th we have a bill for 510.00 dollars and 80 cents. From the month of October the 13th to November the 4th we have another bill here for \$516. This is crazy!

Joyce Helm: I think they're getting rich off water and its bad at that you can't even drink the water.

James Helm: You know I've never seen bills like these in my time of paying any kind of water bill and if you going to send the bill out at least let us...I don't understand this...

Joyce Helm: I mean I wish never moved in that place. If I ever hear a place called Aqua Water, I'm gonna run like crazy.

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James Helm: And we're not the only ones that are having problems. The turnover rate that we seen so far in Arredondo has been bad. Arredondo is a beautiful place to live in. None of us have a problem with Arredondo itself. Our problem is with Aqua Water. Ok, Arredondo is a beautiful, clean place. It's practically one of the cleanest mobile homes I've seen in long time. We don't mind living in there. The trailers are beautiful. It's just that water is the biggest, biggest problem. (Joyce Helm comments in background)

Joyce Helm: They say its wastewater...it's all wastewater. It's not drinking water. It's all wastewater. If you see what comes to the top of that water, you would see what I'm talking about. Even the people rent out of there in Arredondo, they don't even drink the water. They buy bottled water. Its times people ain't got money to buy water. GRU...I wouldn't mind. Man I can't wait to get them back. The water bill and light bill were just 1 something. Here you got a water bill 500 and some dollars. I mean that's just getting over...you know. It's ridiculous. Please Help! Get them out of there.

Mr. Reilly: Thank you. Our next customer witness is William C. Miller

William C. Miller: Hello. William C. Miller. Nice to be with ya'll tonight. I'm sure there's not too many people gonna come here to tell how great Aqua Utilities is but there are a few things on my mind. Most things have been addressed so far. One was usually if you're going to pay for something you don't mind paying it if the quality is there. Like everybody said the quality of the water is the worst I've seen and I've been from Texas to Oklahoma to over here. In fifty years. It's so bad it clogs up coffee pots, it leaves residue. I can't imagine the lady not rinsing even soap off cause the residue from that doesn't even compare to residue of what's left in the water. Everything they say has been absolutely true. But every now and then they have a water leak. Ok. We notice the

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water goes off...I've only lived there 2½ years really five years but when they come to notify us that the water has been shut off, that there's an emergency, boil water burn it's the next day middle of the morning after everybody had gotten up in the middle of the night and done what they were going to do and got ready to go to work and then they come home sick because well it's a little late for the warning at 10:00 in the morning instead of at 6:00 in the morning even though they're working on the water at 11 o'clock the night before. Yesterday, there was another water outage caused by GRU right across the street from me. I went down and talked and they said "Oh it's just a little water outage." But GRU had been in the same spot four hours before the people from Aqua Utilities got there to fix it. GRU today went back; all they were doing were placing Utility poles. They said "Oh yeah, Aqua Utilities doesn't know where their water pipes are. We have to hit one and then they have to come out and fix the hole." It's the worst run thing I've ever seen in my life. Any utility I've ever been acquainted with, I was an accountant for a Utility in Texas, we knew where our pipes were. And that was a natural gas utility, we knew where those were. Water isn't quite as dangerous but if they don't even know where their pipes are they can't tell the Utilities where the pipes are so that they can dig then what are they needing more money for. To go back and correct what they should have already been regulated in the first place for. It just keeps on raising questions but as for the water quality, we don't drink the water anymore about the only good it's for is to prevent being a fire hazard and at least have running water in the house, water the grass, don't even feed... water the dogs with it anymore, even afraid to wash the dishes with it, much less take a shower but that gets a little expensive. The first time that water went out called customer service and that was the rudest bunch of people I've ever seen. They would not work for me if I had the opportunity to work with them. I believe that says pretty much my point. Like I say, I don't mind paying the money but let's get some quality. Every time I turn around the water is going out because they have a leak. They don't where the pipes are. They don't even know how

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to go fix them. And yeah, the water prices have been going up. I don't know what was meant by there wasn't a recent increase. But there was.

Mr. Jaeger: When was the last time you dealt with their customer service?

Mr. Miller: Bout a year and a half

Shirley Crosby: May I re-address you for one instant.

Mr. Maurey: Is there anyone else on the list

Mr. Reilly: Yes, we have just one more person listed. Then we will go back through again.

Shirley Crosby: Alright, I had to think that I did call the Health Department on several times

Mr. Reilly: Our next and last, at least listed, witness is Lottie Stephens. We will have an opportunity for those of you who have decided to say something to get up.

Lottie Stephens: I get nervous when I talk. I have two properties in Arredondo Estates. I guess I'm kind of blessed in a way because when I call up they have been nice to me and they did come out and fix one of my meters. Once but I do have a complaint with them about when their pipes break to let people know ahead of time not to use the water. Because they had the water off once and I went to use it, because I didn't know. The next day I found out there was a boil notice and I had got sick and I was sick for a few days from it. Because I had already cooked supper with it and everything and then the next morning I get up and there was a notice saying that the

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pipe was broken, boil water. So they should just left it off the whole night you know and put their notes on. But my mom lives in there too and she doesn't use the water. She gets her water brought in. I don't use the water either. We use bottled water. I don't even use it for cooking. I do use it for taking a bath and washing clothes. The water does still have problems. I know they have been trying, I feel like they have but there's just a lot old pipes in there and a lot of work in a way I think it would be better for another company to take it over so they would re-do the whole thing not just use the same thing that's there. You know, but because there's a lot pipes in there. There's a lot of problems with those pipes. But that's more or less all I have to say. My address is 5429 SW 69th Street and 4922 SW 67th Terrace. And last name Stephens, S-t-e-p-h-e-n-s. Thank you.

Mr. Reilly: Thank you. I think Shirley wanted to say one more word and then we'll open it up for others.

Shirley Crosby: This is on record with the health department. Around the corner from where I live and I live on the back road, around the corner, past this little trailer a gentleman lives there by himself. The water was ran, was running down the street...running down the street...running down the street. And then I noticed that the water had soap in it or something that looked like soap. It was bubbling. I called the health department and the health department came out and tested it and it was our drinking water and I could not believe that what I saw coming out of that pipe was drinking water and I called again and had them come to my house and give me a report about it. At that time the health department went down to the office and told them they had to fix, had to get in touch with the water department, that it had to be fixed and fixed instantly. There was no notice of this pipe being broken and water running for almost two months. And we all paid for that water, every one of us sir.

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Mr. Maurey: Ms. Crosby, when did that occur?

Ms. Crosby: It was about January, February somewhere along in there.

Mr. Maurey: Of this year?

Ms. Crosby: Yes sir and they have put, before that I called the Public Service Commission whenever they got this last raise...I complained about it before on your complaint line the day before the meeting was because I worked at night and could not attend the meeting. That the stuff coming out of it was terrible, and that we just, all of us buy our drinking water. Every one of us buys drinking water. We're making Publix rich. But I do want you to realize that it has been recorded as a health hazard. The day I reported them for not having giving us no notice they give us one more notice then that water ran for nearly two months, down the road, bubbling up, soapy, all kinds of stuff in this man's front yard and they did nothing. Even after the health department told them they had to do it instantly. And it took them another 2½ weeks before they ever went out there and cut the water off to fix the pipe. Now I don't call that customer service and I call it a health hazard. Thank you.

Mr. Reilly: I think there are some other people who wanted to speak...if you could come forward and identify yourself and your address and name.

Unnamed Speaker: I'm not the actual customer of record that's why I'm asking her to come up here also. The account is in Sarah Beth Ott. O-T-T it's so little it goes by too fast. Thank you very much for hearing us this evening. Um, we have lived in Arrendondo Farms at 7117 SW Archer Road, Lot 2619. We have lived there since June 25th. I am planning on putting our comments in writing so that we can gather some information together that's why I didn't plan to speak tonight. But I do have to stand up

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and agree with my neighbors. The water quality is lousy. We have dogs and we do buy bottled water for ourselves but we thought we might be able to get by with giving the dogs the water. The residue that comes out of the dog water bowl when we clean it is absolutely... I mean you could scrape it. It is horrible. I have two Chihuahuas. One of them is very discerning. She won't drink it. I have to give her a bottle of water as well. She looks at that stuff and she would rather dehydrate. I kid you not. So something awful is in that water. We never thought of drinking it. We were drinking bottled from where we were before under, I believe it was under GRU but the rates are also ridiculous. I myself, the reason I'm going to put my comments in writing is I want to investigate the difference in the rate per gallon cost of what GRU charges and what Aqua charges because this is absolutely ridiculous. Thank you very much for hearing me.

Mr. Reilly: Thank you. Do we have any other customers who would like to speak at this time? If not, we'll turn it back to uh Staff.

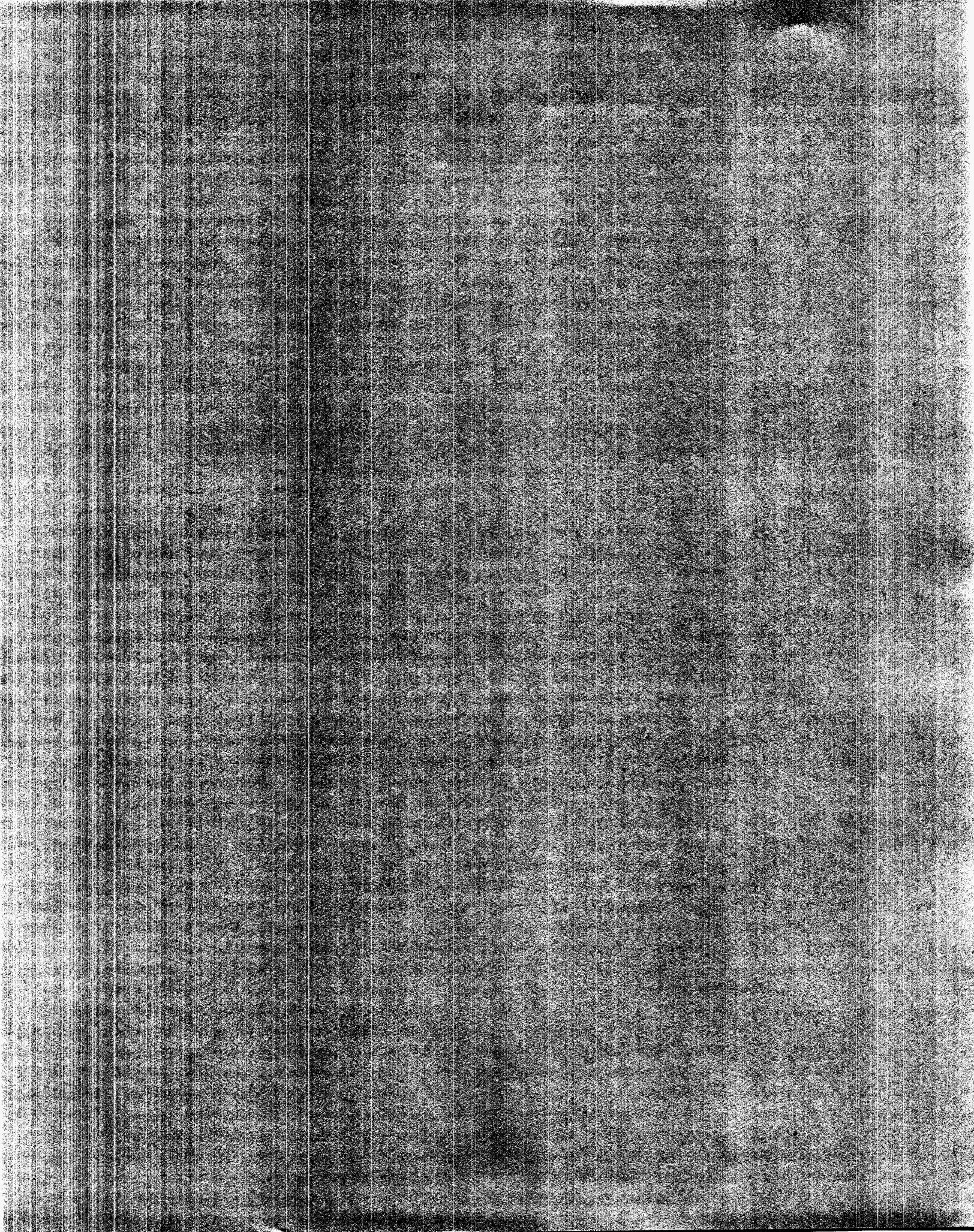
Mr. Maurey: Thank you. Seeing as there are no other customers who wish to speak. I would like to conclude this meeting. Commissioner Skop, do you have any additional comments you would like to make at this time?

Comm. Skop: Thank you madam Chair, and I just wanted to take a couple minutes and thank you for coming out tonight and I appreciate hearing what you had to say. Thank you again.

Mr. Maurey: Thank you for taking time out of your busy schedules to attend this meeting tonight. I would encourage you to take copies of the special report with you and distribute them to friends and neighbors who were unable to attend tonight's meeting. We encourage you to file or your friends and neighbors to file written comments. The

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contact information is contained in the Special Report. If you'd like to contact the Commission you can use our toll-free line. That number is in the report as well as through e-mail us on our website. Again that information is in the special report. If you have a concern with the quality of your water you're receiving you should also call the Department of Environmental Protection. The DEP has several regional offices for you to choose from the office nearest you. And you can reach them at their website. Their website is not contained in the Special Report. It is www.dep.state.fl.us. You can also call the Commission and also e-mail us and the Office of Public Counsel. Thank you again. This meeting is adjourned.



ATTACHMENT D

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Andrew Maurey: Good Evening, I would like to call this customer meeting to order. Staff Counsel will you please read the notice.

Staff Counsel: Yes. By notice this time and place has been set for a customer meeting in Docket No. 100330-WS petition for an increase in water and wastewater rates by Aqua Utilities Florida Inc.

Andrew Maurey: I'd like to welcome all of you to this customer meeting this evening. My name is Andrew Maurey. To my immediate left is Ralph Jaeger and Jay Donahoe. To my right is Stan Rieger and when you came in the venue this evening you met Dick Durbin. We all are members of the technical Staff. Also with us this evening is Commissioner Nathan Skop. Mr. Skop, would you care to address the audience?

Commissioner Skop: Thank you Mr. Chairman. I'm Commissioner Nathan Skop with the Florida Public Service Commission. I'm happy to down in Sebring. I look forward to hearing all the comments from the customers. Thank You.

Andrew Maurey: Thank you. We would like thank you all for taking time out of your schedule to attend this customer meeting tonight. The purpose of this meeting is to receive input from Aqua's customers regarding service quality, customer service, and the proposed rate increase. The Commission is interested in hearing from you and your comments are being recorded. A digital copy of this recording will be put in the docket file and a copy which can be obtained through the Commission Clerk's Office. At this time I would like to explain how this meeting will proceed. First we will listen to a brief presentation from Aqua Utilities Florida, followed by a brief presentation from the Office of Public Counsel. After these two parties make their presentations, a member of the Commission Staff will provide an overview of the rate case process. Once Staff's presentation is finished, we will hear from the customers. Customers will be called to speak in the order in which they signed up. If anyone would like to speak but did not sign up, please see Dick Durbin in the back of the room and he will add your name to the list. If you'd like to submit comments but do not want to speak, you can file written comments. When you entered the auditorium this evening, you no doubt picked up a copy of the Special Report. This has the Commission's contact information, telephone number, and website. It also, on the back, has a comment sheet that can be filled out and you can give it to any member of Staff before you leave tonight or you can take it with you, fill out the comment sheet from your home, and mail it to the Commission. Also, if you have friends or neighbors who were unable to attend the meeting this evening, please feel free to take extra copies of the Special Report with you and distribute them. Now at this time we will hear from Aqua Utilities, a brief presentation on the requested rate increase.

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Jack Lihvarcik: Thank you Mr. Maurey. Good Evening, my name is Jack Lihvarcik, I am President of Aqua Utilities Florida. I appreciate the opportunity to offer some opening comments to our customers in Highlands and Hardee counties concerning the rate increase. We have additional staff in the back today to answer your questions and address any concerns that you might have after this meeting. We are here today to hear from you our customers and we understand a rate increase is never easy to accept. The case is different than the case we filed in 2008. We have filed this case under the Proposed Agency Action procedure. The Commission staff will explain the PAA process further but however the purpose of the PAA process is to keep rate case expense to a minimum. I would like to take just a minute to explain to you the improvements we've made to your water and wastewaters systems that are the reasons for our need to file a rate increase. Over the past 2 ½ years, Aqua has spent 8.4 million dollars in capital to comply with DEP regulations and to improve water and wastewater quality, service, and reliability for more than 22,000 customers throughout the state of Florida. In addition, since filing this case, we will be spending an additional 3.7 million dollars or about 73 percent which is directly related to infrastructure improvement projects. For the systems in Highlands and Hardee counties the improvements are water main replacement, water main extension and/or upgrades to improve water quality. In all the systems, new meters, aging meter pits, and meter valves were installed. At the water plants, upgrades such as flow based chemical feed pumps, pumps and motors and recording devices to monitor flows. The wastewater system improvements to the collection system are collection line replacements or upgrades, lift station rehabilitation, replacement of lift station pumps to improve efficiencies. At the wastewater treatment plant, a new headworks at Peace River and at Leisure Lakes, the replacement of pumps and chart recorder. At Lake Josephine a new water treatment plant was placed...was constructed along with ground storage tank and a standby generator in the event power outage service will remain to the customers. The Sebring Lakes and Lake Josephine water system has been interconnected to improve pressure and water quality to both systems. It also provides additional feeds to both systems in the event the water treatment plant is out of service and water service can still continue to be maintained. Aqua is also addressing the secondary water quality concerns at Sebring Lakes, Lake Josephine, and Leisure Lakes. We are designing a sulfur removal plant and it's under permitting and design currently. This will improve water quality, and reduce the sulfur smells in your water. A plan was also prepared to systematically flush the distribution system in accordance to AWWA standards. In June and again in September we met with the representatives of Sebring Lakes and Lake Josephine and Leisure Lakes to discuss the water quality improvements we made to the system. We discussed the outage (?) treatment system and our plans to install the treatment system. In September the meeting was to discuss the impact of rates of the capital improvements that we would be making and the rate structure we were preparing for the filing. We look forward to

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hearing from you, your comments, and will be available after the meeting to answer any questions you might have. Thank You.

Andrew Maurey: And now we'll hear from the Office of Public Counsel.

Charlie Beck: Good Evening, everyone and thank you for coming tonight. It is very important that the Commission hear from you. My name is Charlie Beck. I'm with the Office of Public Counsel. I'm going to briefly tell you the difference of the who's who up here. Commission Staff is the advisor to the Commissioner...Commission and one of the Commissioners, Commissioner Skop is here tonight. They're the entity that has the power over Aqua. They have the power to decide this case. They will hear the case and make the decision. Our office is separate from them. Our office was created by the Legislature to offset, a little bit, what the Utilities can do. The Utilities come in; they've hired one of the biggest law firms in the state to represent them. They have the resources you'd expect where the owner is a New York Stock Exchange Company. So our office is an offset to them. They will come in and present their case and do the very best can to try to raise the rates. We will put in a case in opposition to them. We have already hired three people who could be expert witnesses in this case. One is an accounting firm, a CPA firm, and we have a person who specializes in accounting for Utilities. We've also hired an expert in finance of Utilities and the third person we have hired is an engineering firm in Orlando. And all these people have testified before in cases and have qualified as expert witnesses. We're going to do everything we can to stop the rate increase that Aqua's trying to propose. Let me mention a little bit about the rate impact. You received a notice in the mail that gave you a proposed rate. It didn't mention that the gallonage charge is per thousand gallons, it makes it look like it could be for all your usage is one rate and another and it didn't give you your existing rates. So there was no real comparison so you could tell what the impact of what they're proposing is. We've tried to prepare a hand-out that shows you what the effect of their proposal at various usage levels. I do want to mention that even this doesn't tell you the whole story because in the last rate case Aqua asked for uniformed rates and that means there's one rate that applies throughout the state. The Commission turned them down on that. Now they've proposed it again in this case and that's what you're seeing is the proposed uniformed rate. And if you're in rate group four such as Covered Bridge you'll see it looks like a small rate reduction is being proposed by the Company. Well if they don't get the uniform rates, and they didn't last time, the result could be a significant rate increase. So don't be lulled into the Company's proposal saying they're not gonna do much to you, you could have a big rate increase if they do not go the uniform rate route. Likewise for some of the systems that have very large increases they could be smaller if they don't go to the uniform rates. So let me finish up. Thank you for being here. It's very important that you tell the Commission your experiences with the Company and how you feel about it because they're the ones that are gonna make the

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recommendation to the Commission and the Commission has the authority to decide the case. Thank you very much.

Andrew Maurey: Now the Commission Staff will provide a brief overview of the rate case process being used in this docket.

Jay Donahoe: Good Evening ladies and gentlemen, my name is Jay Donahoe. I am with the Public Service Commission as an analyst. Aqua has made an application to increase its rates and I want to explain in the presentation what takes place next in that process. In my presentation I'd like to explain the Proposed Agency Action Process also known as the PAA, the staff's review and analysis, and we have customer meetings like we're having today, and then the possible protest of the Commission Order. During the PAA process, the Utility may request it by statute, it's an informal process as opposed to a hearing which is much more formal and costs much less than going to a formal hearing and also must be completed within five months of being filed and can be protested by any effected person. In the PAA, the Commission has many rules. Staff performs a review and analysis, we have a customer meeting, the Staff also puts together a PAA recommendation of what we believe would be right for all parties and then the Commission also makes a decision on that recommendation. During the Staff's review and analysis, there's an audit of all the books of the Utility by our audit Staff, there's a determination of used and useful plant, quality of service, and prudence of Utility Operation by the PSC engineers. And there's a review and analysis of accounting, rate, and billing issues by our accountants. During the customer meeting, its purpose is to receive any comments regarding the quality of service provided, the utility's interaction with the customers, customer service, the proposed rate increase that we have at hand and to answer any questions that you guys might have. This night's for you, we're here to listen to your comments and concerns. In the back, you got from Dick Durbin there's a sign-up sheet if you wanted to speak tonight um...you fill that out with him and um come up to the podium each person will as Andrew Maurey said will be called in the order that they signed up. And also back there you have a Special Report which I see a lot of you have. On that Special Report you have a lot of prudent information that has some, very bottom of it has the uh the Florida PSC website along with some contact information that you can contact us with any questions or concerns you might have. And also on the very back of that report is a customer comment letter. Like tonight, if you find anything that you remember after the meeting that you would like to say or you didn't want to get up tonight because maybe you feel a little shy just send this into us and we make it available for all parties to see. Now during the PAA recommendation Commission conference, the Staff prepares and files its recommendation, that recommendation is reviewed by the Commission and is voted on by the Commission. The Utility representatives, customers, and OPC may speak. If you would like to speak at this Commission Conference, which is held in Tallahassee, please let us know about a week beforehand so we can get can your information and

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have you ready to go. The PAA recommendation at the Commission Conference, if you would like a hard copy or an e-mail copy of the Staff's recommendation, what we come up with in all of our findings during this PAA process uh you can locate any of us Staff representatives here and we will go ahead and get your information forwarded on to you by mail or e-mail whichever one is easiest. Also as I said earlier we have a website FloridaPSC.com uh there's a lot of information on all upcoming events including the case that's at hand with Aqua Utilities. If you find on that website at the very top there's a tab that says Agendas and Hearings, if you click on that you'll see even things that are in progress as we speak, any hearings, Commission Conferences, meetings that we might have will all be available through this website. Now during the PAA recommendation and Commission Conference, we have this one scheduled to be tentatively filed in February of 2011. Twelve days later the Commission Conference is scheduled and then the Commission can either approve, deny, or modify the Staff's recommendation. After the Commission Conference, a PAA Order is issued within 20 days, which sets forth a 21 day time period for anybody to protest, any substantially effected person. (Unclear) If no party files a protest, the new rates will be effective upon issuance of the consummating Order which is usually three to five days of the expiration of the protest period of that 21 day period. And also, if a party, other than the Utility, protests this PAA Order, this initial one uh, the Utility can put out the approved rates in effect but those rates are subject to refunds with interest. At the time this protest is filed to this PAA Order a formal process must be completed within 8 months. Customer service hearings will be held, a lot like this one, just a lot more formal. A technical hearing will be held in Tallahassee. A utility and protesting party will litigate the issue, customers can testify before the Commissioners. Now in the hearing each party has got many, many responsibilities. They have to each file testimony. Each is responsible for putting on their own witnesses and also responsible for preparing cross examination for the other parties' witnesses. There's a lot of conducting depositions involved as well, and attending a preconference and hearing held in Tallahassee is required. After the hearing, Staff prepares another recommendation based on the evidence that was found at the hearing. Uh, Participation at the post hearing Commission Conference is only limited to Commissioners and Commission Staff and then the Commission makes a vote and a final Order. This appeal to the final Order to the formal hearing may only be appealed to the First District Court of Appeals. Now tonight, please remember this meeting is being recorded. Um, come forth to the microphone so we can hear you clearly. Please state your name, address, and spell your last name so that we can get everything on record, and get your comments heard. Thank you very much.

Andrew Maurey: Thank you. We will now begin to take customer comments. Again, a copy of the digital recording will be placed in the docket file. As your name is called, please come to the microphone, state your name and address, and spell your last name. And if you could, identify your subdivision, your service territory. Mr. Beck, would you please call the first customer?

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Charlie Beck: Thank you. The first customer to speak tonight is Joan Leitch

Joan Leitch: Good Evening. My name is Joan Leitch, L-E-I-T-C-H. I reside at 110 Jasmine Street, Covered Bridge, Lake Placid. I understand the need that Aqua Utility says they need an increase to cover operating costs, well that's a bunch of bunk. I don't know what you're speaking about in Covered Bridge. The water quality is terrible. I can't drink the water even with a Culligan. You take a shower, the washcloth just stinks of chlorine. I have to put mine out in the garage instead of leaving it in the bathroom. My bill runs approximately \$58 a month. I'm 75 and I live alone. How can I use that much water and sewage a month? Other places in this county, and I have friends that live around the county, pay about, approximately, in the neighborhood of, \$20 a month. I have a friend with a swimming pool. When she has to fill the swimming pool, it's \$30. The person that services our area is Eddie. We call him fast Eddie. Cause if we get a problem and we try to hunt down ole fast Eddie and we give him the problem he says well I'll have to get back with you. You don't see him but he's right off calling Sarasota seeing what to say. Another thing my residence is all the way to the end of the property; across from their so-called water plant, sewage plant, etc. I can always tell when there is a problem because boy all these trucks come rushing up to the plant but now they know that there's somebody there watching them they put a gate, a lock and a little concrete thing and boy those tires they go rushing right inside of that plant and you don't see them again. But you never know if there is a problem.

I would like to ask a question, if I may, of the Public Service Commission. Could you please somehow or other take a survey of all the other independent water facilities in Highlands County and see what their rates are. If you have never done this you're gonna be highly surprised. I don't know how these people get away with what they're charging. In fact, one day I had a problem. So I called and I get a very rude young lady. Your customer service reps leave a lot to be desired. So after our conversation, which didn't go too well, I said you know you people are a bunch of robber barons and she said right back to me "Yes We Are" Quote.

Andrew Maurey: Ma'm do you know when that conversation took place?

Joan Leitch: No it's been a while back because if they go back in my bills, they see where the time when they were taking over there were, these meters that they've got now were in there and they had this woman and her child and the child read the meters. And I didn't know how to read my bill and I didn't know it was being estimated. I mean if I got a bill I paid it. And then I was having it taken out of my checking account. And all of a sudden I get this humungous bill, so I called up there. I'm sure this is in your records. And um I told them not to process my check, well that check went through...well no...

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they sent me a bill for a hundred or 200 or something like that and I didn't want them to take it out of my account. Well that thing went through my account faster than a greased pig. And so I don't let them take it out of my account anymore. I don't trust them. I don't trust them at Covered Bridge. They came out to a meeting 2 or 3 years ago; they promised us everything. Well it's a good thing we haven't been holding our breath cause they left and that was the end that we heard of Aqua Utilities. I don't know what else to say, that I am 75. I live alone. I have to pay my own bills. I used to have a part time job. Well now I have back disease and I can't work part time so all these rate increases and the amount of money they're asking, they don't deserve it. Not with what we've got for water and we can't drink it and we have to buy it. Thank you very much gentlemen for listening to me.

Charlie Beck: The next customer is Donald Slotten.

Donald Slotten: Gentlemen, I am Donald Slotten. That's S-L-O-T-T-E-N. And I'd just like to make a... I think I got 3 comments here with customer service problems that I've had. When I do have a problem uh I'm guilty of not having written down dates. I guess I figured I'd never have to use them but...well, maybe 3 years ago I had dirty water and uh I called Aqua and was told that someone would contact me. The next day at 10:00 at night, I got a call. It was from a man in Sarasota, a service man. He said that Eddie was on vacation. I received a call from a service man in Sarasota. And he said that he just gotten in from work and he got the message and he would come over if I really wanted him to but it take him about to 2 hours to get here. Well I talked to him some further and I didn't want the poor guy to have to be on the road at midnight. I knew how to solve the problem but it was still a problem because I was getting brown water. And uh we decided that I should go outside and get a hose and hook it onto my house and run the water down the street until it cleared up

Another time they changed the meters, a couple years ago, and uh again I got brown water in my toilets and in my sinks; all the water was brown. And uh I called and they had some outside company putting in these meters. Some outside jobber and he came back and in the mean time I had left and he came back to my house turned the water on, on the side of the house and was cleaning out the water lines just running my water through my meter. You know and I called and I asked the service rep am I gonna get rebated for that. "Well I doubt it," she said. So uh, there's a lot of problems with service customer service. Another time there was dirty water and was told someone would check it out. No one showed for 24 hours so I called again and got no satisfaction from the gal at all and she said she would pass the message on. Like you know what am I supposed to do. So I ask to speak to her supervisor. She said, "No, you can't talk to my supervisor. My supervisor's on another phone." I said "I'll wait." She said, "You can't tie up our lines like that." That was her answer. That was it. The conversation was over.

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But, uh Ms. Leitch commented on the odor in the water. And it seems we've either got chlorine odor, strong chlorine odor, or sulfur odor in the water. It's very few days you don't have an odor in your water. Uh, my company just bought me some new dark green shirts, similar to this one. My wife washed them before I was going to wear them. They're all streaked, all different colors. Green, yellow had to throw them out. They were no good. That's the kind of water we got. And for these people to come and want an increase, it just doesn't fly with me, you know. If Publix grocery store has to put a new generator in their store they can't raise the price of hamburger a dollar a pound. I don't know where these Utilities get off sometimes. So that's the end of my story. I appreciate your time.

Andrew Maurey: Thank you. When you do come to the microphone to speak, if you could turn your cell phone or other electronic devices off?

Staff voice: Mr. Slotten, what system are you served by?

Mr. Slotten: Covered Bridge.

Charlie Beck: Thank you Mr. Slotten. The next customer is Peter Maceri

Peter Maceri: Good Evening, my name is Peter Maceri. I live at M-A-C-E-R-I. I live at 2304 Oak Beach Blvd, Sebring, FL 33875. I'm also President of the Lake Josephine Lakes Association. I never was contacted by Aqua regarding a meeting there about the water quality at Lake Josephine and I've been President for the last 4 years and at the last meeting I did say I was the President, too.

My problem is first of all the water quality in the Lake Josephine area is fluctuating. Some days it smells, some days it tastes like chlorine, some days the pressure is low. We have no fire extinguishers in our system at all, I mean fire hydrants. I don't know if they planned to put fire hydrants when they revamped the system. The end of November I went on vacation for ten days. When I got back, I found I had a small water leak. The water leak turned out to be a busted cap on a PVC pipe that sprayed out real small. I got a bill for 3900 dollars for the water leak. It was 212,000 gallons of water used in a ten day period. I did contact Aqua. I spoke to a young lady up there. She was very pleasant. I mean there she uh probably the most pleasant person I talked to there. Uh I talked to about fifteen different people at Aqua. I even e-mailed the President of the company in Philadelphia or Chicago wherever the headquarters are. He did have somebody contact me. They were able to cut my bill from 3700 dollars down to 2600 dollars. It still is awful high for having an emergency leak; a leak that wasn't my fault. Uh we live, you know uh the PVC pipe must've been old or something. I did e-mail a copy of the photograph of it there and I had the representative come out and look at the pipe who works in that area. He said he can't understand how that much water came

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out of that little leak. 212,000 gallons of water, a lot of water. One of our problems is that when they...let me see...when they adjusted the bill 45,000 gallons of water they charged me 948 dollars. On the next...the first 5,000 gallons was for 36.55. The next 5,000 was 44.90. The total water charge 1,045 dollars that was the month of January. This is a two bill two month period billing. One bill occurred in uh December. One bill occurred in January cause they must have overlapped as far as the billing goes. So it was 212,000 gallons of water altogether. I did make a payment arrangement with them. I paid a hundred and some dollars, a hundred and eighty dollars a month for the last, since December. I finally paid my last payment last time. I'm unhappy because they ought to have a system, if you have a mini water leak that would put the water at the cheapest rate possible for the customer. My nephew lives in Memphis, Tennessee. He had a mini water leak there; they adjusted the bill down to his original bill, like a thousand dollars. You have all these gadgets on top of these meters that's supposed to read the meter automatically; why don't they have a computer system that would say "gee you got a problem, you just spiked 50,000 gallons in the last 10 days. Why don't we notify the customer, you got a problem there?" All these improvements of today's market, computers and technology; they should be able to tell you if you have a problem in your water. It's ridiculous that you have to wait a two month period to find that you owe 2600, 2700 dollars to the company. I can't say anything about their staff. Tammy up in the main headquarters was a very nice person there. Some of the other people I talked to weren't very nice. I have a ...one of my members of the Association lives on Clifton. His name is Paul. I don't have his last name. He just got a thousand dollar water bill. He had the meter checked; they said nothing wrong with the meter. He had a plumber go to the house. They got the water bill. They said nothing wrong with the plumbing of the house. And he's still fighting it. So I'm gonna bring him some papers there to fill out and send to the Commission here. We've had 2 or 3 instances in our neighborhood where the bills have been real high and the people could not get them adjusted. Used to, it was just either vandalism or it was a broken pipe or the roots of the trees broke a pipe and caused a water leak. We also have one house down the street when last January we had a freeze, the pipe broke and the man wasn't home...the house is in foreclosure now but I know the thing ran for about 2 weeks before they discuss...discovered it. I shut my...When I go away for a couple of days I shut my meter off the main. I learned to do that. I check my meter every other day. I'm concerned I going to get another leak or something happen and I'm going to get a high water bill. I think there's gotta be a system to work with the client, a customer when you have a problem. You know, I'm 75 years old I can't afford a 2600 dollar water bill. I always pay my bills. I've been obligated to pay my bills...I pay them. I think somehow this bill should be readjusted and I get a reimbursement on this water bill. Thank you very much.

Andrew Maurey: Sir, if you would...if we could have a copy of your bill.

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Peter Maceri: I gave, I gave him copies of everything I just talked about including the picture of the leak. I just sent a picture of the leak and all to Aqua. They have my file down there. If you want my account number I'll give you.

Andrew Maurey: Thank you.

Charlie Beck: Thank you. The next customer is Rusty Sherman.

Rusty Sherman: Rusty Sherman; S-H-E-R-M-A-N like the general. 2150 Sullivan Street, Sebring. I am in the Lake Josephine area. Members of the Commission, the Counsel, and Aqua, I'm not going to get too much into my own little personal thing, one the things I would like to address is this meeting as compared to the meeting about 2 years ago. First of all, I thought I would see more faces here because the last meeting was during the day and this place was almost full. Some of my fellow residents, citizens, and customers of Aqua presented examples that actually made me want to get, to throw up, became very queasy. I could not believe how the water looked that they had poured into a bottle, a clean bottle or jar, just the previous day, by the time they brought it here. And members of your Commission actually took those samples with them. I was told by one of your colleagues this evening that the Commission really doesn't have anything to do with the quality of the product. But it seems to me that the quality of the product is completely directed, um connected directly to the service. This is a service organization giving us water. Therefore, their main objective seems to me would be to give us, allow us to purchase, because they're not giving it to us; allow us to purchase the best product that they can do. So, the meeting two years ago they wanted; correct me, if I'm wrong, quadruple the rates and they lost that. But they did just about in my case they doubled the rate because I'm paying about twice as much as I was paying before. I don't have anything electronic, honest. I was mentioning to my neighbor here the other day, about a month ago that I was taking a shower and as the water is coming out of the shower I could have sworn I smelled chlorine. That was the most wonderful odor I have had as far as a liquid is concerned that you don't drink since I moved here several years ago. It's the first time I've even smelled something that seemed like chlorine rather than gut wrenching, putrid sulfur, and dead eggs. It's embarrassing to go to see someone out of the community and have your clothes, which you've laundered, your hair, which you've washed, and your body, which you've scrubbed using soap, in all cases, smell like the putrid stuff that comes out of our faucets. In the car, I have examples of two pillow cases, the one I bought about a year ago and I have been using since I bought it laundered approximately once a week, beautiful white sheets. The other pillow case that I bought about three weeks ago. I could not believe the difference in these pillow cases. The one I bought about three weeks ago is as white as the signs in front of you. The one that I bought about a year ago and have laundered once a week and was that white when I bought it, I couldn't believe how grey it looked next to it. So no matter what you do, the residue in this water stays in whatever it touches; probably in my insides too but

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I'm not going to go there. If you're going to raise the rates; you definitely need to raise the quality of the product that we are paying for. It is a sin and a crime. The gentleman over here explained why he is here and he is on our side. One of the first things he explained is to why he is on our side is because the Utility companies like this hire the most expensive attorneys they can hire. It could be a win-win situation. The moneys that we pay used to increase, to improve the product that we are purchasing from you and you don't have to hire the important attorneys; which in the end, we are paying for because they're certainly not putting in a contribution on their own. I was told by one of the employees of the company when I mentioned to him about the horrible taste and odor of the water; he told me, number one, I was near the end of a line. I have so many friends and neighbors that are at or near the end of a line. How many ends can there be to these lines. We're at the end. There's a street here, a street here, one up here, one down here and I'm in the middle. Couldn't that be connected to one of those lines? He also told me that I don't use enough water. Well, there's basically just me. My lawn is on a pump from a well so I don't use the water there. So now I should hook it up and water the lawn with water that I'm paying for? I don't use the dishwasher anymore because I figure I'll use more water which let me see; how many people are saying we need to conserve water. They're angry with me, so then I'm using more water. It doesn't make sense. And this 8.4 million dollars that you've spent on the new system for Lake Josephine that you constructed since 2008; is it just sitting there? It can't be in use because the water is as bad now as it was in 2008, 2006, 2004. Therefore I am here, not only for myself but for all of my neighbors and friends that live in the area. This increase, unless they can be forced to guarantee that the quality of their product is going to improve in equal parts with the increase in the rate; there is no way that they should be allowed to raise any rate. Thank you

Andrew Maurey: Thank You

Charlie Beck: Thank you. The next customer is Beryll Hansen

Beryll Hansen: Good Evening. My name is Beryll Hansen, H-A-N-S-E-N. I live at 114 Oak Grove Street, Lake Placid. I'm in the Leisure Lakes Band 4 water district, Band 1 wastewater district; very confusing. The lady before me said that we're looking at quality vs. cost. We're paying Mercedes Benz prices for a junk car. The water...there's always been poor water quality for various reasons, since I've lived in Lake Placid. And I'm against an increase on principle. It's only my husband and I that live in the house. My water bill last year, I was being treated for cancer. I was gone for 7 months. My average water bill was anywhere from 35 to 41 dollars and I was not in the house. On a month where we're home and I'm doing wash, and doing dishes, and my husband is cleaning up, my water bills can run 77, 47, 81. Pretty soon our water bills are going to be higher than our electric bills. What's always confused me about Aqua's cost structure is that there's no base on minimum use. There's like... you can't use 3,000 gallons and then

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they'll charge you 17 dollars and 41 cents and 35 for your wastewater because what comes in goes out is, from what I'm told, is how the wastewater is based. We pay a base rate whether we use the water or not and then we pay for any water we use after that. So it makes our water bills very high. Makes our waste...I don't know about the wastewater but I'm saying the water bill; so you're charged with the water that goes out from the water that comes in. So it's going to make your water bills very high. You take a drink of water you're going to be paying for that water. You've already paid a base fee. I was part of a group that met with our residents. We took a survey back in March of 2010 and the basis of opinion was that the water prices were very high based on what people had been paying where they lived before, where they live still, where they have their winter residence, summer residences ... excuse me, or friends or neighbors or something. We knew that we never were going to be able to get our money back because we thought that our rates were too high but we thought that at least they could improve on the quality of the water. They promised us in a meeting that we went to in July that they were going to work on this plant; they were going to make our water better. They have not done... there has not been any improvement in the water. The water is dirty at times. You cannot see to the bottom of your washing machine. From what I understand you should be to see through clear water. The water smells as people say. It has that sulfur smell or it has the chlorine smell. And if there is too much chlorine in the water your clothes will suffer and it tastes bad. You can't drink the water out of the tap most of the time, the way that it is presented to us. And they also have irregular billing practices. They don't bill on a regular basis. They... your bill will come it will be 29 days, it'll be 30 days, it'll be 31 days. We think that...I think that they should have regular billing dates. As I said, the water quality has not improved and I am against this increase. I do believe and especially the wastewater increase that they're proposing for Band 1. It would make water... it would not be affordable for many people. You know many people live on fixed incomes in this area and now we have so much unemployment but you really should not...I don't feel that you should allow them an increase at this point. There has to be something done before that they can have another increase and certainly not an increase that they're proposing for some of the wastewater plans. Thank you very much.

Charlie Beck: Thank you. The next customer is Jonathan Patton.

Jonathan Patton: Hello, my name is Jonathan Patton. P-A-T-T-O-N, as the general. I live at 1520 or 122 Leona Drive, Lake Josephine area, and also I have property on 1527 Lake Josephine and 1700 Lake Josephine. Just so you know I'm in Rate Band 4, the highest one. First thing I'd like to say is I'm kind of disappointed because I definitely know a lot more people that have a lot more to say about their high utility rates than are here but when I see them I'll definitely tell them they missed their opportunity to speak. What I'd like to address first is you know when Aqua gets a pay increase, Glades or whatever it is; I don't get a pay increase. Ok, and so, consequently when we got the first

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one, my...I have five children which is of my doing, I understand, but my water bill tripled. Quite literally went from 20.00 dollars to over a hundred. Okay, I don't use an astronomical, a lot of water, I think. But for some reason I have this fluctuating water bill that Aqua can't explain. And I don't wash my cars, I don't water my lawn. Um at the 122 that I live on, I do have a well but I don't use it but I more than likely will get a filter and just stop using Aqua because I'm being forced to that point because at this point it's going to be cheaper for me to do that but that's neither here nor there. But see the problem is that people only make so much money and Aqua obviously knows that they've got a commodity that we can't use, you know. I went to school and stuff and high school and I always thought that there couldn't be a monopoly on a utilities or your water, something that you should always have a choice. I don't know. I'm not a politician, I don't know about that but I definitely feel that we should have a choice. I know people that live in Sebring. I know a lot people in this county. I know people that live in Sebring pay about 20 dollars a month for their water. Now if you can't see the difference between what we're paying and what they're paying, the City of Sebring, then you know. And I have talked to the City of Sebring and I'm kind of trying to find out some things about where Aqua actually does get water from, this and that, but you know I really...I really think we're getting raked over, raked through it pretty bad here. You know what I mean? Everybody's kind of absorbed the fact that they've got pay hundred dollar water bills now and stuff like this compared to twenty dollars. I mean it's hard to get used to. I mean, I do the best I can. My wife does the best we can. I'm in the medical field. My wife is in the medical field. We make decent money. We like our family. We like having our family. We like where we live. But you know given the choice we probably will be building a new house pretty soon but I guarantee I'm going to put a septic tank and I'm going to put a well in there because I'm not going to be paying these astronomical rates and it's ridiculous. I mean, now let's get to the customer service. They have got the most lousiest customer service you've ever seen. You want a date? How about October 14. Ok, I do not get a bill every thirty days. I don't care what they say. When I finally get a bill it's always 300 dollars. And it's always 2 months or so late, three months late. Ok, I'm like ok, well let me try to fix this. I made 2 payment arrangements before, cause the bill got up to 300 dollars and then finally a time a couple months ago. I get a bill for 300. Well, we're going to shut you down. I went to my Mom and Dad and said "Hey Mom and Dad let me borrow 300 dollars so these people don't shut my water off. So my kids can take their baths or whatever. Ok and so you know, I like to have my bill every month. I see it; I can pay it, stuff like that. If I don't get the bill a lot of times, I overlook it da da da da da da. So here we go again; I get a 300 dollar bill in August or something, or September I guess it was. I said ok, so I sent then a hundred dollars. I sent them a hundred dollars. 2 weeks later I sent them a hundred dollars. 2 weeks later I sent them a hundred dollars. Next thing you know I get in the mail, I owe them 120 dollars and I have 10 days or they're going to shut my water off. October 14, my wife calls. They were so rude to my wife; she calls me at work crying, because they will not listen to her. Ok, so I call them and I'm like ok, look you see my

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records, have you seen I've not been sending you a hundred dollars. Yes sir, but if you don't pay the... Ok well make me a payment arrangement. "Well sir..." Just so people know Aqua will give you 2 payment arrangements; two payment arrangements for the lifetime of the property. What's that say to you? The lifetime of the property. Which one's here from Aqua? Is that true or not? Two payment arrangements for the lifetime of the property, is that true? He nodded his head everybody. He just nodded his head that is true. I've got five kids. I got a wife in college. I mean come on! I mean come on! Are you a family service or you just want my kids to go dirty without water? Cause actually if my house don't have water its condemned. Am I right? Am I right or am I wrong? I think I'm right. If I don't have water in my house, my house is actually condemned and it's not suitable for living. Am I right? I think I am.

Male Voice : Inaudible question

Jonathan Patton: Yes, it is. And so, here we are again, just like I said to my neighbors, "Here's your chance." I applaud every person here. I applaud the three hundred at the other place, but this ridiculous, when I know people living in Sebring paying 20 dollars a month for water and sewer. This is ridiculous. I mean come on! So anyway, that is their customer service. If you have any questions for me or anything; I'll give you my phone number, I can give you bills. Um, I can't afford it. Uh the quality of water it's probably, if I put a filter on the well, I'll have the same quality of water that everybody else does. You know what I'm saying? I have no, you know. I totally agree with that gentleman about a water leak because I know that happened to somebody else. Will they work with you? They're not going to work with you. They just want the money. They are the rudest people, the customer service; they are rudest people you've ever seen in your life. You ask for a supervisor, the supervisor is even ruder than they are. Do they want their money? Yea! Or they'll shut the water off. Yea! They will shut your water off. They don't care. I said, "Ma'm I've got five kids. You can't just work with me on this?" "No Sir" "Well I've got five kids." "Well that's your problem." Thank you, have a nice day.

Male Voice: Mr. Patton, do you have those bills with you tonight?

Mr. Patton: No Sir, I don't. I came right from work you know, I mean so... but yeah I'll send you whatever you want, sir.

Male Voice: Mr. Durbin can help you out with that in the back of the room.

Charles Beck: Thank you Mr. Patton. The next customer is Victor Garcia.

Victor Garcia: Good Evening Staff. My name is Victor Garcia. 1527 Lake Josephine Drive. My last name is spelled G-A-R-C-I-A. Mr. President from Aqua Water Company, you sound like you're the most hated man in here in the State of Florida. I feel sorry for

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you. They're going to tar and feather you as you go out the door probably. But it's pretty good to get ignored by him, you know, he's pretty good at ignoring everybody. I bet he doesn't deserve that 190,000 dollar pay check a year that he gets. For the staff, I think you guys are pretty good Staff. Your influence with the Commissioners is probably pretty good. But I bet you also have a lot of influence with Aqua Water Company to, don't ya? They influence you guys any?

Male Voice: No.

Mr. Garcia: They never talk to you guys? I don't have a whole lot to say but you know it's kind of hard for me to follow that last guy you know. I just... you guys are going to have to have a prayer meeting for this guy from Aqua. You know he needs it. Thank you.

Charlie Beck: The next person is Tamra Mathy.

Tamra Mathy: Hi. My name is Tamra Mathy; M-A-T-H-Y. I live at 1934 Canary Way in Band 4, Lake Josephine. I'm kind of on the other end of the problem that everyone's having. I live within 50 feet of the water treatment plant, ok. I have tried for the last four years to get something rectified about our water quality. Every day that I turn my water on I have nothing but chlorine, ok. My clothes suffer. My animals have suffered. I have suffered. Uh, I have actually gone as far as calling the EPA out. They come from Sarasota. They came out, they did a water quality, mainly because our water test, mainly because one afternoon, I went in, I washing my animals, ok. I have a Boston terrier. I have a 115 pound pit bull and I have a small Shih Tzu. A Shih Tzu is white; she's now brown. My Boston terrier is black and white; he's now brown on his white paws. The water has caused my animals to lick themselves to death. They have caused my skin problems. They caused, every time I color my hair within one month my color goes out of my hair. Again, my work clothes; when I was employed, I've been laid off; my work clothes and my, everything becomes dingy, faded out. I'll get back to the EPA. I was informed that the legal limit of chlorine allowed for drinking water is 1.9, ok. Now is that correct? Anybody can tell me this? Parts per million. That is what the EPA from Sarasota advised that it was legal for our drinking water to have in it was, 1.9 parts per million, ok. Now, my question is, does this include the beginning of the line to the end of the line? Well, according to Aqua, no. It has to read 1.9 by the end of the pipes, ok with me living within 50 yards of this tank, alright. Just to give you an example, come home one day washing the dogs. In there, washing started having problems breathing. My eyes started burning. My skin started itching. I hollered at my husband. I said, "Honey, I said get me the phone bill to Aqua or the phone number." Called Aqua right away. Didn't want to speak to me because I wasn't married to my husband at the time. I wasn't on the bill so they wouldn't speak to me all right. Then that's when I called the EPA out. Here comes little Aqua, little people coming, rushing in. They must have called them

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right away. Guess what it tested to be; 5.0 parts per million. You know what he said to me? He laughed at me. He told me off. "Chlorine ain't going to hurt you. It won't harm you." I beg to differ. Now I do know that there is more chlorine in your drinking water than is allowed in a swimming pool. Why? I would like to know that. Why? When I started investigating this and talking to the company about it, they said oh. I said why don't you do something for us since we live right here by the water facility. Why can't Aqua offset the cost of a charcoal filter for me ok, a filter system. "Oh no, oh we can't do that." They laughed in my face. They told us, they said "Well why don't you just sell your property and your house. That's not an option. My house is paid for. My property is paid for. So why should I suffer; why should my family suffer? I spend more money on a monthly basis on lotions, on soaps, on water to drink. I forgot my water sample at the house. I was rushing to get here. My water, you turn it on, you draw a cup full of water it is so milky and the only thing you smell is chlorine. Now it's starting to smell like sewage. I'm not on a sewer line. I have a septic tank so why does my water smell like sewage now ok. Um... let's see here...where am I at? Oh, another thing when they said that the 5.0 or since that I live so close to the water treatment plant. "Well at least you don't have to add chlorine to your hot tub." Now please, come on! That's kind of, that's just an asinine answer and it's like slapping me in my face with the customer service. I just don't know what to do. I don't feel our rates should be raised not if I have to go purchase water to drink as well as everyone else has to purchase water to drink, ya know. I don't get any satisfaction. Another incident was when they were building that new tank in the back, ok, in 2008, I sat there and I watched all these trucks come in; all these large trucks coming in. Canary Way, according to Highlands County is considered as a county road but it is not maintained. Who maintains it? I do. My husband does. We have gotten out there when they come in and asked "Guys, do you think you could like grate it down, you know, fix what you tore up?" "Oh no, we can't do that?" Well why not, I asked Aqua. Why can you not do this? "Oh, we're not allowed to. It's a county unmaintained road. We're not allowed to touch it. Ya'll have to do that." We spent two weeks back breaking carrying in crushed concrete, carrying in rock, raking it, putting it down. Now we have chlorine truck comes in every often, every so often. What does he do? He just burrows down there like it's a thorough fare, tearing up the road. There's nobody there to fix it but us. And I take offense to that. It's like the Company don't care. Um...lets see...where else am I? I've got all kinds of things. Why are the gates left open? Why are the gates left open to that plant, unlocked and left open? Since 9/11 anybody can get in that plant. Who knows? We have crazies all around us. Can't they go in there and pour something...it's not hard to access it. You can climb right over the fence even if the gate's locked. You know that's my problem. My grandchildren had to move in. Over a period of 9 months my bill escalated. This gentleman up here ok. A family of four. I moved out. I moved out to Lake Wales so my family could move in and have a place to live for 9 months until they could get their own residence. It spiked to almost 250 dollars per month, every month. What, my grandkids are suppose to go to school dirty, not supposed to have clean clothes, supposed to have faded clothes

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because of the chlorine? No, I don't think so. I'm upset and I'm starting to shake and I want answers. I have been asking and asking and asking. And when I ask this company a question, I don't expect them to laugh at my face. I don't expect them to tell me "Oh, I can't talk to you." I'm a resident. I'm a paying customer. Why can't you talk to me; because my name's not on the bill; because I don't have the wedding ring on my finger at the time? Well I do now. They still won't talk to me because my name was not added to the bill. Well I think that's horse...I won't go no further. Regarding the meter being read, it states on my bill that my reader, my meter is read on 10-1-10, couldn't prove it by me. That cap was never removed. I've never seen anyone physically out there reading it. So what justifies that? Can anyone tell me, an answer to that? When they come out there to read it? I'm home. They're not there. I don't see them touch my meter. What are they doing, estimating it? Electronics! Yea, that's really good with the computer world. That's very reliable now a days. We all know that. Like I said, lately, over the past 2 months, there's been a sewer odor. I get out of the shower yesterday, my skin...you can see it, my skin is totally white from the chlorine. Does Aqua want to help me out? Nooooo, it's your problem, there again. I quit gardening. I quit maintaining my yard, one month, well no, through the one month I think it was. We were home for two weeks. We have a place up in Lake Wales. Came home put my garden in, started watering my garden, I got a two hundred dollar bill. Told my husband, that's the end of the garden. We have a pump out there, a well, so we've now hooked up to that. As this gentleman in the back, I'm about ready to say to heck with it. Get rid of Aqua and go to the well. I would rather smell that sulfur coming out of that well than putting up with the chlorine any longer. And somebody has to be able to give me some kind of relief when I live 50 ft or 50 yards from that plant. This might be insignificant but they're hollering for a rate increase ok. These gentlemen with the service, this place, maintain this place can't even mow their own yard. They have to hire out somebody or contract somebody to mow that property. Why? Pay me, I'll take my little riding lawn mower down there and mow it. I mean it's crazy; it's just crazy.

My husband refused to come. He doesn't like confrontation ok. He's a non-confrontational person. Me, oh I'll speak my mind and I think that this here is a crying shame. Within the last two years, do you know that this is the first time that I've been notified about a meeting; first letter I've ever gotten about a meeting? Why? Another thing getting back to the 5.0, when it was 5.0, turned up to 5.0 to flush the lines, I ask the gentlemen that come out there, I asked three different ones. I said "why would they do this and not notify us when we live so close to the plant?" "(Fake Laughing), Sorry about that, guess we should of...we just didn't." How hard would it have been to take a door knocker, a piece of paper and put it on my door and tag my door, say they're flushing the lines that the chlorine has been turned up to 5.0. Do not use your water but instead I become affected by it. "(Fake Laughing) Chlorine won't hurt you." I don't know what the problem is with this Company. I think they totally suck. I think their customer service sucks and we're not getting anything out of it except oh we want to raise the hike or raise the rates. So you know I think its...I, I, I don't know what the solution is but

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I think everybody in that area, Lake Josephine is basically having the same problem and something has to be done. Why should we have to suffer? Why should my health have to suffer? I just don't get it. But nobody can give me any answers because oh my God, my name's not on the bill. But yeah I help my husband pay the bill. I can't drink the water, can't even drink the water. I can leave it set for 2 days and still have the chlorine smell to it and the cloudiness to it and not be able to drink it. So in closing I don't think they should get a raise. I think they should be fired, I think this Company should be fired; starting with the head man himself. Thank you.

Applause

Charlie Beck: The next customer is Daryle Cook.

Daryle Cook: Good Evening. My name is Daryle Cook; C-O-O-K. I reside at 690 Chamberlain Blvd, Wauchula, Florida, Hardee County. I live in the subdivision of Peace River. To Aqua, it seems so amazing, that I've been in my house over 30+ years and when we was under Wheeler and Pew, we didn't have no problems with our water. We had no problems at all. Then all of a sudden when Aqua take over we got all kinds of problems. For one, I read in ya'll little note saying that ya'll didn't do no increase since 2008, but I got a letter here they went up on our rates May 15, 2009 and now they wanna go up again. And I have two bills from May of 2009 to September 2010 and the rates did go up. I have a cold so you'll have to excuse me. And the water just plum stinks. There ain't no if's and but's about it. My grandson was taking a shower the other day and he says "Grammy, what's wrong?" I say, "What", I said "What is." I thought, thinking something wrong in the bathroom. He said, "This water stank." I said "stank?" So I went in there and sho' nuff cause he keep the door shut and the heat and it was plum stank. It's just the bottom line. It wasn't no chlorine. It wasn't...to me it was just raw, raw. And it's very upsetting that they want to go up on your rates, especially in Hardee County when they just went up on our rates last year. I got the bills and I have the thing that the County Commissions and Hardee County approved when they wanted to double the rates last year but the Commissions in Hardee County wouldn't approve it. They approved a portion of it but not all of it. Far as the customer service, some of 'em is good and some of 'em is bad. The customer service is...cause you can get some good people and you can get some bad ones on the phone. But my whole thing was, I been in my house 30 plus years and then all of a sudden they tell me I didn't pay no connection fee. I said I know I didn't pay no connection fee to ya'll cause I been in my house for 30 some years. I paid my connection fee to Mr. Wheeler cause that's who had the water system when I moved in that house so why should I pay ya'll a connection fee? So they went on and on about if I didn't pay the connection fee that they were gonna cut off my water. So I paid the connection fee...which wasn't no problem because I needed my water. But I paid the connection fee. Then later on down the road, a couple months down the road, they give me a credit on my bill saying because they

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found where I paid my connection fee. Now what sense that make? First, you don't have nothing on the file, then you have something on the file. You know somebody's not keeping good records. And the rates, they definitely don't need to go up on the rates. I didn't give anybody a copy of my...but last year in May on 52 gallons I paid 63 dollars and 52 cents. Now September of 2010 I used 2000 gallons and my bill is 73 dollars and 9 cents. Now you tell me, what is that, when they say they didn't increase their rates since 2008? Somebody increased something. So the rate increase do not need to be approved because of the quality of the water and half the time when the system break down somebody come by and stick a little pink slip on your door saying boil your water for so many days because you can't use it because the system broke down. I live by myself now but my grandchildren be there every weekend. What that is...you got to boil water for three or four days before you can even much use it. And when you cook, you got to boil your water before you cook. When you wash your clothes, you got to run the water and half the time it smells so you don't want to put your clothes in the water. You know when you put your clothes in the washing machine, you put your soap in there, you're suppose to have suds. You don't have no suds...you don't have nothing but a washing machine full of water...no suds or nothing and your clothes still come out dingy. Thank You.

Andrew Maurey: Ms. Cook? Did the staff get copies of those bills?

Ms. Cook: Yes.

Charlie Beck: Thank you. The next customer is Ernestine McLeod

Bernestine McLeod: Good Evening, my name is Bernestine McLeod; M-C-L-E-O-D. I live at 637 Chamberlain Blvd, Wauchula, FL under the Peace River division. My husband came down with pancreatic cancer which had it in the gallbladder and on the pathology report it said, it listed a lot of things but the main thing that caught our eye it said "from dirty water." We had a problem a couple of years ago. We got up one morning, our house had flooded. We called the plumber and the plumber did a snake thing so far out that it left the yard and it was still stopped up. Later on, Aqua sent somebody down and they went in the road and it was clogged up. My insurance company refused to pay for my damage. Said that it was not the insurance company problem, it was Aqua. Aqua said it wasn't. We purchased a Rain Soft product because we don't use the water. I have a handicapped son and we have Hope coming in to service him every day and we did not want that water going down his throat when they were brushing his teeth and everything so we had to purchase a Rain Soft product. And our water bill is ridiculous also. Getting back to one of my bills I have been in my house 30 some years too Water never been cut off. My husband was going through cancer. I was going through cancer and we just kind of over looked the bill and I tried to explain that to them and they cut my water off so I went and I did a quick pay and I asked them

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if the young man could back out and turn it back on and they said if they could catch him. I said sir I have a handicapped son in my house. We need the water. The man didn't come back till about 10 or 11 o'clock the next day. And so about a month later I'm getting out of the hospital with breast cancer and it just so happen that me and my preacher's wife was in the kitchen talking and my son was on the porch. He said Mom this man cutting off your water. I said, "No way!" So I come to the door and I say, "Are you cutting off my water?" He said "I cut it off ma'm. You didn't pay your bill. I said I paid my bill. I said you hold up one minute. I called it...first I called the bank and they said "Yes ma'm, your check has cleared." But they did not contact their worker to keep him from...my name was on the cut off list. My check had cleared three or four days before cut-off time and I talked to the lady on the phone and I had them to keep the young man there. And this young man, I don't know if he had been threatened or not but he was walking up and down the road throwing a stick. I looked at him and I laughed. I said, "Sir you can put that stick down. Nobody here gonna touch you. Cause you will turn my water back on. I let him talk to whoever the customer service were. And when he got off the phone he say look like they would have taken you off my computer and you wouldn't be having this problem. But what shocked me, was when we got that pathology report and it said it's a possibility ...no, it said it came from dirty water. They say you either work in a mental institution; it named out a couple of things but what caught my eye was that dirty water. And then we be getting these little notes in the mail saying that the water been tested and it has something in it but it's not dangerous but it could contain... it could cause cancer and all of this other stuff but they want to go up on the rate but they don't want to clear your water.

Andrew Maurey: Ms. Mcleod do you recall when the incident...the second turn-off occurred?

Ms. Mcleod: It was back in...it either February or March.

Male Voice: Of this year?

Ms. Mcleod: Mm-Hm

Charlie Beck: The next customer is Susan Yates.

Susan Yates: Good Evening, my name is Susan Yates; Y-A-T-E-S. I live at 722 Chamberlain Blvd, Wauchula, FL. I'm from Hardee County and we fall under the Peace River Sector. I feel that the rate increase is an injustice to all the customers of Aqua due to the quality of the water. I would ask that the Committee please review the testing results from Hardee County 'cause there was one notification where there was feces in the water along with other notes stating that prolonged use of the water and the chemicals that are present and being found in the services provided can cause cancer. I

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don't know anybody who buys a home and not plan to live in it for any long period of time. So therefore, they're putting our health at jeopardy everyday that we do drink the water; which I think nobody does. The smell, the texture, when you turn the faucet on...the only thing that water does is make us have a friendly plumber. It eats out the pipes in your kitchen faucet, your bathroom, constantly. You're constantly having to replace things due to the water and I've gotten to know my plumber rather well. As people have stated before me, the rates did go up. I have been living in my house for 35 years and I did have low maybe 50. I am a single person. I live by myself. I do not wash my car. I do not water my yard. My water bill is anywhere from 100 to 115 dollars a month. They say it's high because I'm not on a 30 day billing cycle. I'm on a 45 day but I don't know, that rotates and like the gentlemen states it could be anytime. Also, customer service, awhile back, Tallahassee had sent me a survey about, you know, the relationship between myself and Aqua. I think the lady's name that I call all the time is Ms. King, I might have the wrong name. But I call her constantly about the, not only some the rude customer service because when you ask them for a name they give you their first name. They're not allowed to give you their last name and you're not allowed to ask for the person you talked to previously because it ties up the phone. So this also means that nobody is familiar with your complaints. Nobody's familiar with your account. You always get somebody new. Therefore, a lot of situations, nothing gets resolved. I don't, I've constantly reported that they too have turned off my water once after I was told that my water would not be turned off as long as I was paying the plan. You have like a payment plan. I paid my water bill three times in one month but on the fourth week they turned it off, also having to go through reconnecting and all this other stuff. When they in fact had told me it wouldn't be turned off. After I spoke to customer service, one of the head people in customer service and after talking to Ms. King she helped me get through to another person. She referred me to I guess one of the top people in customer service. They did make a modification. But the truth of it is, the way they do business, while they want an increase, the quality and the customer service does not warrant an increase. There should not be doubled or tripled as Ms. Cook stated previously. They just went up in 09 in Hardee County. And just another thing I'd like to put out there, while other people are talking about wells we, in that area, are not allowed the luxury of even having a well. It's them or nothing. We do not even have that luxury of an alternative water solution or supply to our community because of the way it's restricted. We can't even put a well in. So they have us between a rock and a hard place and I really feel that it's not warranted at this time due to the quality and the customer service. And that's how I feel. Thank you.

Charlie Beck: Thank you Ms. Yates. The next customer is Adeline Hudson.

Adeline Hudson: Good Afternoon, my name is Adeline Hudson; H-U-D-S-O-N and I live at 1204 North David Court, Wauchula, FL on Sally Place. And I'm here to speak in behalf of myself that I disagree with the increase of my water bill and others. The water

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is no good. I live on a fix in...a fixed amount of money I get each month. I'm not here to say that to have pity on me because I got to pay like anybody else but I want Aqua to know that I'm on a fixed income. The water's not good to drink. It's not good to cook. So what I have to do? I have to get me a taxi cab to take me up town and get me some water in time to use it and then I have to get a taxi cab to bring me back. And the money that I'm going up town buying water, I can take that money and be paying my bill. So wh have me with two bills? I got to go uptown, get this water; pay transportation; then turn around I don't have no money for no bills. I need this water where I can use it and pay one bill and then I won't have to be behind in my water bill and I would like to speak tonight on some people not able to come because a lot of older peoples in no condition especially my neighbor, just came out of the hospital, not able to come. Two of them I know definitely in the hospital. They wanted to come very bad. And it's pretty bad to know that so many of my neighbors and friends down there without water now. We got to haul water. It's pretty bad. And I let everybody know that we do need our water. And with this increase they got, like my bill; it jumped from 92 dollars and 38 cent to 860 dollars. I said I can't pay that. How am I going to pay 860 dollars and 52 cents and why would it jump from 92 dollars. I wouldn't even groan if it was 200 dollars. It's gonna jump up to 860 dollars. I called about my water. They said well you come up with the 957 dollars and two cent and then we'll get your water cut back on and we'll see about looking into it. Looking into it with this kind of... I can't pay nothing like that. But I looked to pay. I wouldn't care if was 200 dollars a month...four hundred dollars a month, but you'd be surprised how many times I'm making a trip uptown buying water and I could take that money and put it on my water bill. So why is I uptown buying water? Why is I paying a taxicab to take me up there and bring me back. I could put that money on my water bill. So get the water correct so I can use it; where other people can use it. I got rid of my washing machine. Water bill still the same thing. No dishwasher; water bill still the same thing. But that pretty bad when it jump to 92. ...I said 92.30 cent Thank you Jesus! I went to prayin'... got happy over that. But when it came up to 860 dollars; can't pay it. And I think that is a disgrace and I still want to say I been there over 30 some years and plus. Other people down there are going through the same problem I'm going through with on my street, I know for sure. And I'm not going to take up more time cause other people want to talk but something need to be did and it's too bad to see people passing by hauling water up and down the road. Ya'll ain't gonna do that but ya'll want us to do that. Then you want an increase. I hope we get this problem solved. It's pretty sad. Thank You.

Stan Rieger: Ma'm one minute please? My name is Stan Rieger, the engineer assigned to this case. Am I to understand that you are currently without water service and your water is off right now?

Ms. Hudson: Let me tell ya, you wanna know the truth? My water is off and let me tell you one thing right now I was told ...I'm not going to tell you his name...he said but if

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you go out there and cut that water back on that's a felony charge and you're going to jail. Ok, Ima tell you up front after you ask the question? You wanna add a little more to it? I'll added to it. Not only me, a lot peoples down there need they water and if you cut it back on you going to jail. A lot of peoples out of water down there and if we cut it on we scared to cut it on. If you do, you run out there and cut it on... Oh Lord let me hurry and cut it back off. Well, you know what? That's setting us up to be...to make a crime for us to go to jail. Yes it's setting us up for us to make a crime for people to go to jail. Cause we know if we go out there and break the lock and the cut the water on, we going to jail. And everybody here knows that's a crime. And we don't want to commit crimes because I've never been to jail. So what we got to do? Go to somewhere else, take a bath to some of your relatives and buy water bring it there pour it in the sink, wash your face, do the best you could. And look how long it's been going on and I talk to Les Albritton over and over it. I went back up there and I don't get nothin' straightened out. Not on my behalf but on people who got little children now they going through this situation. It's a very, very much disgrace. And we still going through with it. We ain't got no other choice. Cause like the young lady said, If you try to make an attempt to pay somebody to put down the well that's against the zoning. You go to jail if you pay somebody to sneak and put a well down. One gentlemen say he going to try that now, got police around here looking. This man what told me, say he got a list this long, say he know exactly who went out there and cut that water on. Say he know just how many he cut off and everyone who cut that water say they going to get a felony charge. Now I'ma tell it just like it is. Thank you, have a blessed day.

Charlie Beck: The next customer is Rose McDonald.

Rose McDonald: My name is Rose McDonald; M-C-D-O-N-A-L-D I live at 613 Chamberlain Blvd, Hardee County and I'm at Peace River. I'm the new kid on the block. I listen to all my neighbors say how they been at their homes for 35 years and all that. I've only been where I am for a year. I think Aqua has a license to steal because I ...they send out flyers all the time saying that if you have any kind of illness or anything that you can't drink the water. I have a chronic illness so I do not drink their water. I have to go buy water. So if I have to buy water, why am I having to pay Aqua anything for something that I can't drink? My bill runs anywhere from 120 dollars up. I do not wash at my house. All I do is take a bath at my house but I have a 120 dollar plus bill. One morning I got up, I turned my water on all what's coming out was sand and stuff. I called the company they told me they were on it; they would get it taken care of. This lasted until about 12 or 1'o clock. I woke up one morning; I did not have any water. Called the company; they're aware of it, they're working on it. Yet and still all the time that I'm not getting water or being able to have water and I don't get decent water because when I can't wash and can't drink water I don't feel like I have to pay them nothing. You know when I watched them the whole time I was sitting back there when you got people sitting over here mistreating people and they cannot stand to look at

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nobody that come to stand at this podium; there's a problem with them. Aqua need to be gone. And if I had anything to do with it, if I was sitting where you sitting I would them on their merry because all their doing is robbing all these people and I have nothing else to say.

Charlie Beck: Thank you. David Bussey.

David Bussey: Good evening. My name is David Bussey. I live in Zephyrhills. My address is 4948 Britni Way. I live in the Zephyr Shores Utility System area. And, I spoke a few days ago at the Pasco County Meeting that you folks had...the public hearing. I'm not going to go over my four pages of speech that I did up there; it's in the record or it will be but I would like to make a couple comments based on what I'm hearing tonight. First of all, the reason that I'm here tonight, I came down here with Frank Reams. I'm on the water committee at our park. I'm also one of the Board of Directors of our park. And, our bills went up in 2009, 336 percent. Kind of got our attention. And so we decided to we'd do something about it besides just complain. Right now, to be real honest with you, I'm not so sure this is going to be very productive. And I guess I'll find out how productive coming here and speaking to you folks, and I'm not talking to the Commissioner, I'm talking to the Staff. I'm going to find out pretty soon probably around November the 9th just how much you really do care about what's going on here and Pasco County and other places around Florida because if you give them the interim rates that they're requesting then what you're telling me and you're telling all these other people around the State that are Aqua customers, you're telling us that you really don't give a ding dong about anything regarding customers and that you are truly Pro-company. So we'll see, if we're wasting our time here, if we wasted our time up in Pasco, if we're going to be wasting our time tomorrow night in Lakeland. If we're going to be wasting our time, get this, at a public hearing for customers in Eustis being held at 10 A.M. on a work day and there's about 7,000 rate payers involved from what I understand. Imagine that. Now I don't know who sets these meetings up but I guess it's the Commission Staff and for somebody to...you're telling us things that are just so obvious. Obvious because we look at your...at the Commission's past track record here and not too many months and years about the corruption that was discovered and you know where there's fire there's smoke or however that goes. And so whatever was cleaned out I'm sure there's still remnants of it around there somewhere in the Commission and I'm not talking about so much the Commissioners right now as I am the Staff. Because I think the Staff is the real problem here. You've got a mind-set from um from what I learned from Commissioner Argenziano at the March 16th meeting this past March she gave us a little history about how you guys do business regarding Utility companies. And supposedly and I'm sure it's true there was a problem with how to deliver good water and sewer to customers in the State of Florida and in many areas there was a real problem and someone got the idea well let's bring in private enterprise to help us take care of the problem and so that concept was developed and so I'm sure

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over the years you just developed the mind-set of doing business that way, making sure the customers get service from private utility companies like Aqua and without much regard for customers because of the way your system is all set up. I'll give you that, but my goodness! Based on what you're hearing at these meetings...my goodness!! How can you continue down that road? How can you? How can you go to a Commission meeting and tell the Commissioners, we recommend the interim rates. How can you when there are other alternatives? In Pasco County, the county wants to buy up all the private water utility companies. I'm sure that's probably true in many counties now perhaps maybe in Polk and surrounding counties around here because what we're finding out is that this private enterprise thing isn't working. It's not working! You're breaking the bank. You're causing people to go to somebody else's house and bathe?!? How can you keep on doing this? At some point in time you're going to have to stop it. Because you're going to be coming back next year... you know what 336 percent in 2009 and now I'm going to be getting another 30 to 38 percent. When am I going to get the next 30 percent; next year or the year after? Because if you want them to fix anything they're going to ask you...well they're not going to ask you, the law requires that you pay for any upgrades that are done. Well how much more is it going to take to get the water to where it's supposed to be? It'll never be where you want it to be at the price you can afford. NEVER! And you know that! They've got a real deal here in Florida. Thanks to the law and thanks to the PSC, these private companies, especially this one, has real legal racket. They're not doing anything wrong. They're doing it all right. They're doing it by your numbers and they're screwing us. Now, to what I wanted to say. I have here a draft. It's dated January 16, 2009. It's from Mary Andrews Bane the Executive Director. I don't if she still is or not. Excuse me it's to her. She's still the director? Gone? Ok. It's from Mary Anne Helton, the Deputy General Counsel, Division of Economic Regulation. Are you familiar with this Commissioner Skop?

Commissioner Skop: No, I'm not. Again, Mr. Bussey, this is a staff led workshop but I'll make some comments to your comments. But, the Executive Director is no longer there and I had some concerns with that.

Mr. Bussey: Ok. At the March 16th meeting up in Tallahassee that we took a busload of people to because we got tired of being pushed around, it was brought up. I think you even asked the Staff whatever happened to that thing where we're going to do about creating some kind of change in the legislation. Staff says yea we backed you on that Commissioner. I bet they did too; didn't they? Well what this is, is a recommendation to change the law to make it a little bit easier for the Commissioners to feel more comfortable about revoking certificates like theirs needs to be revoked; more comfortable for the Staff to recommend an idea like that to the Commissioners because this change in legislation gives you a sense of direction of what's going to happen after the revocation. It was buried somewhere, he asked for a follow-up on it in March, nothing from you folks. Nothing! You don't care about us. You're so wrapped up in doing

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business to keep these folks gone. You don't care! If you cared he would have had an answer. You didn't even give one of your Commissioners an answer. How do we expect you to do anything on our behalf? Most of the folks here don't have a clue. They really don't have a clue as to what's going on. Just like last year we didn't have a clue. What's really going on here is this; and I'll just state two paragraphs from what I said in Pasco regarding customer affordability. Those are really code words too. In recent conversations with Staff members it has been clearly explained to me that there is little if any concern about customer affordability. In fact, the Commission's working definition of affordability seems to be that the Commission must guarantee Aqua a profit on any system they own even if a significant number of their systems never could make a profit on their own. In short, Aqua's ratepayers are subsidizing Aqua Utilities Florida to keep them in business so they can make a profit. That's really all they're interested in. My goodness you can tell by the customer service; the care that they give their customers that all they're interested in is profit. All you have to do is go on the internet and you can find out how bad they're doing everywhere they do business. Why is it that they owe 2.8 million dollars to the state of Indiana? Why is that? Your folks need to really take a good hard look at who these people are. Commissioner Skop said in many instances municipalities are better able to provide a higher quality water at a lower cost to the customer. I would venture to say that's probably true in every instance. And it's about time we did something about it. We need to get off of this help the private companies make a profit and get into a different line of thinking. Let's do what's best for the Citizens of the state of Florida. Let's do what's best for people that have to go bathe at somebody else's house because of a stupid water bill being 90 dollars a month? That's insane! See ya tomorrow night.

Applause

Nathan Skop: Thank you Mr. Chairman. Mr. Bussey again this is a Staff led workshop. I'm just here to observe. And again I'm going to tread gingerly and choose my words carefully. I do appreciate your comments. I appreciate your passion. Again the process is the Staff makes a recommendation and you as spokespeople are free to criticize whatever recommendations our Staff makes but ultimately it's the Commission and the Commissioners that are responsible for making the final decisions and I'll take that responsibility for the decisions I've made but with all due respect to your... Staff, again some of the people here are just emissaries and I know that you indicated your concern about...you used words like words like corruption, stuff like that...

David Bussey: Let me quickly respond. I am not attacking any of you individually. It's the process. It's the mindset. It lends itself to causing us to think nothing else but there must be something going on because you aren't responding to the problems; you're responding to the profit. Show us that you care; that's all I'm saying. Show us and

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remove that thought that comes into our mind about corruption. Prove to us that you really do care; that's all I'm saying. Thank you Commissioner.

Nathan Skop: Thank you for that clarification Mr. Bussey. And again, Mr. Maurey, I'll turn it back over to you. Again, not trying to defend our staff, but again if there should be a whipping post here it should be me and I'll take it before staff does. Thank you.

Charlie Beck: Thank you. The next customer is Charles Cook.

Charles Cook: My name is Charles Cook. I reside at 5420 Knight Avenue, Sebring, FL. That's in the Sebring Lakes Subdivision. Most of what I was going to say has been said by other people a lot better than I could ever say it. What I haven't heard, maybe I missed it. One thing this water does is it corrodes washers; it corrodes faucets, filters, water filters on your refrigerators, on your icemakers. There's only two people in my house and it can't make enough ice to keep up with us being off one day. Probably because it's been corroded and there's sediment or whatever; I don't know. I'm not taking it apart to figure that out. I've lived in this house six years. I've seen the water bill go from 20 dollars a month up to 50 and 60 and with interim rates using 3,000 gallons or so well over 100 dollars. A neighbor of mine, just on a whim, he has a hot tub and he would take the chlorine sticks that you measure chlorine in the hot tub, run it under the faucet. I've seen this myself; it turns it completely black. There's that much chlorine. As far as I know, maybe I'm wrong on this aspect, when it comes out of the water plant, out of the well; as far as I know the regulatory amount of chemicals put in is done by hand. I um, you eye it. I think that you would get a better quality of water if there was some kind of mechanical, computerized system that put so much chlorine; so much powder or whatever in it; you know whatever is needed to make that water soft or softer, able to drink. I live right...I live a couple hundred feet from the actual system and my system is...I have good pressure. I can't say that I don't, you know. Other people have spoken. Their pressure's not so good, but it does smell like rotten eggs. It smells like a pool some nights. You can definitely tell when they first put it in because you think you're swimming in a pool but you're taking a shower. Other days you could be doing your dishes; it smells like your rotten eggs. Most of what I've said, they've said it. What else can I say except that it's unfair and I really feel for these ladies from Wauchula. I'm working. My significant other is working and we find it very difficult to pay our water bill and it's not nearly what families of four and five have. There's no way I would be able to do that. I have two wells; a deep well and a shallow well on my property but when I was moved in they were already hooked up to Aqua Source so I just left it because I said hey it's 20 bucks a month that ain't bad for water. Now it's 60, now it's 70, and from what I understand; I have been told by neighbors in my area even if I wanted to I could not hook up to the wells because the surrounding orange groves, back when they put a

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band-aid on the problem and hooked everybody up to the system, contaminated the ground water...the well water. So we have no choice. If we had a choice it might be a little bit different. It's the same thing with other things; the electric company or the roofing company. Sometimes you don't have a choice you're stuck with what you got and if that's the case make it affordable. These rates that they're imposing or are trying to get are not affordable. Thank you.

Andrew Maurey: Thank you Mr. Cook.

Charlie Beck: Thank you. The next witness is Frank...

Commissioner Skop: Mr. Maurey, it's been two hours can we take five minutes.

Andrew Maurey: We'd like to take a short ten minute break and we will resume at 8:00.

10 minute break

Andrew Maurey: We will resume the customer meeting.

Charlie Beck: The next witness is Frank Reams.

Frank Reams: Am I on first? I'm Frank Reams. I live in Zephyrhills and my last name is spelled R-E-A-M-S. Just a few comments. I've heard a lot tonight about customer service. I think I'll talk about that for a little bit. I would challenge you folks on the staff to take a good look at the record over the past four years on the number of Commission complaints that's been submitted against this company. Nobody even comes close to all that can go to them. I just did some numbers the other night and I don't have it but I'm going to e-mail it to you so you'll have, it but over the last 4 years they account for 47 percent of the total water and/or sewer complaints submitted to the Florida Public Service Commission. Now if we take the seven largest water companies over the last two years Aqua's had 641 complaints. The other six companies have had less than 150. So, you've got to start paying attention to these Commission complaints. You heard it very plainly here tonight. These people are not getting any customer service. Now I got over 50 years with the telephone company and I guess I was probably in there when customer service was really "king" if you will. Our customers were treated like Kings and I've sat in the position that these people are in. I've caught an airplane at 11'o clock at night to fly to a remote location and go visit with a remote customer. I've been into the switching centers and had to fix it myself. I've been told don't come back until you fix it. So I understand both sides of the situation, but you folks are gonna have to take some action. These people ought to be under a show of cause hearing right now. I went back and I've analyzed the four months that they submitted under the phase 2 monitoring for the last rate case; you need to acquaint yourself with the numbers on there because just

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roughly they've done about a thousand reconnects and they've done about 1,100 disconnects. Now the reason that I think that's critical is I've been around at a lot of other sites and in Ohio, the Office of Consumer Counsel is pretty upset because over the last 18 months Aqua has had revenue from reconnects of 260,000 dollars; 260,000 dollars. They've also just recently passed a law that they're going to support 50% of the cost of the rate increase and its specifically aimed at Aqua and I can't remember the name of the other company, Ohio American or whatever. Now, the other thing is this goes back to what Nancy Argenziano said when she dissented in that last rate case and she said she can't vote for that because pretty soon people are going to be paying 400 dollar a month water bills. Now we know we got to go to the legislature to correct that. We are taking steps and actions to do that very thing. But we're also going to be monitoring this thing very closely and we'll be seeing you folks in February when we talk about the service with this new rate case. Now, they've said that Aqua owed the City of Fort Wayne a few million dollars. To elaborate on that, about two years ago the service was so bad that the City of Fort Wayne actually condemned one of the areas within the City that Aqua was providing water service to and the slide indication ...indicated that they made late payments 48 out of 60 months and they currently owe the City of Fort Wayne about 2 and a half million dollars and of course it's in the courts because they simply kept that by eminent domain. The State of New York, the last rate case that they got there, they had put some hooks on them and they're monitoring the number of Commission complaints they get. If they see those numbers, they have to make a refund to the customers. The other thing that you need to seriously consider if any rate increase is granted at all, you need to put a stay out provision in it that they're not allowed to come back for another rate increase for x amount of time and if they do, you're going to penalize them from the date that you originally made that new Order. Now, this thing is totally one sided. I've never seen anything like this in my life. I mean these customers just don't account for anything. I talked to Shirley Johns this morning over in Brevard County because Channel 9 in Orlando did a story on her, end of July. Her bill is normally around 15 to 20 dollars. She got over a 300 hundred dollar a month water bill and Aqua finally said ok, we'll only make you pay 165 of it, so she's paying like 18.65 a month for the next nine months. I just talked to that TV station this morning and I said you guys need to do a follow up on that as well as the one right here with Genevieve Vogelpohl and I don't know where that stands but I just looked at all the Commission complaints that was on the website this morning from last July, and you need to really follow-up on those things. These people aren't complaining just to be complaining. They've got some serious issues and they need to be addressed and nobody but you folks can address those issues for those people. Thank you.

Charlie Beck: The next customer and I may be mispronouncing this Cefie Matayer

Cefie Matayer: Hello, I'm (unclear) talking on behalf of Cefie Matayer C-E-F-I-E M-A-T-A-Y-E-R. She stays on 822 Sally Place. 802 Sally Place, Wauchula, FL and she's with

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the Peace River subdivision also. And she's here because her water bill, the previous house she was staying in, it was extremely high. She actually made the news because her water bill in a month came up to 4,000 dollars and that is ridiculous. No bill can come up to about 4,000 dollars and by the time she had to pay, they made her pay 5,400 dollars. And whenever she pay, she paid 1,400 dollars they came five days and it's usually a 10 day shut-off they came and shut it off five days after she paid that amount and they came and she had it off for two months before they could come in. At the time, I believe this was around the first quarter of this year when Aqua was going around when we had cause back in Wauchula, we had about 2 to 3 meetings and still nothing has changed. Everything is still going up and they had Aqua take our names and someone ride around in a truck and do a bucket test or something? And they said at first, at the meeting they said everybody had a leak. That's all they could say. Everybody must have a leak that's why their bill is going up so high but they did bucket tests; there was no leaks because most of the people in Wauchula pipes has just been redone. So she's disagreeing with them increasing the rates cause she feels like she shouldn't have to pay so much money for something that is inequalible; it's no good. She can't bathe in it. She bathe in it and she says she has five kids and she don't wanna have to allow her kids to have to bathe in something so bad or drink it. She has to spend money, go to the store, and buy her own water because she can't drink water out her own faucet. She's paying for her home but can't drink the water out her own faucet.

Andrew Maurey: Do you have copies of the bills....

Cefie Matayer: She didn't come with it today but... I'll also be up here for my mother.

Male voice: She can supply...I'll see you after the meeting ... we'll give you some contact information so you can send us copies of those bills.

Charlie Beck: The next customer is Marilia Cimeus.

Representative for Marilia Cimeus: This is Marilia Cimeus. This is my mother. And, we're here about our water bill of course and when we first moved into our home, our water bill was only about twenty dollars a month and it was nine of us in the house; my mom, my dad and the kids. She said around 2005 she started paying 30 dollars and then from then on her bills started going up, up and we would...we have 2 vehicles, we wash both vehicles, we water our lawn, and we all bathe and we can't drink the water. We have two ill people in the house so we can't even drink the water. We have to go out and buy the water. When we first moved in and we were washing our vehicles our bill was cheap but after awhile it started going higher so we stopped washing the vehicles. We use rain water to water our lawn now and our water's going up, up, up. Was paying 400 dollars a month for a few months and it got to a point we sent Aqua 200 hundred

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dollars, and it took them almost three weeks before they can receive that money cause they kept saying they didn't receive it, they didn't receive it. We sent them the money, they kept saying they didn't receive it, they didn't receive it. They actually sent somebody to our house to shut our water off and we told him we had the receipt number here and everything. So we gave him the receipt number and we called Aqua. The next day they shut our water off and told them we sent Aqua 200 dollars and it took them after that two weeks to say, oh we received your money but every time we'll call to see if the check was ever cashed they said someone has that check but they kept saying they don't have it. And finally, we just put a stop to the check. We told them that if they did cash it to put a stop to it. Because they're not going to take our money and tell us they don't have our money. So we put a stop check, and finally when put a stop check, they called me 2 days later and said they received the check but it was already a stop to it. So we got the check back and we resent it and they finally said they received it. Then we sent another 105 dollars and to this day, they still have not received that money. So I don't know what they're doing with the money. They're increasing our rates but when we send them the money they're saying they don't have the money. Are they stealing our money and asking for more? Cause it makes no sense and we shouldn't have to drink dirty water. I'm ill myself. I'm one of the ones that's ill and I can't drink that faucet water. I take a shower in that water and I come out, my skin is white; pure white. So, and that makes no sense. Your body shouldn't have to be that color when you get out of the shower. If ya'll rates kept going up that high; ya'll wouldn't want to pay it. It wouldn't make no sense cause ya'll would feel like the same way we're feeling right now if ya'll had to pay that amount every month for ya'll water bill...500 dollars, 400 dollars every month that just don't make any sense. That's more than a car payment. And she said that because we've had a few meetings already in Wauchula and nothing still haven't been done, I mean is this meeting even gonna matter at all? Is anything even going to be done? Are you gonna take any of the things everybody out here has been saying to consideration and stop them from increasing these water rates?

Andrew Maurey: Yes these comments are being as I said they're being recorded. They're going in the docket file in this case. This information is going to be conveyed to the Commissioners. Yes.

Representative for Marilia Cimeus: Alright, thank you.

Charlie Beck: Thank you, the next customer is Alfonso Albarran.

Alfonso Albarran: Good Evening you guys. My name is Albarran. I'm speaking on behalf of my father Alfonso Albarran. His address is 673 Sally Place, Wauchula. Last name is spelled A-L-B-A-R-R-A-N. He is concerned about the rates you guys have been talking about. Just about 7 months ago we have been receiving bills for about 650 dollars; drop down to almost 200 dollars, now they're going back to increase it again.

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That's outrageous; we can't pay that. We cannot pay the money. We've been there for 15 years already. It started at 55 dollars with seven people in the house. Now it's only my Mom and Dad and they now come to pay that amount? I mean come on! That's not right. You only got 2 old people in the house. How could it possibly be that they spend so much water? Come on help us out. We need your people. And I got to get a notice from my kind neighbor...I got to get a notice for a meeting from a kind neighbor. I assure you that they have our address. And the only thing they use the address for is to send the bill and to send us a notice that we got to boil the water? We got to boil the water in order to drink it? And they're telling us boil it or it produce cancer. So what we're doing, we're buying water to kill ourselves? That is crazy. They expect us to pay more money but then where's the quality? Where is the quality...there ain't none. There is no quality we're basically paying them to kill ourselves. (Inaudible Statement) So now I got to drive 6 or 7 miles to take my dad to get some water; not that it bothers me. But it bothers me that I got to go and supply water from the mill so he can drink it 'cause the water is not drinkable. That's crazy.

Andrew Maurey: Did you bring copies of your bills?

Mr. Albarran: No sir I didn't but I will assure you if I get an address I can send you a fax right to it.

Andrew Maurey: We'll give you some contact information.

Mr. Albarran: And one more thing...and if only the president of the Company put himself in our shoes; I'm sure he would be here too raising hell.

Applause

Charlie Beck: Thank you. The next customer is Dave McCadam

Dave McCadam: Good Evening, I am Dave McCadam, as you said. I'm Lake Josephine and since it's getting late and so much has been covered here, so much of probably what I would concur with and would agree with I would just like to summarize a little bit. I talked to, I guess, the President on the break. I've had issues I've been on Lake Josephine for ten years now. I've seen the history of that water system. I understand that Aqua Utilities bought an antiquated system from a few Utilities. It was held together by paper clips and rubber bands. I also understand that you as a Public Service Commission need to make sure that those of us get water and you're not in the business to provide it. But you're in the business to see that we get it in the condition that is proper and safe. And for that you rely on people like Aqua Utilities to come in and provide that service. And they did and I think 3 years ago they came in and requested a rate increase which I believe you denied in '07 and a year later you did grant them an

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increase which I think was a little bit more than they originally had requested that was 2 years ago in '08. And since that time our bills have increased as most people have stated anywhere from doubled to tripled in 2 years time. In that period of time obviously from listening to people just in my area in Lake Josephine and other areas it doesn't appear that there is any consensus that the water quality or the customer service has improved. As I said during the break, if I was sitting in their shoes that would be a real concern of mine and if I was sitting in your chair, and I have sat on both sides of the table, that would be a real concern with me and I encourage the Commission and the Staff and Aqua Utilities, you guys need to get together and find out what's going on in these areas that are causing people to have these kinds of issues and some of these numbers that you are seeing on water bills are staggering. I mean unbelievable and what I have found in dealing with Aqua Utilities is I have told the boss over here is your customer service is really, really as bad as any Utility that I have come in contact with. I was in Broward County before I came here. I am involved with Glades Electric Cooperative. A lot of people complain about their electric bills but for the most part I think our customer service at Glades Electric is pretty good. I can't say that about Aqua Utilities and I think that's something that they desperately need to address and I think this is a very difficult time to be coming right now and asking for a rate increase. When you have people that have these kinds of issues and I have encouraged them. I would hope that they can maybe spend a little more time in these areas where they provide water, maybe annually come in and have a meeting with the people to find out what some of the issues are. I would like to see some way that we could get to people when we have an issue easier than what it is now and I would hope that I know that ...I don't think anybody in here and I hope somebody in here thinks that they're going to get a rate decrease. That ain't gonna happen folks. But a rate increase right now, I don't know...I think you have to all look at it based on what you're hearing here and in other forums and meetings. I think you need to weigh that very carefully. I'm sure you've heard Aqua's side of the issues and I'm sure they have significant costs that they will tell you about but I think they really need to address a lot of these customer service problems before you can grant them any type of increase and that's my feeling. And again it's up to you guys and that's what we rely on as the public. We have to put our trust in you. Even though you're not elected officials, you're staff...you're an appointed official we still have to rely on you to do what's right because you have to look at yourself in the mirror and hearing some of these stories here are ...it would make me very uncomfortable if I was sitting as I said in your chair or in their chair and I hope everybody will follow up on some of these things and see if we can rectify these things so they won't happen in the future and maybe we can have a more efficient system in the future going down the road. Thank you.

Charlie Beck: Thank you. The next customer is Linda Nelson.

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Linda Nelson: Hello everybody. My name is Linda Nelson and I'm from Hardee County. I live in Wauchula. I've been in my home, come November this year, it'd be 35 years. And I talked to Wheeler, the first person that had the water when I went to purchase my home. And he stated to me that my water bill would be no more than 10 dollars a month. And I said 10 dollars a month? And that really wasn't nothing but I wasn't used to paying anything. People around me had wells and we didn't pay anything for water. I even asked if they sure about the 10 dollars a month for the water bill and they said yea as I long as I live in the home I would pay no more than 10 dollars a month. Well when Wheeler sold, then HUD took over and then Aqua and everybody's going up on the water and my concern is the water ain't never been really drinkable. I buy Aqua water. I always buy Aqua and that water I buy in the store is better than what I'm paying you for. Another thing, I brung some of my bills. I'll bring them up. (away from microphone statement) And then I went on other years and now and I'm in my home by myself. I wash my cars. I wash my clothes. I even have a pool I put water in. I'm not saying that I'm not using the water, I'm not saying that. I'm just saying that the price of the water is ridiculous for a Farmers Home Administration Home. Where when I purchased this home it went on my income. Some people now, I wouldn't say me but some people now are paying more money for their water than their mortgage a month and that don't make sense for water we cannot drink. Water that you get a slip. I got a gate around my house so they can't come to my door but they leave it on the gate. I got to boil my water before I drink it. But I don't drink it no way and who has to boil water before you drink it. You paying for this water why would we have to boil it before we drink it? And another thing, why are they increasing the water when it was promised to us that I know; I can't say us cause I was the only one sitting in the office when he told me that the water would be 10 dollars and the sewage would be free for as long as I live in this house. It's because Aqua bought it that the government can no longer go for the agreement, that the verbal agreement that they had with me? For about 10 to 15 years it was 10 dollars; 10 dollars a month every month. But when they sold it then they started increasing it; why was that so? And why am I paying almost a 100 dollars now with just me...and it's been just me for awhile? Somebody need to help us because the water you can't drink. They send that stuff out and tell you this might cause cancer. So why are we paying a hundred and some dollars and you can't even drink the water? Do I have to stop washing? Do I have to stop washing my clothes, my cars? Cause I'm not drinking the water. I buy your water and your water I buy in the bottle taste nothing like the water that comes though my faucet. And that's all I have to say.

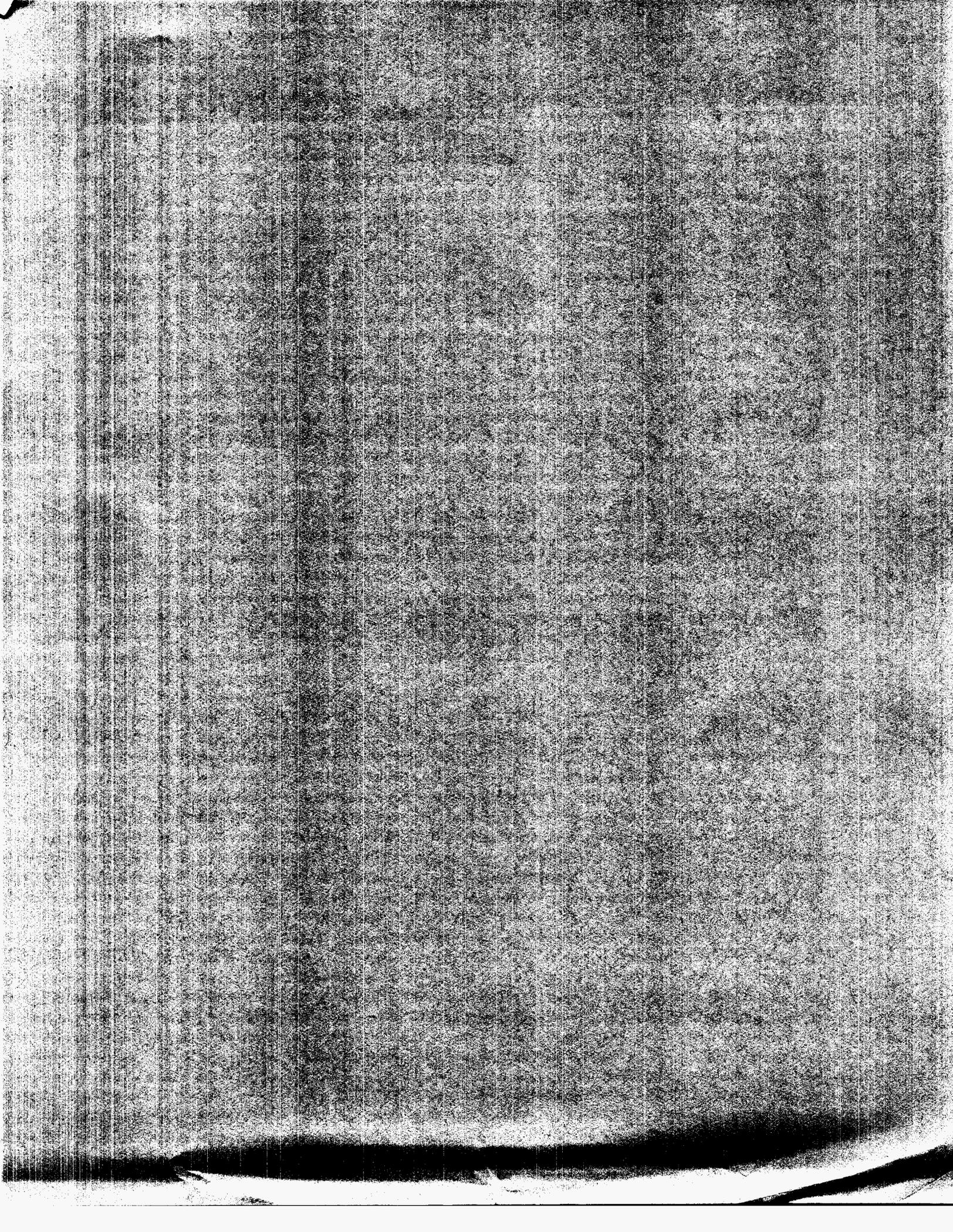
Charlie Beck: Thank you. Are there any other customers who wish to speak that didn't sign up?

Andrew Maurey: Would anyone else like to address the panel? Raise your hand. Come up. Alright, seeing that no one else wishes to speak, I'd like to conclude this meeting. Commissioner Skop would you like to address the audience?

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Nathan Skop: Thank you Mr. Chairman. I want to just thank everyone for coming out this evening and support the Commission and Commission Staff hear your comments, the end of my term as Commissioner, ends in two months but again I drove all the way down from Tallahassee today. I think it's important for the Commission to hear your concerns. I appreciate your time and the effort that you made to come forward tonight and take your turn to speak. Thank each and every one of you for coming out and I appreciate hearing from you. Thank you.

Andrew Maurey: Thank you again for taking time out of your schedule to attend tonight. I would encourage you to take any extra copies of the special report to hand out to friends and neighbors. Also there's contact information in the report, Commission's phone number and website if you have any concerns you can contact us. Thank you again. This meeting is adjourned.



ATTACHMENT E

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Andrew Maurey: Good evening. I'd like to call this Customer Meeting to order. Staff counsel would you please read the notice.

Ralph Jaeger: By Notice this time and place has been set for a Customer Meeting in Docket No. 100330-WS, Petition for Increase in Water and Wastewater Rates by Aqua Utilities Florida, Inc.

Andrew Maurey: I'd like to welcome all of you to this Customer Meeting this evening. My name is Andrew Maurey. With me tonight, to my immediate left, Ralph Jaeger, Jay Donahoe. To my right, Stan Rieger. When you entered the auditorium this evening you were greeted by Dick Durbin. We all are representatives of the Technical Staff of the Public Service Commission. We'd like to thank you for taking time out of your busy schedules to attend this meeting tonight. The purpose of this meeting is to gather input from Aqua customers regarding service quality, customer service, and the proposed rated increase. The Commission is interested in hearing from you and this meeting is being recorded. A digital copy of this recording will be placed in the docket file as a public record and may be accessed from the Commission's Clerk's office.

At this time I would like to explain how this meeting will proceed. First we will listen to a brief presentation by Aqua Utilities Florida, which will be followed by a brief presentation from the Office of Public Counsel. After these two parties have concluded their presentation Staff will make a short presentation regarding the rate case process. Once Staff's presentation is finished we will hear from the customers. The customers will be called in the order in which they signed up. If anyone would like to speak but did not sign up, please step outside and Dick Durbin will sign you up. If you would like to submit comments but do not wish to speak tonight you may submit comments in writing. When you came in this evening you got out - received a copy of this Special Report. The final page of this Special Report is the Comment Sheet. You can fill that out this evening and hand it to any member of Staff before you leave or you can take it home with you, fill it out and mail it to the Commission. It's self addressed. If any of your friends and neighbors were unable to attend tonight's meeting we encourage you to take extra copies of this report home with you to distribute.

Now, Aqua Utilities will make a brief presentation on the requested rate increase.

Jack Lihvarcik: Thank you Mr. Maurey. Good evening everyone. My name is Jack Lihvarcik. I am President of Aqua Utilities Florida. I appreciate the opportunity to offer some opening comments to our customers in Polk and Pasco Counties concerning this rate increase. We have additional Aqua staff available today to answer your questions and address any concerns you might have after the meeting. We are here today to hear from you, our customers, and we understand that a rate increase is never easy to accept. This

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rate increase is different than the rate – than the 2008 rate increase. We have filed this case under the Proposed Action – Agency Action Procedure. The Commission Staff will explain this PAA process further. However the purpose of this PAA process is to keep rate case expenses to a minimum. I would like to take just a few minutes to explain to you the improvements we have made to your water and wastewater systems that are the reasons for our need to file a rate increase. Over the past 2 ½ years Aqua has spent \$8.4 million dollars in capital to comply with DEP regulations and improve water and wastewater quality service and reliability for more than 22,000 customers throughout the state of Florida. In addition, since filing this rate increase, we will be spending an additional \$3.7 million dollars, or about 73%, which is directly related to infrastructure improvement projects. For the systems in Polk County the improvements are replacement of defective fire hydrants, hydro-pneumatic tank replacements, water main replacement, water main extension and/or upgrades to improve water quality. In all the systems new water meters, aging meter pits and meter valves were installed. At the water plants, upgrades such as flow-case chemical feed pumps, pumps and motors, and recording devices to monitor flows. The wastewater system improvements to the collection system are collection line replacements or upgrades, lift-station rehabilitation and replacement of lift-station pumps to improve efficiency. At the wastewater treatment plant the rehabilitation of concrete tanks, rebuilding of surge tanks, the replacement of pumps and motors and researching additional effluent disposal at Village Water. At Breeze Hill we are reducing storm water infiltration into the sewer system and replacing collection lines that are aged and failing. This will reduce operating and maintenance costs in the long run and improve the efficiency of the treatment plant. Aqua also is addressing secondary water quality concerns at Rosalie Oaks and Zephyr Shores. At Rosalie Oaks, being a weekend community, it is determined customers experience water quality issues when they come for the weekend. To improve water quality, installation of critical valves and automatic flushing hydrants were installed. The comprehensive water flushing program is prepared to flush the system. The plant was prepared to systematically flush the distribution system in accordance to AWWA standards. Aqua also addressed the secondary water quality issues at Zephyr Shores by adding a sequestering agent into the water to improve water quality, the installation of critical valves and a comprehensive water flushing program to address dirty water issues and a replacement of an undersized water main and installing a new main to improve water quality and water pressure.

In June and again in September we met with customers in Rosalie Oaks and Zephyr Shores to discuss the water quality improvements we made to the system. We listened to additional issues with water quality and water pressure and prepared a plan to address these complaints. In September the meeting was also to discuss the impact to rates the capital improvements would have and the rate structure we prepared for the filing. We look forward to hearing your comments and will be available after the meeting to answer any questions. Thank you.

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Andrew Maurey: Next we will hear from the Office of Public Counsel.

Charlie Beck: Good evening everyone and thank you for coming this evening. My name is Charlie Beck. I'm with the Office of Public Counsel. Let me take a moment to tell you who's who up here.

The Florida Public Service Commission has authority - regulatory authority over Aqua Utilities, and you have the Staff of the Commission and also Commissioner Skop is attending here tonight. They are the entity that's going to decide this case. They'll decide whether to give them the rate increase, not to give it to them or to do something else. Now Aqua Utilities has a number of people here tonight. Aqua Utilities Florida is a subsidiary of a New York stock exchange company, and as you might expect they have considerable resources that they can put forward to try to get the rate increase they're seeking. Ah, they've hired the law firm of Holland and Knight and a partner of Holland and Knight is sitting here in the audience on their behalf.

The Office of Public Counsel is separate both from the Public Service Commission and, of course, from Aqua Utilities. The Legislature created our office to advocate on your behalf in front of the Public Service Commission and when Aqua comes in and asks for a rate increase and brings their expert witnesses and their lawyers our office will be there to put forth - forward your position and to argue against the rate increase, and we're going to do everything we can to fight this rate increase. We have a CPA in our office who's working on this.

Crowd: Clapping.

Charlie Beck: We have people in our office working on this. We've also hired three outside experts who will be able to testify as expert witnesses if this proceeding goes to a hearing. Ah, one of them is a CPA firm that specializes in utility accounting matters, another is an expert in finance and a third is an expert in engineering who works for an engineering firm in Orlando. Let me mention something to you about the rates themselves that are being proposed. We're very concerned about the Notice that went out to you. The Notice went out and all it said is here's a rate and then, in fact, on the usage rates it didn't explain that that usage rate is per thousand gallons. Makes it look like to us like it's just here's a rate for usage and here's a base rate. Ah, we've prepared a hand-out here, we've tried to do some comparisons to show you what your existing rates are and what the proposed rates are and what your bill would be at various levels of usage. Ah, I hope it's helpful. We did the best we could with that. Let me mention that even this doesn't really tell you the full exposure that you have in this case. The proposed rates are uniform state-wide rates that Aqua's proposing, so that they'd have the same rates across the state. They'd do away with rate bands. Well they asked for that in the last rate case and they didn't get it. If the Commission doesn't go with the uniform state rates the rates could be very different and,

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just for an example, if you're in Water Group 4, which I know a number of you here are served – are in that group, the Commission shows a slight decrease if you go to Aqua's uniform rates. Well if the Commission doesn't do that and sticks either with the current rate design or something else you could face a very large increase. So even these comparisons – don't feel comforted by them, because almost anything could happen in this rate case.

Thank you very much for coming. We appreciate your being here and we look forward to hearing from you.

Crowd: Clapping.

Andrew Maurey: Staff will now provide an overview of the rate case process.

Jay Donahoe: Good evening ladies and gentleman. My name is Jay Donahoe. I work for the Public Service Commission. I'm an analyst. Aqua has made an application to have their rates increased through a PAA, Proposed Agency Action Process and I want to explain to you the process that takes place from here on out.

In this presentation I'd like to explain about the Proposed Agency Action Process (the PAA), the Staff review and analysis, the Customer Meeting (like what we're at tonight), and, also, a possible protest of the Commission order. Ah, the Proposed Agency Action Process, which is what they made an application for, the utility made a request that's via statute. It's an informal process. It costs much less than going straight to a long, formal hearing and it must be completed within five days [sic – months] of the official filing date. Ah, this can be protested by any affected person as well.

Ah, what does the Commission do during this Proposed Agency Action Process? Ah, the Staff does a review and analysis of all the records of the utility, we hold the Customer Meeting (like tonight) and we also develop a Staff PAA Recommendation which we present to the Commission and the Commission makes a decision upon. Um, the Florida Public Service Commission Staff review and analysis consists of many different parts. We do an audit of the books by our audit staff of the utility company. Ah, there's a determination of used and useful plants, quality of service, and utility operations by engineers and um, our staff accountants do a review and analysis of accounting and billing issues. During these Customer meetings, ah, the purpose is to receive customer comments regarding the utility of the service provided, the utility's interaction with the customers, the proposed rate increase, and to answer any questions you guys might have. Tonight's your meeting; we're here to listen to your comments and concerns.

Now when you first came in, ah, Dick Durbin in the back, like Andrew explained earlier, there's a sign-up sheet. If you fill that out and you want to be heard tonight with any

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comments or questions that you might have, fill that out and we will be calling those people within the order that they signed up. Also the Special Report that Andrew mentioned earlier, ah, you can find that back at the phone with Dick Durbin. It has a lot of prudent information. At the very bottom it has PSC's web address along with contact information. Ah, if you go to that web address – oh well, on the very back, it's also got a comment letter like he also stated that if you think of anything after this meeting, you have customers that didn't show up or if you didn't want to get up in front of us and speak, it would be for your comments and concerns and it will be made available for all the parties involved in this case to see. During the PAA Recommendation and Commission conference the Staff prepares to file a Recommendation and then the Recommendation is reviewed by the Commission and voted by the Commissioners at the Commission Conference in Tallahassee. Ah, utility representatives, customers and OPC may speak. Ah, please make sure if you want to be heard at this Commission Conference in Tallahassee, let the PSC know about a week in advance. We can get all you information and get you down in the records to be ready for you to come up, and during this PAA Recommendation and Commission Conference if you would like that Recommendation that the Staff comes up with, like a hard copy or something, e-mailed to you, ah, see any of us and we can get your information, we can send it on to you so you can have it for your own records – for your own viewing pleasure, and also earlier I mentioned the website: floridapsc.com. You go on there, it has all the information that's involved in this rate case and also all the agendas and hearings are viewable live. So if you go on there at the very top there's a tab that says Agendas and Hearings, click on that, you'll get to another page and it'll actually have everything live – it'll have the schedules, the past Agendas, anything you would like to see concerning this case or past cases.

Now with this specific case, Staff's Recommendation is tentatively scheduled to be filed in February of 2011. The Commission Conference is scheduled tentatively twelve days later. The Commission may either approve, deny, or modify the Staff's Recommendation. After the Commission Conference the vote – after the vote of the Commission Conference a PAA Order is issued within 20 days. That then starts a 21 days process to, ah, where any substantially affected person may protest the Order. After the Commission Conference, if no party files a protest the new rates will be effective upon issuance of the Consummating Order usually 3 to 5 days after the expiration of the protest period. If a party other than the utility protests the PAA Order the utility can put those new rates into effect, however those rates are subject to refunds with interest. Um, now if a timely protest is filed, the formal process must be completed within eight months. The Customer Service Hearings must be held. There is a Technical Hearing that will be held in Tallahassee as well. The utility and protesting parties will litigate the issues and customers can testify before the Commissioners. Now during this hearing – the formal hearing process all the parties are responsible for many different, different situations. They have to file – ah, they're responsible for filing testimony, putting on witnesses, preparing cross examination for the other parties' witnesses, and conducting depositions and also attending the Commission

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Conference in Tallahassee. Now after the hearing, Staff prepares another Recommendation based on the new information at this hearing and the participation at the Post Hearing Commission Conference is limited to Commissioners and staff. Then the Commission votes and there's a Final Order. If anybody or any parties would like to appeal that order it goes through the First District Court of Appeal.

Now for tonight please remember this meeting is being recorded. Come forward to the microphone and please state your name and address and spell your last name for the record.

Andrew Maurey: Thank you. In addition to Staff that I've already introduced, we also have Commissioner Nathan Skop in attendance. Commissioner Skop, would you care to address the audience?

Nathan Skop: Yes, thank you Chairman. Good evening I'm Commissioner Nathan Skop with the Florida Public Service Commission and tonight's meeting is a Staff led workshop to hear from customers. I as a Commissioner am here to observe, however I thought it was very important to come down from Tallahassee to hear each of your concerns, and I look forward to hearing them this evening. So, I appreciate each of you individuals taking the time to come out and share your concerns with me. Thank you.

Crowd: Clapping.

Andrew Maurey: Thank you. Now as you can see we have a crowded room. We have a lot of people signed up and we want to afford everyone an opportunity to address the panel. With that in mind we respectfully request that people limit their remarks to five minutes if they can, so that we can afford their fellow customers an opportunity to address the panel. Ah, there are other customers here who have already addressed this panel and their remarks have been recorded and are already in the record and you are welcome to address us again, however, we'd like you to limit your remarks to new information. There is no value added to repeating comments that are already on the record on more than one occasion. With that said we're ready to take customer comments but remember a digital recording of this conference is being made. As your name is called please come to the podium, state your name, your address, and please spell your last name.

Mr. Beck, would you please call the first customer?

Charlie Beck: Thank you. The first customer to address the Commission is Gus Alexakos.

Gus Alexakos: My name is Gus Alexakos. The last name is spelled A L E X A K O S and I reside at 4625 Windy Lane in Zephyrhills in the Zephyr Shores subdivision and I'm here on

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behalf of our subdivision regarding Aqua's rate case, Docket No. 100330-WS. I'm also a former President of Zephyr Shores Homeowners Association and I just want to let you know that on January 29th I was interviewed by FOX News and I have a copy of the write up and I'd like to turn it into the Commission and I ask the question they were asking me about our water quality and the water quality you can see particles in the water. We can't drink that water.

Crowd: That's right. Amen. Clapping. Whistles.

Gus Alexakos: We spend, my wife and I, we spent over \$500 in bottled water. We have to buy Zephyrhills bottled water and Zephyrhills is known for the best water in the state of Florida but we can't drink the water that they serve us. It's that bad, and Mr. Lihvarcik and his staff they've been at our home and they've seen the cases of water that I have in the shed. So they know that I have to buy that water in order to drink it.

I'm also submitting an article that the staff and Mr. Lihvarcik was at our Zephyr Shores Homeowners Association meeting that they had on September 22nd and I asked them a question about the water as far as \$54 that is charged. People aren't even there and they still charge them \$54 a month. No water use at all. Not a drop of water. They don't flush the toilet at all and they still charge them \$54. So their answer back then on September 22nd was, "We're going to raise that." I asked them, "Are you going to eliminate that?" "Oh no we're going to raise that." Why raise that? You don't even flush the toilet, you don't even use a drop of water and you're still going to raise it. That's not right.

And the other article I'm submitting to you folks is water that Jasmine Lakes and - that they had an article here on October 22nd, and I'm submitting that to you also. They're going to triple their rates. More than double and almost triple the rates. I like to submit that to you folks. And I'd like to submit my own water bill. My wife and I we don't have a swimming pool at all, nothing like that. \$146.52 for the last bill. That's ridiculous. Just for the two of us.

Crowd: Absolutely ridiculous.

Gus Alexakos: And the last item I want to mention is that I don't know if Aqua knows that there is a recession in our country.

Crowd: Yeah, clapping.

Gus Alexakos: Aqua doesn't, but here in Bryn Mawr, PA I don't think they know that. I really don't and so the article that was printed in the paper - Tampa Tribune, "Once again no boost for social security members" at all for another year maybe two years and that affects all of you folks here. None of us are going to get anything. Not a penny more to pay

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for those water bills. That's not right. So write to your legislators too. Thank you for your time.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is John Healy.

John Healy: My name is John Healy. Reside at 35 – 036 Carl Avenue, Zephyrhills, Zephyr Shores. H E A L Y. Well, Aqua don't even treat our sewers. The County treats it and they're more than doubling their money for doing nothing but pumping it back up. The same thing – the \$54 a month for using nothing is outrageous. Then the quality of the water – we had to put a treatment system in. Spent almost \$4,000 and we still can't drink the water because to get some of the stuff out – there's too much salt in it, so we have to buy water also. Thank you.

Crowd: Clapping.

Charlie Beck: The next customer is Robert Snyder.

Robert Snyder: My name's Robert Snyder. I live at 4956 Britni Way, Zephyrhills. It's part of the American Condominium Association. Snyder is S N Y D E R. We're part of the Zephyr Shores water system. My complaint isn't necessarily with Aqua, it's with the Public Service Commission.

Crowd: Clapping.

Robert Snyder: The part that I'm in is serviced by Aqua but we don't need Aqua. We have county water right at the entrance to the park. All it would take is to turn a valve and we could be on the county system. Our wastewater currently goes to a county wastewater treatment. The people that live right next to us at Lake Bernadette are on county water and their bills are less than a third of what ours are. Our water could come from the same place and our wastewater could go to the same place. If the Public Service Commission keeps granting these rate increases to Aqua Utilities they have no incentive to let the County buy the system and take it over and Pasco County currently is doing that, but it's not going to happen, we feel the only way we're going to see rate relief is for the County to take over the system and the Public Service Commission ...

Crowd: Yeah, clapping.

Robert Snyder: The Public Service Commission could help that by not granting a rate increase. That's all I have.

Crowd: Clapping.

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Charlie Beck: The next customer is Charles R. Blead, I believe

Charles R. Blead: My name is Charles R. Blead, I live at 502 Windermere Drive in Lakeland. The last name is B L E A M. We're part of the Lake Gibson Estates water system. Now you're going to hear a lot about people talk about how bad the water is. Well they get to the Estates water is good. It's not good because Aqua makes it good it's because the people that sunk the wells years ago did a good job. I've been on the system – or the system that's there since 1960. I have no complaints with the water. I'm still alive after 50 years of drinking their water. It's not bad, but I've never seen a situation in the past where we have had companies come and want to raise rates and I am highly disappointed at the Commission. That only one person from the Commission is here to face their constituents. It speaks a loud word that they really don't give a damn, and that's the message I've been

Crowd: Clapping.

Charles R. Blead: I don't know if you didn't show up whether we could have a meeting because if one Commissioner didn't show up I think the rest of us should just walk out and go home. But there's one issue that I want to address. Our waste system in Lake Gibson is handled by the County.

Crowd: Right.

Charles R. Blead: It goes out to them and this new proposed rate it's like – you can look on the internet and find all the information you want, but just like they are proposing to give us a base rate on those \$38, Aqua also has to pay a base rate to the County and you have any idea what their base rate is? Their base rate runs roughly 24 to 25 hundred dollars a month. Now, there's 300 people on that system and you break their base rate down, their paying \$8 or a little less, of base rate per customer, and yet you are wanting to allow them to charge us \$38. Now you do the math. 300

Crowd: Clapping.

Charles R. Blead: 300 customers and a profit of \$30 per customer is a \$9,000 profit for doing nothing. You gave a rate increase in '08 and Nathan Skop y'all got it wrong. You need to revisit that rate, because that rate is detrimental to the older people cause the sewer rate is way too high. The water rates are too high. You're punishing big families because they have to use more water and the rate is too high. I ran a test, the best that I could do, and based on a basic sewer rate and 10,000 gallons from the County, it would be around \$81. Aqua is going to be \$108. You cannot justify that. Aqua Company – I should have bought stock in them. Their stock today probably closed at 21 and 52 weeks ago it was down at 15. Every year they increase their dividend. Don't come to me and tell me you need more money. I'm not stupid. You don't need to run a lot of figures to see

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Crowd: Clapping.

Charles R. Blead: ...that they do not need a rate increase, and so this is where I'm at. I'm sorry the rest of the Commissioners didn't feel free to come because they need to be here and Nathan –as I read the literature coming off of the internet – you're short term. You're not going to be on here very much longer. They're ridiculing you. They're calling you the only honest man. I believe it, but it's time we got some relief from the Public Service Commission because the next time it's going to be these people down at the County, and we'll fill the County up until they do something and take over the system.

Crowd: Clapping/yelling.

Charlie Beck: The next customer is Peggy Welch.

Peggy Welch: My name is Peggy Welch. I live at 35301 Condominium Blvd. in Zephyrhills. Last name W E L C H. I was at the meeting in New Port Richey and know that you have heard things repeated over and over again. But I did not hear this mentioned and I would like to tell you about an experience I had in our car. Keep in mind that the Aqua well adjoins our park. A Aqua service man was in our park and I always wondered where our water came from cause I lived in a park five miles away that had excellent water and ours is crappy. So I asked him and he told me that when the snowbirds are gone Aqua gets all their water from that well. But when the park is full, which is seven months of the year; they buy it from the County. The County lines are in front of our park and all we have to do is open the valve for more water. Since we are already getting our water from them for seven months I'm asking you to revoke Aqua's certificate and let us get our water from the County. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Jenny Novak. Gerry Novak, I'm sorry.

Gerry Novak: Commissioner, Staff, counsel, Aqua representatives good evening. My name's Gerry Novak, N O V A K. I live at 4913 Bobby Avenue, Zephyrhills. I live in America Condominium Park and we are in the Zephyr Shores water system. Recently my wife and I moved to Florida. We've been residents for about a month now. I come from New York where I'm a licensed real estate agent. Our park – the other day I took a walk and our park has 33 homes for sale and I've been told, in fact I'm almost positive, six more will be on the market very shortly. Um, that's a lot for our park. Our park has always had a very fast turnaround. As a realtor I have a professional interest in market value so I contacted the local realtor person whose sign is in front of the bulk of these homes who are being sold and I asked her, you know, what's happening with our market within our park and she claims it's taking longer to sell our homes and we're not getting the prices that we're asking. We're not getting the value out of our homes anymore. As a realtor I

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understand the things that affect value. I asked if she felt that our water/sewer situation was a contributing factor. Her response was a definite yes. Potential buyers, she says, talk to neighbors, they hear the name Aqua or they see the high water bills before they purchase and then all of a sudden they're not that willing to buy in. Houses are a commodity. Thus they're subject to the laws of supply and demand. When they take longer to sell, for any reason, an inventory builds up, the values go down. Fact of life, it's the law. Our high water bills have turned out to be a double edged sword. Seniors on fixed income no longer look at their park as affordable. When they try to sell they find out that its taking longer and they're getting less money. In other words they're not assured of a return on their investment as Aqua is. Commissioners I want to thank you for having this meeting and remember that high water bills cut into people's lives and the values of their homes. You have the opportunity to stop this bleeding and we pray that you do. Thank you.

Crowd: Clapping.

Charlie Beck: The next customer is Paul Stakun.

Paul Stakun: Good evening, my name is Paul Stakun. That's S T A K U N. I live on 35113 Danny Drive in Zephyrhills and, again, as Mr. Novak I'm part of the American Condominium Park. Ah, one question that I have of the Staff. How many Staff members would be in involved in evaluating Aqua's rate increase?

Inaudible

Paul Stakun: Sorry? How many Staff members are going to be involved in this rate increase evaluation?

Andrew Maurey: At least twenty – very minimum.

Paul Stakun: At least twenty, plus we have five Commissioners, and Mr. Donahoe I thank you for describing the very circuitous process that going to be on the gun to evaluate this rate increase, and I'm frankly afraid that there is – when it's all is said and done there's not going to be any – nobody's gonna claim any responsibility in your organization. I think there's just too many people involved and I think there's probably a lot of conflicts in the data that is presented by Aqua. You said that they submit their financial records for you to evaluate Mr. Donahoe, and are they submitting all of their financial records including their IRS records or is it just a small amount of data that – you know, it's just adequate to get by the Commission. I really question that.

Andrew Maurey: We do a complete audit of their financial statements. We actually have two audits undergoing currently of Aqua Utilities Florida. One of them being undertaken in Pennsylvania, looking at the parent company allocations. We will also do a thorough engineering study of the systems in the field.

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Paul Stakun: Okay, and I'm a retired aerospace engineer and I've had years of experience in evaluating facilities, um, equipment purchases, manpower usage and I would love to be part of that evaluation because I really, really question what's going on.

Crowd: Yeah (clapping).

Paul Stakun: I can only comment that I believe that Aqua's pricing requests are predatory.

Crowd: Yes.

Paul Stakun: This is a very small segment of the population of Florida, as far as water usage is concerned. We're small communities and we are being punished by these predatory pricing practices of Aqua. They're going to come to you and ask for an increase by this year and you can do one of two things. Reject it, accept it or modify it, and by modification – usually a company asks for 30%, well you'll be nice guys and give them 10 – but it's still an increase. Next year they're going to come back for another, and another, and another – and this is ridiculous. We've got to draw the line in the sand someplace, and I'm sure that if any of you gentlemen or the Commissioners lived in the community that was served by Aqua and had to live under the – under what Aqua is subjecting us to you wouldn't do it. You wouldn't let Mr. Lihvarcik and his people come in here and do such a thing to you. So please

Crowd: Clapping.

Paul Stakun: I mean it's been well documented by all of the people that come here and talk about the bad water and the bad sewers and all that and I think that's well known. Um, I just encourage you to reject their increase and don't even give them – don't even give them a small amount. Furthermore I urge you to revoke their certificate to do business in this state.

Crowd: Yeah, (whistles, clapping)

Paul Stakun: We don't owe Aqua anything. You seem to think that they are owed a profit for doing business. Well, that's fine, let them go do business elsewhere. We don't owe them anything because we can get our water supplied by the County and I'm sure that would be a much fairer system.

Crowd: We already did. Cheaper.

Paul Stakun: All right, I just wanted to say one more thing. God will judge us for everything we do: you, me and all of us, and I think we need to do the right thing. We can't allow a small number of people, mostly senior citizens who are on limited income, families who are on low income, to be abused like they are being abused. Let my people go.

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Crowd: laughing, clapping.

Charlie Beck: Next customer is Bradley Fox.

Bradley Fox: My name's Bradley Fox. I know – I see all the Staff is like writing everything, I know it's being recorded so; I'd like to make sure I get some attention. Ah, Aqua mentioned tonight about improvements. Ah, we have two fire hydrants in North Lakeland that have just been replaced after a fire, and then the two closest to my house, Aqua – I know he's writing – one's on Byrd and they spell it B Y R D but their people spell it B I R D, and one was on Platt. Yeah they're replaced now. In 2008 Aqua said they needed replacing - their inspector. In 2009 their guy said they needed to be replaced. In 2010, after the fire, they fixed them. So I don't know what they did in their last rate increase about improvements. They didn't do it. Now I'm also representing the church, Lake Gibson United Methodist Church. We are on the same property as Aqua in North Lakeland and if I didn't – I don't know if I told you, I live at 5712 Lake Breeze Avenue. That's two blocks from where Aqua is and my last name is Fox. F O X.

Andrew Maurey: What residential community was that?

Bradley Fox: Lake Gibson.

Andrew Maurey: Lake Gibson?

Bradley Fox: Lake Gibson. Aqua said though they replaced storage tanks. They had a tank on church property, not their property, they come brought it in and sat it on our property, sat there for over a year. They decided it didn't fit. It was engineered wrong; I don't know what the true answer is. Only Aqua's got that. So they moved it across the street. I don't know what these big tanks are – what are they 50,000 gallons, 45,000 thousand, I don't even – I don't know how many gallons they are. It sat across the street for almost 4 years. Four years that tank sat there, and they're doing improvements – NOW. Just recently they did a planned outage and changed the tank out. Probably because they knew this meeting was coming up, 'We need to get that tank in place.'

Crowd: Laughing, clapping.

Bradley Fox: So, it was a planned outage but they didn't plan to tell anybody. They just showed up and they said we're going to put all our vehicles on your church property – on our church parking lot and they just said, 'Hey we're taking over. We're going to put the tank in today'. Planned outage it said. They didn't notify the church we're going to be using the property. They just showed up to do it.

Crowd: Looked good on paper.

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Bradley Fox: Yeah, it looks good. Ah, back about County water, we'd love to have County water.

Crowd: Yeah, clapping.

Bradley Fox: I know it – I know it can be done. Aqua can sit there and say they have a franchise area or whatever they call it. Years ago Time Warner they had video, and you couldn't come down – you couldn't have video in North Lakeland because Time Warner – well Verizon fought it. Well guess what, I got Verizon coming down my street. I got Time Warner coming down my street. But, no I can't get but Aqua.

Crowd: Laughing.

Bradley Fox: I can't get but Aqua. So I'm stuck. Back at the church we can't have car washes anymore, we can't slip 'n slide. We can't do anything because we can't afford it. We can't afford to turn the water on.

Crowd: Right. Amen.

Bradley Fox: And that's true. I wish every one of you guys had Aqua. You'd be over here.

Crowd: Clapping.

Bradley Fox: Last thing I got to say is this is just an analogy. If you use 50 gallons of water a day – our rates went up. So I cut back to 40 gallons a day.

Crowd: The rate went up.

Bradley Fox: The rate went up again. I quit flushing. I quit putting water in my pool. The rate went up again. So I'm down to 30 gallons of water a day, but they want another rate increase because they not making enough money. It's gotta stop guys.

Crowd: Yeah, man.

Bradley Fox: I hope you're listening. I hope you're watching.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Ronald Alexander.

Ronald Alexander: My name is Ronald S. Alexander. That's spelled A L E X A N D E R. I live at 6136 Doe Circle West, Lakeland, Florida 33809 part of Lake Gibsonia Estates. I would like to submit some exhibits for your perusal and I would also like to speak out again cause I spoke the last time, and Mr. Skop I appreciate you still being here, and you are

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one of the few, or one of the only actually people that was showing a lot of sympathy to us the last time we were here. Now I have noted that this – when I found that this was coming up I noted that I would need some information, so I went to the internet and I looked for the transcripts of the last meeting we had. Now in this transcript it lists the members of the Public Service Commission that were here except for one person. One person, his name is omitted, but because it's a transcript they couldn't omit his name where it's in the transcript so that name is Troy Rendell. Now I'd like to point out that we had a meeting and Mr. Troy Rendell was here on behalf of the Public Service Commission, and you'll see his name on pages 126, 127, 128. Yet it's not showing on this transcript and why you may ask. The reason I think it's omitted is because after our meeting, after our meeting with you, Mr. Rendell was hired by Aqua Utilities.

Crowd: Clapping. Yelling.

Ronald Alexander: I would like to read – I will want to submit this, I got this off the internet, and I'd like to read to you. It says here, "Aqua Utilities Florida. Aqua announced today that Troy Rendell will join the Company as its Chief Liaison to the Florida Public Service Commission (PSC). Rendell comes to Aqua from the PSC where he spent more than 20 years, 14 of which he served as Public Utilities Supervisor. Rendell's hire is the third made by the Company from the state regulatory agency. In his new position, Rendell will be the regulatory face of the Company in Tallahassee on PSC related matters and will manage all regulatory filings associated with the Company's growth and rates structure."

Crowd: You go ...whoa (Clapping).

Ronald Alexander: "Rendell's primary responsibility is to provide the PSC with the proper and timely information they need to regulate Aqua's operations in Florida." Now I'm going to drop down to something else in here cause this is – I mean basically touting his abilities. It says, "Aqua has" – I'll pass that part, "but Aqua has owned and operated water and wastewater utilities in Florida since 2003." Now in our Notice and in the paper they said that this – there's, ah, they've only had one raise in thirteen years here in Florida.

Crowd: Laughing.

Ronald Alexander: Well I'm at least – I'm at Lake Gibson Estates. Okay? They got a raise from us, they gouged us big time. I mean, I'm – you know, but ...

Crowd: 80%

Ronald Alexander: they've only been here since 2003 so somebody's lying somewhere. All right? It says the Company expanded its operations in 2004 when it purchased additional water and wastewater systems from Florida Water Services Corporation. Now that is the Company that they purchased that serviced me and now they service me. Prior to the

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Florida Water Services Corporation I was serviced by Southern State Utilities and I have lived in Lakeland, ah, and worked there most of my life. Now I have receipts going back to 1990 and I want to submit, ah, these are my check stubs for what I've paid for water. I'd like to submit that. I'd like to submit this paper here about Mr. Rendell and, oh, one more thing, it says here, 'Aqua Utilities Florida is a subsidiary of Aqua America Inc., one of the nation's largest US based publicly traded water and wastewater utility holding companies.' Yeah they're holding us alright. Holding hostage.

Crowd: Laughing.

Ronald Alexander: I'd also like to submit this reading because I think Mr. Skop deserves this, deserves this to be read on his behalf because he's one of the few honest – apparently the few honest people left up there. Now this is from the Palm Beach Post. It said, 'Florida utility regulators cleaned their house through its payback for rejecting rate hikes. Two Florida Public Service Commissioners were bounced from their posts Wednesday and then it goes on to say, 'Chairwoman Nancy Argenziano and Commissioner Nathan Skop.' That would be you sir, 'blasted the influence of utilities and business interests on the Florida Legislature and the Nominating Panel that rejected their applications for reappointment. They want Commissioners who do their bidding rather than follow the law. They do not want the incorruptible. They want the corruptible', Argenziano said Wednesday. 'When you look at the connections and the big money these people take from utilities, how can this process ever be fair?' asks Argenziano, a former state Senator, Republican by the way.

Crowd: Laughing.

Ronald Alexander: So, I'm a Democrat just in case anyone doubts. Skop who was next in line to be Chairman said – now these are your words sir, "Today is a very sad day for the people of the State of Florida. A day that reflects the status quo and the desire to keep Commissioners who exhibit an open willingness to exchange pin messages and engage in secret communications at bench with FPL while removing honest public servants seeking to uphold the public trust and confidence in the public – Florida Public Service Commission."

I'd like to submit that also as an exhibit please.

Crowd: Yeah, clapping.

Ronald Alexander: I'd like – I don't know if I mentioned I'd like to submit this as an exhibit. This is a transcript of the last meeting and you'll see Mr. Rendell's name in here. You won't see it attributed to him on the front pages where they're talking about PSC Staff but his name is in there when they're speaking to him, and I think this has a lot of impact as far as what we're talking about today. What everybody's already talked about.

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I have some more exhibits sir, coming.

Crowd: Laughing.

Andrew Maurey: I'm not going anywhere.

Crowd: You go, baby, you go.

Ronald Alexander: Alright, this is from the Orlando Sentinel. "But will Jacksonville Commissioner Arthur Graham, who works as an environmental consultant and Ron Brisé, a Miami Representative and former Chief Operating Officer of a telecommunications company, serve the public. Their immediate predecessors did. Christ's appointees David Klement and Benjamin "Steve" Stephens rejected record rate requests by Florida Power & Light and Progress Energy. Unfortunately that got them booted from the Commission by the utilities abetting Legislature, but the PSC also regulates the communication industry, where Mr. Brisé served. Can he be expected to serve the public? Too often the PSC hasn't. Again, too often the PSC hasn't. They got caught cozying up to those it's supposed to regulate and until recently (unclear) had rate hikes. Let's hope Mr. Brisé and Mr. Graham won't do the same." This is from the Orlando Sentinel, the previous one - paper I read was from the Palm Beach Post.

So, I think we're kinda showing a little bit of a trend here. This one is from a business review. "Florida PSC under investigation for ties to the utilities. Critics call for closer look at PSC Staff and Commissioners. State law bars PSC Commissioners from communicating with utility officials when considering regulatory matters without consumer advocates and other stake holders present. Commissioners are banned from talking to – excuse that, that might be barred – my eyesight's not that good – Commissioners are barred from talking to the utility officials without including consumer advocates and other stake holders and they must act at all times in a manner that promotes public confidence and the integrity and impartiality of the Commission. Those are quotes from, I guess, your regulatory guidelines. "Fasano and Commissioner Nathan Skop called for the resignation Wednesday of Commissioner employee Ryder Rudd after the PSC Inspector General Steven Stolting concluded that his actions could result in violations of administrative rules." I want to call attention to this because this is what should be now done about Mr. Rendell, and it should have been done back then about Mr. Rendell because between the time we had that meeting and the time the rate hike went into effect, or was approved, excuse me, - when the rate hike was approved by the Public Service Commission, between those two times Mr. Rendell was hired by Aqua Utilities, Mr. Rendell, who was here. So, you know that should of all been thrown out and you should of started over from scratch, rolled back the rates and it should have been investigated but just like now I don't expect it to happen. Ah, it says here, "In addition a complaint was filed with the State's Commission on Ethics in April against Commissioner Lisa Edgar alleging she improperly talked to FPL officials on multiple occasions. The actions of four other PSC officials Commissioner Matthew Carter,

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Lisa Edgar and Katrina McMurrian, who by the way was here at that meeting, ah, and Roberta Bass, Edgar's Chief Advisor have also drawn the attention of Fasano and other critics."

So what they're saying is that Commissioner also is in question about ethics. Ah, Argenziano says "she doesn't attend conferences with utilities to avoid conflicts of interest." I wish Mr. Rendell had been the same. It's smarter to pick yourself up and say 'hey we got a case before us and it may look bad.' I wish Mr. Rendell could say the same.

I would like to submit also the definition of 'collusion', which I got offline. It says collusion is secret cooperation between people in order to do something illegal or underhanded. Synonyms: conspiracy, complicity, involvement, agreement, knowledge, consent, approval.

Andrew Maurey: Mr. Alexander, ah, excuse me. Are you – we'll take the

Ronald Alexander: I'll cut it short.

Andrew Maurey: suggestions you've put in. If you have some others we'll take those, but we've been going on ...

Ronald Alexander: Okay.

Andrew Maurey: you really haven't been talking about this rate case.

Ronald Alexander: Yes, I know – I know who you're speaking for sir. I have no doubt.

Crowd: All right. Clapping.

Ronald Alexander: I stood up against the – I stood up against a notorious sex offender accommodating City of Lakeland sir. I have no fear of you or anyone up - that I'm talking to on the dais. You put your pants on one leg at a time, just like I told Jack Lihvarcik years ago, you put your pants on one leg at a time, just like I do, I've got a right to speak, please let me speak. I will make it short.

Crowd: Clapping.

Andrew Maurey: ...We are just trying to accommodate all the other speakers and

Ronald Alexander: I'm sure if you ask these people they will say that they're all right with me speaking.

Crowd: You go baby, you go. Clapping. You don't want us to know about the corruption?

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Ronald Alexander: I'd like to excuse myself for shaking so much but I get that way when I'm mad.

Crowd: That's alright.

Ronald Alexander: I've had the palsy and when I get mad I shake. Ah, as far as our water, I cannot – I have not seen any improvement in our water since – what, at least since 1990. Okay? And as far as Aqua Utilities spending any money around there, you know, I don't know where you could get the idea that they have, they had a lift station when we came here the last time, they got a lift station now and as you know a lift station works on floats - both from the County, we don't need Aqua Utilities, they need us.

Crowd: That's true.

Ronald Alexander: They're the greedy ones. We're just the innocent victims.

Crowd: That's right.

Ronald Alexander: I'd like to submit this other paperwork in here so that I can sort this and I also would like to submit my water bill, which this month for two people retired, I'm on social security and my, ah, I have a retirement but I'm on social security also, and I have an ex-wife that lives with me, she's on disability and our water bill, as much as we try to conserve and believe me we do. We don't water plants, yard. We don't have dogs or cats and my water bill was very low this time \$137.49.

Crowd: Yep, that's low. Whoa.

Ronald Alexander: And a good - current sewer charges on this bill was \$83.35, \$83.35 sir. I'm just so disgusted I can't, I can't – this is the mailing that they sent out, which most people that saw it thought it was junk mail and never read it, cause they send out the water test that they – and stuff like that the same kind of envelope comes in. So this I'd like to submit also, and I'd just like to say, "Please if there's any honest person among you, and I know Mr. Skop has been booted so that he won't have any effect on the final decision, but if there's any honest person in this state please call for an external audit by the FBI of the PSC. Please.

Crowd: Clapping.

Ronald Alexander: It will take the FBI cause the Legislature is as corrupt as the PSC and its got to be stopped cause you're killing us old people out here. Thank you.

Crowd: Clapping.

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Commissioner Skop: Mr. Alexander, ah, with respect to your submittals you mentioned your cancelled check stubs and this, ah, procedurally I'd be concerned, um, from the Commission's standpoint if it has personal information that becomes public record. So, if you would not be offended, it probably would be better to return that to you if it does have your bank account information on there.

Ronald Alexander: Okay.

Commissioner Skop: I'm just trying to protect Staff and the Commission here.

Ronald Alexander: I realize that, um, my interests – they can't steal much more from me and my bank account.

Crowd: Laughing.

Ronald Alexander: I just wanted to show how high their rates are and this goes back to 1990 – these receipts.

Commissioner Skop: I appreciate that sir. I'm just trying to protect the personal, financial data.

Ronald Alexander: Thank you sir.

Charlie Beck: The next witness is Michael Griffin.

Michael Griffin: My name is Michael Griffin. I live at 2005 Christy Lane, Lakeland. Ah, Aqua Water – first let me point out I'm a retired water plant operator for Polk County

Crowd: into the microphone.

Michael Griffin: – Polk County. I started having highest water - trouble with Aqua Water a little over two years ago. My first bills when I moved in the place were like \$42, \$43 a month because we're not on sewage out there we're on septic tank where I live. Then they went to \$200 a month.

Crowd: Yep, yes, absolutely.

Michael Griffin: So I went to the office. There's a little trailer that sits on that first property because their phone in Lakeland does not work. You call a field deputy with a problem you get put on hold.

Crowd: Yeah.

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Michael Griffin: Nobody talks to you. So I went out there and questioned 'em and I said, "Would y'all come and replace my meter, there's a problem here." Well their answer to me was go hire a plumber, which being my neighbor is, to test to see if we had any leaks.

Crowd: Speak into the mike. Can't hear you.

Michael Griffin: to see if we had any leaks. Which we did, we - then, new leaks. Their bills kept going up. Aqua Water owes me money. I got billed for over \$400 in one month.

Crowd: Ohhhhh ...

Michael Griffin: Went to the operators in this little old church building on church grounds cause they - their automated phone in Lakeland does not work, nobody picks up. Talked to their operators. The man it goes and takes a total water count out of the wells in our system, sat there his self and told me, "Mr. Griffin, y'all getting overcharged out there. I don't know why but I got a job to protect and the flow out of that well has been no more than it has been. Y'all are being overcharged, but we can't do nothing about it 'cause we got to protect our jobs." And if you went out there - and have any of y'all Commissioners even looked at any of these sites where they pumping out of? On Main Street, in Main Street past Berney Little down there you'll find a little growed up patch with a little old fence around it. I've asked several times, "Would you come replace my meter?" Their answer to me, "No we'll have it checked if you spend \$60 to have it done. I know the water system and I know we're being overcharged and to me the City of Lakeland, nobody overseeing this company. When I started having trouble with them I went to the City of Lakeland, I went to Polk County Utilities, I went to Swiftmud – nobody help, but my average water bill for a family of three is averaging over \$200 a month – no sewers, no nothing, that's just water.

To the President of this company I would like to say, "I'll give you my address sir, could you please have my meter changed?"

Crowd: Laughing, clapping.

Michael Griffin: If you'll go back over my bills in the last two years you'll see where when I moved in there my water bill was \$42 a month. I lived there – just after that, 2008 after the increase I got billed for \$158.00. That's when I went out there and questioned and they told me, "to hire a plumber", which me and my neighbor did cause all of us having the same problem – way overcharged, but when I asked, you know, can y'all come out and check this? No response. The thing about it, the operators some of them hold a city license, maybe, if I'm lucky. And the well's not pumping no more water but we're getting charged three times the amount that we was in 2008. I'm not somebody you can pull the wool over your eyes because I know the water systems. Y'all offered me this job.

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Crowd: Whoa ... smart enough not to take it. ...Yeah he should have taken it and got his water for free ... (Laughing).

Michael Griffin: But if you go check the system, they got one little old trailer they work out of here in Lakeland on church property that's an old tank system there. If you call their automated phone here in Lakeland you don't get no answer. If you call to tell a deputy what the problem is, they'll put you on hold and not even get phoned. I don't know how many times I've called. How many times I've asked my meter be changed. How many times their operator say, "Mike we know you're being overcharged but we got jobs we got to protect," and that was their answer to me.

So I'd appreciate if you'd pull up my record Mr. President. See how much money I have spent with you over the past two years. I think y'all owe me a refund.

Crowd: Clapping.

Michael Griffin: All your operators are nice but they're afraid of their jobs. Does that tell you something? It don't help, and I don't think you got but one A operator in whole Polk County. The rest of them's C's. You go down there and take that little well near Briar Ridge all grewed up the grass and stuff – you shut it down. You wouldn't drink the water out of it. Well I got a request. Skyview Utilities just shut down their system. The County just took over. We want about a half a mile from their system with County access to water. I want to make a proposal for my subdivision which is Don Heights, have the County take over that water operation system.

Crowd: Amen. Clapping.

Michael Griffin: And I'll be very thankful for any refund you might like to send me.

Crowd: Laughing, clapping.

Michael Griffin: ... Ask somebody might change my meter out. Of course I've been trying for over a year to get done. Thank y'all.

Crowd: Clapping.

Charlie Beck: The next customer is Jim Bowers.

Jim Bowers: Thank you. My name is Jim Bowers, ah, 1026 O'Doniel Drive, and my story's a little bit different from some of the rest. I'm actually a customer of Aqua Water and a landlord for 18 families who are on Aqua Utilities in Lake Gibson Estates. We are a small landlord. We are not subsidized by the taxpayers. We're not government supported. We provide the water to six of those families ourselves and the other 12 pay it on their own. In the past 12 months we've paid Aqua Water \$2,500 for water for those six families. Now I

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thought it was interesting in doing a little bit of research for this when I looked at the Public Service Commission website which was referenced earlier, it has the mission statement of the Commission and the Commission goals and it talks about fair prices. Does anybody see fair prices?

Crowd: No.

Jim Bowers: I'd like to submit an exhibit here. This is the ah, basically a study of my last two years of water bills on those 6 units and what it will show is that prior to the April increase of '08 – or, I'm sorry, prior to March of '09, the average per gallon across all those units for that time period was \$2.33 per unit – per thousand gallons, the average since May of 2009 - \$7.50 per thousand gallons, an increase of 322% for that time period. Now the Public Notice that we got before that increase said that there was going to be a 59% increase. That was just flat out a lie. Okay? I'm sorry there's just no other way to put it.

I did another analysis on the actual water rates and have another exhibit later for that and I went back to – prior to the last rate increase, which was not properly noticed in my opinion. That increase amounted too – there was no increase in there that I saw less than 59%. There was an increase of 68% of the base rate, 172% in the zero to five thousand gallon band, 240% in the five thousand to ten thousand band, and a whopping 718% increase if you should happen to go over ten thousand gallons. The Public Notice said that we were going to get a 59% and it explained how they were updating the infrastructure and so on. I have no problem with updating the infrastructure. I didn't like the 59% increase but I recognize that – okay, we hadn't had an increase for a few years, and as bad as that was I could live with that. So you can imagine my shock when I got my first water bill and saw the size of increases that we had. When my water bill tripled – I mean I was literally in shock. Well by that time the damage was done. The rates had been passed. It was already in effect. So, you talk about fair pricing, I don't see anything fair about that.

In the exhibit I just submitted I did a comparison of the City of Lakeland's rates outside the city limits, Polk County rates, both of which are within a half mile of these properties and readily available to other people in the market. We heard mentioned earlier of property values. What does this do to my property value when people can go down the road ½ mile down the road and get water for, you know, a fraction of the cost? Okay? What does this do for my tenants – the ones that are paying their water bill? They can move down the road, they can go to another apartment, help save the money. My response? All I can do is lower the rent. There's my value again going down. So basically there's nothing about this that's fair. Oh and talking a little bit about the economic impact. We heard people mention about fixed incomes. We heard people talking about the impact on them personally. Well this impacts the families that are not here. The people who are paying rent in properties that are on Aqua Utilities. The people that I'm renting to that I'm paying the water to - that I can't raise their rent because I've got to compete with the guy down the road. So needless to say, I mean this has taken a tremendous bite out of this and the

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economic impact in the long term it starts reducing the availability of affordable housing for working class people. That's our niche, is working class people. We're not a complex, we don't have a swimming pool, we don't have amenities. We provide good, safe affordable housing without government subsidy and you're basically destroying that niche in the market.

And the last point I want to talk about is the failure of the Public Service Commission, with the one exception that's been mentioned earlier. The Commission's Mission Statement says, 'to facilitate the efficient provision of safe and reliable utility services at fair prices'. The case of Aqua Utilities the Public Service Commission has failed the citizens of Florida. There's no interpretation that can say Aqua water rates are fair. Their goals for economic regulation are to provide an open, accessible and efficient regulatory process that is fair and unbiased. Well, I mean, haven't we just heard the last speaker talk about, you know, Public Service Commission employees being hired by Aqua. How can that possibly be an unbiased system?

Crowd: Right.

Jim Bowers: Opportunity to earn a fair return on investments. Nobody would deny Aqua's ability to earn a fair return. That doesn't give them the right to gouge us. You know we heard people talk about quality. Lake Gibson Estates the quality of water's not that bad. We don't have that problem, we just feel like we're paying, - I mean, you know, you want to improve the infrastructure you're not building a nuclear power plant here.

Crowd: Laughing.

Jim Bowers: We're talking pumps. We're talking pipes. You know it can't be that expensive and when you look at a comparison of what the City of Lakeland can deliver, what Polk County can deliver for a mere fraction of the price – you know, there's got to be an accounting somewhere and I appreciate the Office of Public Counsel being involved this time around, and I truly hope that we get an independent audit of their books because there is no way that this can be accurate.

Crowd: Clapping.

Jim Bowers: And the last point that I want to make is the – again, from the Commission's website, 'to inform utility customers regarding utility matters'. The public notice we got about this meeting is totally inadequate. It gives what the new rates are, it doesn't give what the old rates are. It doesn't tell us what the percentage of increase is. There's nothing in there about the impact. I mean it was just by chance that we opened that letter and saw that this meeting was going to happen. And, so, in conclusion I would ask the Public Service Commission, the Staff, to step up and fulfill your mission, please.

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Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Lew Carriere.

Lew Carriere: This thing is taller than I am. I'm Lew Carriere. I live at 110 Wildwood Avenue, Lakeland, 33809 which is in Lake Gibson Estates. I'm concerned about the disappearing fire hydrants. There are no fire hydrants on Driftwood Drive. There are no fire hydrants on Lake Gibson Lane, East section. I've been told by people that have grown up in this area there used to be fire hydrants there. What happened? Right now if there was a fire at my house they would have to go up quite far on North Daughtery Road to string fire hoses. Probably stringing through a six foot ditch where Aqua Utilities has their closest fire hydrant. There are no fire hydrants south of Stanley. There's probably close to 80 to 100 homes in this area. But what happened to the fire hydrants? If you go back and look at the original plans, which I don't know where they're at from the '50s, when it was all set up there must have been fire hydrants there. People that grew up there say that there were fire hydrants. Thank you.

Crowd: Clapping.

Charlie Beck: The next customer is Joe Andrews.

Joe Andrews: Good evening. My name is Joe Andrews. I live at 9090 Lake Point Boulevard which is in the Breeze Hill subdivision in Lake Wales. Last name is A N D R E W S. Yes I have a northern accent. Now Breeze Hill is a small retirement community. We have 120 units. About 40 of the units are year round, 80 units are seasonals. We pay water bills year round like everybody else. Ah, everybody's retired so we all have the fixed income problem. I'm going to talk to the rate increase. This is the letter that we received, that everybody received from Aqua. According to this the rates were going to go up 50%, okay? I'm a little slow. This is the one we got when we came in, these rate increases are somewhere between 150 and 200% of what the bills are actually, and in this one that was handed out – they're about 170%. I'm a little confused. I don't know which shell the pea is under. Okay? Ah, even a 50% increase is way, way out of line. Look at the economy. Okay? You have to understand everybody – a lot of people are on fixed incomes, not many people are getting raises that are working, and when you take an essential service and let somebody do this kind of stuff to it – now Aqua Utilities bought the water and sewer, two or three years ago from the owner, at that time our bills went up 100%. Now you're talking 150 to 200%. C'mon? I mean that's – that's not even logic. Now companies that, can make a profit – but more than 75% of the people are paying bills for no water for six or seven months a year. That's not costing them anything and they're making that kind of money. This is outrageous. This is *not* right. Thank you.

Crowd: Clapping.

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Charlie Beck: The next customer is Bob Cochran.

Bob Cochran: My name's Bob Cochran and my address is 8556 Breeze Hill Drive and it's Lake Wales and the same development that Joe was just talking about. Um, when the president first started talking about how they're fixing things up and doing all the stuff – our community, the water and sewer was sold about two and a half, three years ago to their company and I personally am a licensed plumber from Delaware, so I know basically what they've done and how they're doing it and I've lived in the community about eight years now. Ah, number one, the community was supposed to be built approximately 350 mobile homes. It never was completed. There's only 125 there. The sewage treatment plant was built for the 325 homes. So, it's way oversized. So they're trying to save some money, go in and retro fit the sewage treatment plant for the 125 not the 325. There's a big difference there, big difference. Ah, they say constantly they're maintaining doing this and doing that, I'm only here six months out of the year. I'm a snowbird, I'll admit. I'm paying the same amount of money when I'm in Delaware as when I'm in Florida. So, they're not spending a dime on my sewer, they're not spending a dime on my water meter, but I'm paying for it. Which I understand, you got to maintain things but, don't gouge me for when I'm not here. If they go and fix things in our community, that's a different story. I personally have had to go down and help people fix water main breaks because they didn't have the equipment on their trucks. Okay? 10 o'clock at night we've called. Seven o'clock in the morning there's a water main break and here comes a group in at 10 o'clock at night. They don't have a pump, they don't have the fittings - they were in someplace else. That's crap. Now how do you run a business like that? You know, and they want an increase. Why don't they send somebody down to fix the stuff that's broken? When they did the video of the sewers they found out they got leakage, why didn't they do that before they bought the sewer and treatment plant. They should have done that before they did that. Now all of a sudden they want a 200% increase and they're gonna fix things. It doesn't make sense. You know you find that out before you buy it. It's ridiculous and, you know, if they're going to run a company like that they should have the people and the equipment to do the job. Don't hire people that don't know what they're doing. That's all.

Crowd: Clapping.

Charlie Beck: The next customers are Robert and Bette Augden, Auburn, - Foster.

Bette Foster: Good evening. My name is Bette Foster. I live at 720 West Daughtery Road., Lake Gibson area, Lakeland and I'm going to spell my last name, Foster – F O S T E R, and also my first name, B E T T E no Y. I'm just a very average retired senior citizen on a fixed income and we just don't understand. This has been brought up about the economy – how and why they're justifying a rate increase when so many people are struggling, so many people are out of work. Seniors are expected to pay much higher rates without any kind of cost of living raises for them. Rates were increased before with Aqua and then they had to turn around and give back a refund because I guess it wasn't a final approval but

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then they went up again. Our rates have gone up 50% and a lot of the ones we hear tonight are a lot more than ours I'll admit that, but we cannot afford another increase of any amount and we're at a point where we know and have heard more tonight that Polk County Utilities are cheaper, less expensive than Aqua. Our water bill – I don't think our water's that great, but when we had the other water company before Aqua, remember we didn't have these kinds of issues and problems and I'm to the point where I have two questions. Will anyone in the position to help the people, will they listen to the people and will they act on behalf of the people cause that's not being done by politicians, by Commission – it's not being done, and it's time that the people representing us, that you stand up and you help. I'm so proud of you for what you've done and sometimes I guess it takes losing your job or being put out but I hope everyone – either they don't have a conscience, and if they do I certainly hope they're conflicted because they are going to be accountable one day whether it's here or someplace else. Thank you.

Crowd: Amen. Clapping.

Charlie Beck: Thank you. The next customer is Phyllis Johnson.

Phyllis Johnson: I promise you I won't go through my two inch folder, I'll summarize. I'm Phyllis Johnson. I live at 5918 Doe Circle West in the Lake Gibson area. First of all I want to start by saying I don't have any complaints about the water quality. It's been very good. I have been working on our rate issue and have mailed to the following people since May of 2009. I have mailed our complaint issues to the Florida Public Service Commission; Attorney General; Bartow Sam Johnson Board of Commissioners; Governor Crist; Ginny Brown-Waite; Mike Kerr, which is also Board of Commissioners; AARP. I have talked to Randy Wilkerson. I have mailed and talked to several people at Aqua and I have also talked to Gow Fields which is our Lakeland mayor and let's see ...

I have had this water and waste service since July of '94. Sixteen years in the same location. My first company was Southern Utilities Utility – sorry, Southern States Utilities. My average cost then a month was \$25. Secondly, Florida Water, February of '97, my average water bill was \$36. My third company is Aqua, which is now present and that was started in September of 2004 and the rate has been on the rise ever since. My last bill was \$116 and I'm basically down to taking a two minute shower, brushing my teeth and can't maintain your home anymore because you cannot wash your car. You can't use your pressure washer. You can't do anything that will upkeep your home which is also costing the value of our property. My highest bill was \$264 in May of 2009 and this is when I quit doing everything. I quit watering my sod that I paid \$6,000 to \$7,000 for. Because of the rate hikes I now watch my six, seven thousand dollar sod investment die. Thank you, Aqua.

When the rate increase starting hurting myself, others – you know, all of our wallets, many of us cut back on the water and waste cost usage and Aqua rewards us with another cost

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increase due to our cutbacks on using water and waste they have increased the rates because you have less people using less utilities. I have been informed by Aqua Utilities Director Greg, and I'm not sure what the pronunciation of his name is, B E O T T C H E R, Beottcher, in writing that approximately 769 water customers are in our area, 303 of those are waste customers in our area, so there's approximately 466 customers that use water only. It seems we the waste customers are being charged to pay also for the 466 customers who are not on the waste service. We, waste customers are paying approximately 40 to 50%, times more; waste than we do for our water. I also have in writing from Greg quote: "Aqua Utilities has made significant investment in existing private water waste systems with the rate increase being approved to enable recovery of such capital outlays." End of quote. So we're paying them – we're having to pay back what they, Aqua, has spent.

I have been informed by Aqua that they paid approximately 3.1 million for our service and it sounds like we, as the customers, are expected to pay back the 3.1 million and they're charging us. Is this fair? I, we, did not get a say in the matter so why are we paying now? Other water/waste services are not that costly. I have a copy of a bill from a customer with Polk County Utilities. Their average bill is \$50 a month. How can we get the same service or a different reasonable service? Here again, that referred to Polk County and also back to Lakeland. I have a copy of rates for the – their services. That's in Polk County and also in Lakeland. Plant, ah, Polk County treatment plant, per Greg, also tells us that the water waste goes back through Polk County treatment center. The Florida Public Service Commission reviews and approves the rates by Aqua and is watched by the Florida Public Commission Service to a degree – that's what I was informed – to a degree, not total. Aqua America quote quarterly earnings ending March 31st of 2009, their net increase rose to 18.4 billion, an increase of 28.3% over the 2008 percentage. I, we, on social security retirement have not had an increase in 2010, nor will we have one in 2011, but expenses keep going up. There's a lot of people that have lost their jobs. There's a lot of people who have lost their homes because of the economy. What I'd like to know is who and who will - who can and who will stand up and help us? So, for the only – only so far the only past – we've only got past above answers from all of my – I've got copies of everything here that I've referred to, every one I've sent everything to and basically the only help that I've had in reference to any of this is Gow Fields, which is our Lakeland mayor and he is the only one who has really tried to give me any help in this endeavor, and I have all the e-mails where I've corresponded with him and where I got my information. That's it.

Crowd: Clapping.

Phyllis Johnson: ...give you, but I can make copies and send them to you of all this information ...

Unidentified staff: I'll see you after and give you some of the contact information to get back to us.

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Phyllis Johnson: Sorry, I didn't understand you.

Unidentified staff: I said I'll see you after to give you some contact information to get back to us.

Phyllis Johnson: Everything that I said it's in writing.

Charlie Beck: Thank you Ms. Johnson. The next customer is Joya Teter.

Joya Teter: Hi, good evening, my name is Joya Teter. I live at 5865 Daughtery Downs Loop in Lakeland, Florida. The last name is spelled T E T E R. I have lived here in Lakeland for approximately about 19 years. My husband and I moved here –ah, major league baseball and we spend 10 months out of the year here and two months out of the year in Detroit, Michigan. Um, when we are in Michigan, ah, I'm just dumbfounded by the amount of our water bill. It's less than a quarter of what it is when we are at our permanent home here in Florida, ah, and I'm one of those big families that a lot of people will talk about, I have a family of five and our average bill is almost \$200 to \$220 a month, and the only thing I don't understand because with as much as we travel and the different homesteads that we've had we always had a choice, like our electric company of who we want to go with and here in Lakeland you do get to chose that as well depending on where you live you may get Lakeland Electric or Tampa Electric or something like that. You have a plethora of choices for our cable and our TV and our internet. We have only one choice for our water, but yet I live a mile from a girlfriend of mine that has public water and she pays less than a quarter of what I do, and I don't understand why Aqua gets to monopolize that one utility. It – I'm sorry, maybe it's just because I'm a mom, I don't really understand things but if someone could really explain that to me I want that. But um, you know one of the ways I found out about this meeting was through major league baseball wives, we have a web site and a lot of players and staff members and what not live in the state of Florida and have Aqua Utilities and, um, a lot of us, my neighbor included and everyone in this room basically don't understand the – why the prices are being raised. I mean it's not very difficult to explain to me, I mean, you know, I understand the President was here and I appreciate him speaking and he talked about, you know, their biggest concern was customer service, and no disrespect to you sir but your customer service blows.

Crowd: Yeah. Clapping.

Joya Teter: Last November we, ah, - Sorry about that. Last November I got a water bill that was just astronomical. It was almost three times what it normally is, about \$400, and so I do what normal people do. You pick up the phone and you call Customer Service. Well it took me two days to get someone on the phone. Two days, and when I finally did I explained to her what the situation was and how on their bill they do list your usage two months before, two months prior, and what your usage was this time last year. Mine was over double what it was the year before. Triple from the month before, triple from the

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month after the previous year and my simple question was, "Well, you know, maybe he misread the meter wrong?" – a simple question, and so I said, "you know is that a problem?" Her answer to me was, "No, ma'm that couldn't possibly happen." And I said, "Okay, well could I have a leak?" And she said, "Well that's not my problem, you call a plumber." I'm sorry this woman had the personality of my thumbnail and she's in Customer Service. I really couldn't understand that. So their way of helping the customers through this great customer service that they have was that it was my problem and they did not want to help me with it at all. So what was their solution? Had to pay the bill or get my water cut off. Which with a family of five is not very feasible. So we paid the bill, you know, and now through their great customer service they only keep offering, now they want me to pay more and, I'm sorry, but I don't get that, and, you know, like I said, you know, when wives and women get together and we talk it's amazing what we can get people to do. You know, and through baseball, you know, I don't know if y'all are aware, you know, Arizona has a big spring training site, as well as Florida is, and every year Arizona wants to bring, you know, more and more major league teams out there and everything and try and sell it with how great Arizona is and blah, blah, blah. Well there's a lot of us that have made our home here in Florida and we love Florida. We like living here, but if nothing's going to change why stay here? You know, Arizona's willing to change, and I'm not just talking for baseball, but here's a state that wants to bring us there. That wants families there. That wants people there in general and it just seems like Florida, you guys, could give a crap. No offense, but it does.

Crowd: Clapping.

Joya Teter: And I'm not trying to be facetious or anything like that. You guys have the opportunity to change something and it really needs to be changed because the one thing – and I'm sorry again, you know, I'm a part time stay at home mom, I do run my own business but the one thing that I do not understand is why a Commission from the State of Florida with such a big utility the water is – every single family in this room has to have that utility – why in the world are you placing it out to Pennsylvania?

Crowd: Clapping.

Joya Teter: Everybody needs water. Give it to the people that live in this state. That's a simple request I think. You know, we all want to see that. There's plenty – I mean granted they've employed people that live in Florida but they don't give a crap about our problem in Philadelphia. All they're doing is shoveling snow. Okay? Other than that, you know, like I said before, you know I might just be a part time stay home mom and a small business owner and things like that but I am a full time voter and granted I didn't have anything to do with your appointment to this Commission but I do have a part and a say in who put you there. So do what's right. I mean for my family, for every family in this room you need to make sure that this goes the way it should. Thank you.

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Crowd: Clapping.

Charlie Beck: The next customer is Erica White.

Erica White: Hello, my name is Erica White. Last name's W H I T E. I live at 5860 Daughtery Downs Loop, Lakeland in the Lake Gibson area, Emerald Point subdivision and I am Joya Teter's neighbor and the reason that I'm here today to speak is because of a bill that we received – well actually let me back up to the beginning. Um, since we – I believe we've been living at that address for about eight years and since we were living there we've always paid around \$40 to \$50 a month in water. So, um, all of a sudden we got a bill for \$1,000 and I called and I told the Customer Service representative – and I told the person I said, "Well we've been paying our bill each month \$50 without missing any payments," and she says, "Well ma'm, I'm sorry, but you were charged for taxes you were not billed for any water usage at the time." So they tell us that we're going to put you on a payment plan. I'm sorry but myself like Joya we have a large family. Actually we have a family of seven. So even if you put us on a payment plan it's still going to hurt our pockets. I'm a stay at home mom full time. My husband is the only one who work. Okay, so we went ahead with the payment plan. We paid the bill and all of a sudden we stopped getting bills at all. I called and complained and I told them, "Look I'm not getting a bill." All of a sudden they send us a bill – I think this time it was \$800 or something like that – I can't – I wish I had the bill. Um, all of a sudden it was \$800. I'm like, why are we getting this lump sum, and mind you we were paying the arrangement at – you know they put us on the payment arrangement so we were paying the \$200 a month and once we got that \$800 bill, um, they were telling us, "Ma'm you need to call us if you don't receive a bill," and I'm thinking why should I have to call you if I don't receive a bill but, yet still I'm paying \$200 a month on my payment arrangement, and then she tells me, she says, "Well our billing – we don't do the bills. Our bills – some other company sends out the bills basically is what she's telling us. So, besides that, I was wondering why are we paying so much a month? Two hundred dollars a month is just ridiculous. So she tells me, she say, "Well, um, do you have any kids?" I was like, "Yeah, we have kids or whatever" and then she says, "Well maybe some type of rodent or some type of animal dug into the ground, ate some wiring or something." So I'm like, "Okay, a squirrel, that's the only animal that I can think of that may be in the neighborhood. A squirrel took the top off, crawled in the little hole and ate some wiring. That's why my bill is two hundred dollars a month?" I mean it's just ridiculous and like other people have said, we're not watering our lawn. We don't wash the cars and we put our, um, we've limited our washers, you know, the washing – we don't us the dishwasher at all. My fourteen year old is having a fit because she can't use the dishwasher because we can't afford, you know, a higher water bill. So anyway, I was basically just complaining about the increase and I want to complain about the Customer Service that we receive. Um, I think they need to get some additional training because before I became a full time stay at home mom I worked with customer service and I know

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that the way that they speak to us on the phone I would have been walked off from my job that same day.

Crowd: Clapping.

Erica White: And one more – just one last thing. I was also told that they're going to send out someone to check our water meter, to see why the increase was so much. I was told that they have sent someone out three times. When the guy actually came, my husband went out and spoke with him and he said, "I've never been out to this area, I've never been to this address. This is my first time coming to check this meter." So, somewhere someone's miscommunicating or someone is just telling an outright lie. Thank you for your time. Thank you.

Crowd: Clapping.

Charlie Beck: The next customer is Crystal Barrett.

Crystal Barrett: My name is Crystal Barrett. I hope you can hear me. I live at 5528 North Daughtery Road, Lakeland 33809. My last name is B A R R E T T. My first name is spelled C R Y S T A L. I also am in the Lake Gibson Estates system area. Um, I prepared, I went into a lot of research about my bills because I have a special concern about that and the increases and how its impacted me as a family and I know that others as well. Um, I received this Notice like everyone and I came and I based my remarks on what I prepared based on the information in this Notice. I had questions pertaining to it because I was concerned about the rates in here. Um, I was concerned because, ah, I didn't feel the chart was complete and you've already covered that because it did not indicate on what these rates were based. I thought it was very misleading, therefore, and a customer would not fully realize the full impact of what this could have on their bill. You look at these figures and you think that's not going to impact me very much. But when I went through – I went through and I had an opportunity to compare it to my bills that I actually get now and I made a comparison and actually this bill – well I don't know if it pertains to it now because I don't what we're dealing with. Um, I came here, you know, basing my remarks on this proposed consolidation rates thing and then when I came here tonight I was handed this and this seems to be completely different – I'm not sure where we stand. I don't know if we are dealing with a proposed consolidated rates or if we're dealing with this and if they're two different things. May be you can guide me. Are we dealing with a proposed consolidated rates that this Notice pertains too?

Andrew Maurey: That is what the company has asked for. That will be a decision of the Commission.

Crystal Barrett: I see. Um, that wasn't clear on this statement at all – on this Notice.

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Anyway my bill right now, my total bill and it's based on usage, um, total usage of 5,600 gallons a month. Ah, which isn't very much. Ah, my total bill, my water bill is \$38.25. My sewer bill is \$79.75. Then I have a utility tax on top of that which I understand is a County Service Tax 10% on the water charges \$3.83 for a total of \$121.83 on a usage of 5,600 gallons. The new proposed consolidated rates – here, when I did the comparison I came up with water charges of \$54, I came up with sewer charges of \$91.24. The utility tax would increase as well to \$5.40. It will give me a total base on the same 5,600 gallons of \$150.64. Ah, an increase of \$28.81. Um, the thing that I found particularly confusing to me or, um, is this paragraph directly below the chart. It says customers should be aware, now read it, customers should be aware that the rates shown on this Notice are based on the company's proposal to have the same rates charged to all its customers. The company's rate proposal will be an issue in the case. And then it went on to say – and I have a big question mark there because I didn't know what this meant – I found out tonight. I found out about this tonight. Um, the company's – it said should the Commission not approve the Company's proposal to charge the same rates to all customers the rates shown above may be higher or lower depending on the rate structure approved and the amount of revenue increase granted if any. Um, I honestly thought that based on the rate increase, the huge rate increase that we experienced in April of 2009, um, that we were all indeed paying the same rates because all of the – at least, not all – 16 of the 17 Counties listed on this Notice appear in the previous rate increase under Docket No. 080121-WS which covered the rate increase that we experienced, um, that was approved for Aqua in 2009, April of 2009. Um, 16, I say 16 of the 17 counties because in this Notice there are 17 counties. In the previous Notice for the previous docket there were 16 counties. Hardee County was the only one that appears here and didn't appear in the other one and I don't know why.

Andrew Maurey: During the time of the 2008 rate case, Hardee County regulated its own utilities.

Crystal Barrett: Okay.

Andrew Maurey: Since that time it passed an ordinance and the privately owned investor utilities in Hardee County now fall under the jurisdiction of the Public Service Commission.

Crystal Barrett: Okay. Now are we all paying the same rates in all these other counties except Hardee County?

Andrew Maurey: No Ma'm.

Crystal Barrett: Why?

Andrew Maurey: That was not approved by the Commission in the 2008 rate proceeding. The Company asked for uniform rates across all counties under the Commission's

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jurisdiction. That request was not approved. What was approved, was rate bands, four of them for water companies and four of them for wastewater. Each utility – each system within those rate bands are paying the same rates, but the rate bands themselves are not the same. The Company had asked for one rate band across all water companies. That was not approved, but that is their request now in this proceeding, that one rate band for all water utilities and one for all wastewater customers.

Crystal Barrett: Well you know, um, I see here in this thing, you know about these rate bands. I never heard of rate bands before, ah, and I honestly I didn't know any differently, I thought it had been approved and that we all were paying the same rates. Also I noticed that there are two other counties in Florida – Citrus County and Sarasota County, that appears to be in the Aqua service territory for Florida that are not listed in here and why would that be?

Andrew Maurey: Yes Ma'm, ah, in Florida roughly half of the counties have elected to regulate utilities on their own. The other half have deferred that regulation to the Florida Public Service Commission. By statute a county can do that. So the Aqua Utilities systems that are in what we consider non-jurisdictional counties and do not fall under the Commission's jurisdiction. They are regulated by the individual counties in which they reside.

Crystal Barrett: Okay. Um, so did we come here tonight with this still on the table or is this now taking its place of the proposed consolidated rates and how do we – I mean, I guess I just don't understand how ...

Andrew Maurey: Yes Ma'm we've heard that a - probably there is some confusion. The green Special Report you – that is the Commission has put that out to explain the rates. I'd be happy to meet with you at break point and walk through that with you.

Crystal Barrett: So it this what we're dealing with now instead of this?

Andrew Maurey: Well the - the Notice refers to this rate case. It's a public notice of the meeting. As you heard Paul at the beginning of the meeting Public Counsel offered a third report, another view ...

Crystal Barrett: Yea, I've got it here.

Andrew Maurey: of the rate structure issue.

Crystal Barrett: So we came here notified of these rates but, yet these are the rates that we actually supposed to be looking at? I mean the rates – the rates that would, um, result in higher or lower, um, rates depending on the rate structure approved.

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Andrew Maurey: Well what that means is that the Company has asked for uniform rates. It may not get uniform rates. It did not get uniform rates in the last proceeding and if it doesn't get uniform rates then the rates that will come out of the proceeding will be based on the cost structure of those systems.

Crystal Barrett: Well, ah

Commissioner Skop: Ma'm if you look on the white sheet that you have, which is the Notice that was provided those are the proposed final rates, for uniform rate, if you look at the far right hand column on the green sheet those numbers match up with the numbers on the white sheet I believe.

Crystal Barrett: Okay. I'll go and study them some more. In the meantime I would like to address one other thing on here, because on here the Aqua customer should be aware that the rates showed on this Notice are based on the company's proposal to have the same rates charged to all its customers. No other reason was given for this rate increase. Not, nowhere on this Notice do I see any other reason based on cost, or the reason that they were wanting this rate increase. On this, however, it clearly states on Number 2, 'according to Aqua's petition it is requesting a rate increase to cover increasing operating costs and to earn a fair rate of return on its investment' and I think that this is horrendous. Um, I have lived in my same home for the past 38 years, since 1972 and I have been served by the same system, ah, Lake Gibson Estates system since that time. You know, um, how can you justify – how can people continue to afford to pay for these essential services at the rate that these increases in our prices are continuing to climb? Because, I've seen my rate, from August of 2008 climb from \$63.03 – that was in October, 2008. It was \$117 in October, 2009. Currently in 2010, October, it's \$121.83 and under this proposed consolidation rate it would climb to \$150.04 and God knows what it's going to be under this. I haven't had a chance to compare this yet, you know, but, um, but how can people continue to afford to pay for these services there are essential services, you know, and one indeed is behind the reason and the purpose for these rate increases that I do consider to be excessive and very large. And, also, what has been done to our system, Lake Gibson Estates in Polk County, to justify such high rates and such high increases?

Um, I'm not going to go through everything else that I have prepared here. I just feel that, ah, I just think that Aqua has already been granted a very substantial increase in rates for both water and wastewater services since April of 2009 and have not given a good reason or need for another very substantial increase in rates at this time. I also think that because of the very positive news releases from Aqua America on their website, ah, there are two of them in particular, one dated May 6, 2010 reporting record earnings for first quarter of 2010 and the other dated August 3rd, 2010 announcing record earnings for 2nd quarter 2010. I don't feel there's any need for more increases in our rates at the present time. We have been very seriously impacted by the rates already approved by the Commission and

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imposed on us by Aqua. I would like to see the rates reconsidered and reduced if at all possible.

Crowd: Clapping.

Crystal Barrett: And I'd like to make just this one last statement. My water and my wastewater services are very important to me and my family, and I think it is very important that these services are provided for us and to us in a safe, reliable and affordable manner, and I think this is the commitment of the Florida Public Service Commission to ensure that our essential services, including water and wastewater are provided to us in that, in this manner. An affordable service is lacking at the present time and I think that more attention and consideration needs to be given to this for the good of all of us. For all of us in this room, all the customers that Aqua serves and for the Company themselves, because that's how they grow and they are – they are – their strategy seems to be, ah, to acquire more and more of these plants and, ah, invest, yes, but to acquire and then ask for these rate increases and we are the customers who have to pay the rate increases, you know, down the road. I want to say that the City of Lakeland is a very good example of a community trying to bring good water and wastewater services to its customers, and I hope Aqua can learn from the City of Lakeland how to do so in an affordable manner. I wish we had a choice of providers and I just thank you for the opportunity to express my concerns, and I do oppose any more rate increases with Aqua without a very good reason and I seek the help of anyone, the Public Service – ah, the counsel or the Public Service Commission. Ah, we do need your help very badly. Thank you.

Andrew Maurey: We will take a 10 minute recess.

Andrew Maurey: We're going to resume the Customer Meeting.

Charlie Beck: If everyone will get in their seat we will start up again. The next customer on our list is Bob Harty, H A R T Y.

Andrew Maurey: Mr. Beck, we've, well, we've gone through less than half of the people who have signed up to speak, um, I've had – in the beginning of the meeting I encouraged people to limit their comments to 5 minutes or so and most have. Some didn't. We want to afford everyone an opportunity who has come out to address this panel. We have a certain amount of time in the room. We have 20 more people on the list to speak, so if folks could come when you're called. We encourage you to voice your comments, but to try to keep your comments to five minutes or so out of courtesy to the other customers. Thank you.

Charlie Beck: Is Bob Harty here? David Bussey?

Crowd: Yeah, clapping.

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Dave Bussey: Good to see you folks again. Dave Bussey. 4948 Britni Way (no "y" on Britni), Zephyrhills 33541, six foot, 250 pounds. I'll make it brief, I'll make it brief. Okay, ah, want to thank the Staff for being here and conducting the meeting. Want to thank the Office of Public Counsel for being here, Charlie Beck. I want to thank Commissioner Skop for being here. Especially want to thank all the folks who came here tonight. Okay. It's their hearing. It's a Customer Hearing. It's their hearing and it's our hearing, and I'm going to try and avoid the redundancy, and be brief, and however I've got to tell ya there is value in repetition. May not be valuable to you but it's valuable to us, because they need to know stuff that went on last night and they need to know stuff that went on in Pasco. They need to know and I'm encouraging to avoid the redundancy you folks have got to get into the record and listen to the audio file of this meeting. Right? And all the other meetings, not just this one but the other ones too because you'll learn a great deal about what's really going on here, because you're only hearing part of the story. So, I will not be any more redundant than necessary, probably not at all. Um, I will say this, I have a – I passed out one or two, but I have three copies left of the comments I made in Pasco County on October 20th and so to avoid that repetition if there's anybody down here in this area that would like to read these I think you'll find it very informative and I'll be more than happy to let you have those. Um, I'm a ratepayer, ah an Aqua participant, a customer, patient whatever you want to call me. I got a 336% rate increase in '09, you guys are trying to give me another 30 to 38% increase this time around and it just goes on and on and on. Ah, my real problem isn't with Aqua. They're a business. They're following the rules pretty much; it's pretty hard to find anything where they're doing anything illegal. They're just following the rules that the guidelines that the state and the Commission have set up. My problems really not with them and after my little talking to last night by Commissioner Skop, after my comments he corrected me and rightly so, cause I was kinda being kinda pressured and pointed towards the Staff. See, all these folks up here, except the Commissioner on the end, they're not our problem. They're doing their job. They're doing what they're supposed to do. Our problem is with the Commissioners. That's where the problem is. It's with them and perhaps who appointed them, I don't know it probably goes on higher and higher, ah, but that's who our problem is with. It's not these up here and gals. It's not the representatives here from Aqua. It's the Commissioners, and there's only one of them here and if I may ask a question to Commissioner Skop, "Why do you think it is that the other Commissioners aren't here?" I am sure that there's a good reason.

Commissioner Skop: I can't speak for them. I can only speak for myself and I thought it was important for me to attend.

Dave Bussey: Okay, you thought it was important enough to be here. Okay, now we have – we have four new Commissioners coming on as of January 1st, I guess. Ah, Commissioner Skop's a great guy. He's – I like him. Him and Argenziano, they're great people. They care about people. They care about ratepayers. They care about the citizens

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of Florida, ah, and I guess just by default – you know how I feel about – ah, well – ah – I'm almost done.

Another question for Commissioner Skop, Can you help – everyone's asking, "What is the process? How do you get the information that you need as a Commissioner so that you can form an opinion so that you can render your vote when it's time to do that?" How does that happen? You don't directly get information from Staff people I would imagine. Do you have somebody in your office that gets that information and brings it to you or – how's that work?

Commissioner Skop: Mr. Bussey, there's a quick explanation. Again this is a Staff led process ...

Dave Bussey: Sure. We need to know. We need to know.

Commissioner Skop: Okay. In fairness to your question I think you deserve a fair answer. Ah, as the process was described earlier it is entailed in the process of getting customer input, looking at the MRFs – MFRs, Minimum Filing Requirements, ah, the utility puts on its case, Staff does its discovery, Public Counsel does its discovery. Ah, through the legal process the Staff makes a Staff Recommendation and then that's brought forth to the Commission to render a final decision which the Commission can as stated ...

Dave Bussey: So you don't have any information ahead of time, or are you able to go into the docket and actually review all this stuff that's going on?

Commissioner Skop: Yes.

Dave Bussey: And do you do that or do you have an assistant that helps you do that?

Commissioner Skop: I have two direct reports that work for me, my aide and my second assistant. Again, this is not about me but about hearing from customers tonight – so I'm going to make this brief. We have access to the docket, we have access to all the customer comments, we have emails that are placed in the docket. We also are subject to ex-parte communication rules which means I can't speak to the utility directly, I can't speak to Charlie Beck directly, I can't speak to Staff that is prosecuting the case directly in some instances.

Dave Bussey: Or the other Commissioners?

Commissioner Skop: Or the other Commissioners.

Dave Bussey: You cannot speak to each other?

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Commissioner Skop: Right. So where we're able to make decisions is um, when there's a Staff Recommendation I can meet with Staff at that time and ask Staff questions about the Recommendation but then we come together as a collegial panel, which often is not too collegial at times, but we write the decision on the merits in a fair and impartial manner based on the Staff Recommendation which we can accept, adopt – accept, deny or modify.

Dave Bussey: The reason I think – the reason I ask that is because I think we all need to better understand how isolated you really are from one another. Ah, and that's good, but it causes me to wonder where is the influence coming from and I'm talking to the Commissioners that will hopefully be reading the record or listening to this audio, ah, session. I'm talking to the new Commissioners because I – well, like I said I won't go there, but for you new Commissioners I hope you aren't being influenced by any outside forces because based on what's happened in the past, it certainly appears there's some influence from someone and I'll tell you what we're going to find out who that is, and I hope you new Commissioners don't succumb to any outside pressure. I hope you're willing to stand up and do the right thing – do the right thing knowing that your terms will be short, because if you do the right thing you will not be around very long, but at least you'll be able to go to bed at night knowing that you did the right thing.

Crowd: Clapping.

Dave Bussey: One other thing to you new Commissioners as Representative Weatherford stated October 20th at the Pasco County Customer Hearing, he and all the other state legislators in Pasco County had submitted a letter on our behalf, the ratepayer's behalf, to the Commissioners asking them to please think about what you're doing, give some consideration to the ratepayers, don't give Aqua the rate increases.

Crowd: Yeah.

Dave Bussey: You new Commissioners need to understand that the previous Commissioners, for one reason or another, *never* even responded to Sen - Representative Weatherford's letter on behalf of all the other signed signatures in that letter – all the other state legislators in Pasco County. I hope you new Commissioners will not be as rude and snub our state legislators the way the previous Commissioners did.

Crowd: Clapping.

Dave Bussey: Finally I must say I am very glad to be attending these hearings. This is my 3rd one. I wish I would have had sense enough to attend all of them. I learned something at each one, and, ah, amazing what I learned tonight. Amazing, and all I can say, is I'll see you tomorrow up in Eustis at 10 a.m.

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Crowd: Laughing, clapping.

Dave Bussey: And off the record, - and off the record – this is not for the Commissioners or the Commission or anything, but off the record I gotta say one more thing, and it's an old adage and it's to you: United we stand, divided they're going to kick our butts. Thank you.

Crowd: Yes. Clapping.

Charlie Beck: Thank you. The next witness is Frank Reams.

Frank Reams: Good evening. My name is Frank Reams. I reside at 34445 Yellow Perch Place, Zephyrhills, Florida. Now just a few comments before we go over my slides, but – ah, at the Pasco meeting Senator Fasano was there and he addressed the Staff. Representative Legg was there. He also addressed the Staff, and Representative Weatherford was there and he addressed the Staff. In addition, two of the County Commissioners, ah, Commissioner Mariano and Commissioner Cox. Last night I was very disappointed – I actually sent invitations to the people in Sebring. They never showed up. There's no representatives here tonight. That's a shame. That's a shame. So they must not be interested in what's happening to their constituents.

Now before we get into that slide, just to kinda capture the tone of the economy – in June of 2009 our church in Wesley Chapel started a food pantry and we'd have maybe 30 or 35 people every Wednesday. We now have over 200 people every Wednesday coming for food. Through the end of September – 10 months – we helped 5,851 families, which amounted to 19,000 individuals. In addition to that we gave out 210,000 lbs. of food. Things are tough out there. People are still being laid off, and Aqua's not being a very good corporate citizen when they come right in the middle of a recession like this and want more money. You know it's time you guys built a better box.

Crowd: That's right. (Laughing)

Frank Reams: Now, - I gotta get my glasses on here – ah, one of the things that really disturbs me with Aqua, and this is for the benefit of the Staff here, if we look at the past four years, in 2007 the Commission received 351 complaints – either service or billing from all the wastewater and water customers that they served. Now, incidentally, in the counties that they regulate that represents about 10 million of the folks here in Florida. The other counties it's about 4 ½ million. So, that 's kinda the ratio on how it breaks down. But in 2007 they had 54% of the complaints – 54%. In two thous - and, they went for a rate increase, then they decide they better withdraw it. Then in 2008 they filed for another one – and look at that, 43% of all the complaints was Aqua. 2009 after they'd got the rate increase in May of that year – 46%. Now we look at through the end of August and we're still at 47%. Now there's over 140 companies that's regulated by the Florida Public Service

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Commission. How does that speak for this company? Do you think they even care about the customer?

Crowd: No.

Frank Reams: You know it's obvious that they don't. The customer doesn't mean a thing. The only reason they like the customers is to get to his wallet. Next slide please. Now another way to look at this is – this slide talks about the seven largest companies in Florida that's regulated by the Public Service Commission and it also indicates by year how many complaints each company had. And I want to point out North Sumter down here close to the bottom. Almost 32,000 customers and only five complaints over this reporting period, but look up here at our friend, 641 – that's shameful.

Now, tonight we heard about billing issues. Last night we heard about billing issues. A week ago Wednesday night we heard about billing issues. Next slide please. Now let's talk about Ohio a little bit because there's some other states that's trying to take some action to reign in this Company. Now this – they've got a rate increase going right now in Ohio, and this is taken from a brochure that the Consumer Council in Ohio put out in June of this year. "Aqua needs to provide additional payment options to help the consumer better manage their billing disconnections in the lake area. That increased by 28%, '08 over '09."

Now get that bottom one. Aqua customers paid nearly \$260,000 in late fees. Is that being a good corporate citizen when people are already having trouble trying to pay their bills, and then we penalize them? We heard somebody last night, a gentleman with five kids. He said I sent 'em a payment of \$100 the first week, the second week another hundred, the third week another \$100, the fourth week they cut me off.

Next slide please. Now, the other action Ohio has taken, because of these constant billing problems, they decided Aqua better pay a fine and they charged them \$132,000 to fix billing issues dated to 2007. The customers were not receiving regular monthly bills. Some waited as long as six months for a bill. Aqua was also required to deposit \$25,000 in a high cost fund to help the low income consumers.

Next slide. New York this past February they were granted a rate increase. There was also some hooks in that rate increase and here is a Stay out Provision: The Company will receive a 20 basis point return on equity stay-out premium in return for the Company's commitment not to file for a base rate increase prior to February 6, 2013. Should the Company file for a rate increase – rate relief to become effective prior to February 6, 2013, the Company will establish a deferred credit for the benefit of ratepayers equal to the revenue requirement effect of the stay-out premium for the period February 6, 2010 up to the dates the new rates take effect, if before February 6, 2013.

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Ah, next slide please. In addition, because they were getting a lot of Commission complaints, the Commission also set some parameters for 'em and they've got to meet some objectives on a number of Commission complaints that's submitted by their subscribers, and so there it's kinda laid out. If it's under 3.7 per hundred customers, that's the way everything's figured there, there is no requirement there for ah, – an incentive. But look if it goes over 5.3 it's 96,000. I'm sure, based on Aqua's customers and the reports that we see coming in daily that they would be in that last category.

Next slide please. Now at the Pasco County meeting Representative Weatherford asked the Staff to 'fix what they broke' at the last meeting and that was those cap band rate increases, and I've got just a simple slide here that if everybody used 5,000 gallons of water a month, and I broke out the number of customers that's in each of those four rate bands. You can see what's happening up there. Now, believe me, if the people up in Lake County – that's up there in Cap Band 1 – is only paying an average of \$4.38 a month more for their water service, and this is not the sewer this is just the water, and they go with that Cap Band rate increase - or the standard rate they're going to squeal like a bunch of pigs and I don't blame them, because look what you've done to those people down there in Cap Band 4. That's 41% of the customers that are paying 62% of the rate. Their average bill went up \$20.61. That doesn't compute. That is so discriminatory. It's so unfair.

Next slide please. Here's the actions that we request, and we did this last March, but the Commission needs to review that rate setting process to be more equitable for all the ratepayers. The Commission needs to place an immediate suspension on all pending and future acquisitions by AUF until the Commission, ah, customer complaints for this Commission are in line with other water operations in Florida. I think that's it. Thank you for your time, I tried to be brief.

Crowd: Clapping.

Charlie Beck: The next customer is Judy Dent.

Judy Dent: Good evening. Um, my name is Judy Dent, D E N T. I live at 5800 Jacaranda Avenue, Lakeland, Florida 33809. That's in the Lake Gibson, ah, subdivision. Um, I've been in my home since March of 1989 and the water bills when we bought our place were on average about \$30 to \$35 a month. We actually got bills every other month from the water company, um, and then they were sold and we started getting, um, - so my bill every other month was say \$60 to \$70. Um, they sold the water utility to another company and I started getting a bill every month that was from \$55 to \$65 a month. Ah, recently when Aqua sent out a Notice a few – a couple years ago that they wanted a 70 or 80% increase and they were having a public meeting like this. I said, "Well there's no sense in me attending the meeting, surely no idiot would give somebody an 80% increase." Well guess what? They did.

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Crowd: That's ridiculous.

Judy Dent: So we got a water bill – now we were already up to about \$75 a month and we got a water bill for one hundred thirty something dollars, I said to husband, "Did you forget to pay the water bill last month?" He said, "No, I paid it." So I got the water bill out and I looked at it and surely enough he had paid last month's bill and this month it had doubled. So I told him, I said, "Call the utility company and find out what's going on with the water bill." So he called up there and Customer Service, um, he spoke with the lady and he said, "Well do we have a leak in the system?" That's what I told him, "you know the system must be leaking." She said, "No you used the same amount of water as you did last month, and about the same as you did last year, ah, but the cost for your sewer has doubled." And my husband said, "Well what can we do about, you know, making this any different?" She said, "You can't. You just gotta pay the bill." So, um, I did some research this week and looked at – I called Polk County Utilities and got rates from them and I think someone's already, probably given you that information, but the water, um, we're paying about three times for water that Polk County Utility charges their customers, and we're probably paying about double what they charge for sewer. So anyway I had my bill for this last month and I compared what I'm paying Aqua Utilities to what I could have paid Polk County Utilities for the exact same water and sewer and the bill that I got from Aqua Utilities – taxes not taken into consideration - \$114 from Aqua. I could of got the same water and sewer from Polk County for \$75. Now my question is, is there any way that we can get someone else to provide our water? You're talking about an essential service, that we cannot do without, ah, and again, we don't water our grass, um, we don't wash the car. Um, I spend \$120 to \$135 a month to brush my teeth, take a shower and do my laundry. My neighbor has told her children, "If you just wee wee in the toilet don't flush it." Now that's not even sanitary, but that's – that is what we've been reduced to having to do to try to lower our water bills. Um, they just got – like I say a year ago my bill went up double, and now they want another increase. So, is there a provision where we can shut the water and the sewer off and dig a hole and put in a well and pay much less then Aqua Utilities is charging us? So that's my question, and the other question is: Is there another service, whether it's Polk County Utilities or the City of Lakeland, that can take over this service and we can pay a reasonable rate like the rest of Polk County does? You know with the price of gas going up like it is, we can quit driving our cars and we can ride a bicycle and we can walk but we can't do without water.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Gwil Hallford.

Gwil Hallford: Hello, my name is Gwil Hallford. Last name H A L L F O R D. I live at 5760 Jacaranda Avenue. That's also in Lake Gibson Estates. Um, I had a lot to talk about but it's all been covered pretty much. Um, I do agree with the gentleman earlier who said that Aqua Utilities is punishing large families. That's a fact. Um, I have a family of four, ah,

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unfortunately my son has autism and sensory issues, so he prefers baths to showers and they're quite more expensive. Um, I guess that's just a penalty. Um, and I just want to conclude by saying shame on Aqua and shame on all of Aqua's cohorts, and, ah, I have a petition here, by some of my neighbors, who I had the pleasure of meeting last couple of weeks and this is sort of a protest petition and also to get on the County or City water. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Linda Gadd. Is Linda Gadd here? Bryan Rule?

Bryan Rule: Um, alright. Thank you guys, everybody. Um, I get a lot has been covered I don't want to be redundant. I live at 5880 Jacaranda Avenue. Rule, R U L E, that's in the Lake Gibson Estates area again. I guess we all waited to the last to go. Um, a couple of things that I want to mention that hasn't been mentioned, just some personal issues – ah, I don't blame Aqua Utilities for trying to make money. Um, I'm in business. If, - congratulations if you can come up with a way to make money. I do agree that at some point I would hope that people would realize hey it is tough right now, maybe we shouldn't go too extreme, but, again, if you're not breaking the law, hey, you know, just do your thing. The problem with that is options. If I have the option, ah, and if it's been mentioned, I'm sorry. If Aqua Utilities wants to come to me and say, "Hey our water is this clean and we're pumping gold dust in it, if you want to pay this much." Okay, cool, but I don't want gold dust in my water so I'll pay less for Polk County water. You have an option. If I want to buy a candy bar for 33 cents I'll go to Wal-Mart, if I want to pay a dollar I'll go to Target. Options – that's what's great about being a customer in America is that you have choice and we don't. Um, I have a wife and two kids. We've lived in our house for seven years. We bought it seven years ago. Um, we in the same boat, our whole bill was \$40 and maybe \$50, um, and right now my current sewer charge is \$83.35. Ah, maybe there is a pay per flush option, I don't know about that. Um, my total bill is \$148.51. Um, I use a lot of water. Um, I used 9,000 gallons this month cause I have a three month old and a 3 year old and my wife stays at home with them. So, I use a lot of water but \$83 for sewer is pretty ridiculous. Um, Aqua Utilities, um, at the beginning it was mentioned by the President, sorry I failed to write down your name sir, um, that this increase is different than the 2008 increase and it may very well be different within your company but it's not for us, it's just dollars. It's the same dollars that for 2008, um ...

Crowd: Clapping.

Bryan Rule: So that's hardly legitimate in my eyes, I can't speak for everyone. You also mentioned that, um, money that Aqua Utilities will be spending for things like maintenance, keeping up with current standards – that's the cost of doing business. Um, you know I would hope that you did due diligence in looking at the infrastructure that was in place

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when you took over, and that you knew what you were going to have to do and you saw what you were charging, and I hope that at that point of due diligence you didn't say, "Well gee in the next few years we can raise rates by 400% and we'll pay for all this." Um, but that seems, - kinda sounds like that's what happened. I don't think that's very fair. Um, at some point you just need to realize it's a cost of doing business. You also mentioned, um, that some of these expenditures will help reduce operating costs. Um, that's great for Aqua Utilities. I hope you guys save a bundle. Um, I would suggest that Aqua Utilities invest their own money in saving money for themselves as opposed to investing my money in saving money.

Crowd: Clapping.

Bryan Rule: There you go. Um, ah let's see, um, yeah I'm just – I don't have a lot of money to invest and I don't want to invest in Aqua Utilities right now. Maybe one day I'll be able to. Um, the last that thing I want to get at, and I'm going to be done, um, I want to respect you guy's time constraints cause you have to be at this – at another meeting. You guys do an awesome job of making this not look as grueling for you to sit and listen. Awesome. Um, I couldn't do it.

Um, outages, um, my wife at our last outage – which was not our first water outage, she was seven months pregnant with my son and, um, she actually – we called because the pressure was low and she – and the person on the phone said, "Oh, yes, um, they're working on the water. You need to boil your water. Don't shower in it. Don't drink it. Don't cook with it." Would of been nice to know, um, I know that things happen and things break, ah, if we truly care about customers then a crew would have been sent out. Phone calls would have been being made. Something would have happened that my wife was not potentially showering and eating, and my two year old daughter was not drinking contaminated water that we had to find out about, because we called Aqua Utilities, no one informed us. I understand infrastructure and that would be a lot of work. You guys cover a lot of people, but the outage was not all of your customers. It was one area. Um, you have the team, you could have sent people out, you could of made phone calls, and no notice every came. No boil water notice ever came. We called every day until we finally found out, - Oh, yes it's lifted now. You guys are safe to drink it and shower and stuff. In the meantime we had to go to our in-laws. We had to go to our in-laws and shower and to get water to cook with and that's not a, um, good representation for somebody that's supposed to care about their customers. So, I don't believe that – um, to be honest, it's not fair that I invest in Aqua Utilities and it's not fair that, um, - I don't think they deserve a rate increase. I don't feel like I should be paying \$40 a month like I did seven years ago. Trust me the cost goes up, I understand that. Um, in the business that I do cost goes up and, you know, I don't, you know some people are like, "I got bills from 1925 when water was \$8 a month." That's not realistic. Um, but \$148, that's not realistic either. So, thank you guys.

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Crowd: Clapping.

Charlie Beck: The next customer is Kim Parizo.

Kim Parizo: I do thank you. I appreciate the time. My name's Kim Parizo. It's P A R I Z O. I live at 6317 Doe Circle East in Lakeland. Ah, I'm a part of Lake Gibson Estates, water service, and I appreciate Aqua coming to at least listen. Hopefully they'll listen well. Um, my main concern is not necessary – I understand you're going to go up on your rates, and I get that, I do, but I want you to explain to me and to everyone, cause apparently nobody's caught on that – I understand that it costs you to put in a meter to gauge how much water goes out in the wastewater. Got that part - You gauge how much I take into my house, but I assure you that there is no way that I put out 4,000 or 5,000 gallons out to the wastewater when I have a pool, I have – I water, I wash my cars, but you bill me for my wastewater at the same rate of what I take in, actually you bill me more. My wastewater costs me a whole lot more for you to not get it than it does when I take your water from you. At least switch the words around, because I'd rather pay less for you to get back my water than if you give it to me, cause I mean I'll pay more to get it. Have to go to get Zephyrhills water to drink, so I'll be happy to pay that, but, um, I can't figure out where you figure out its expelling out all that money in the wastewater because I guarantee you I fill my pool when it's gotten low, you don't get that water back. Why are you billing me at a higher rate? I don't get that, because unless my cats, and I have four of them, but they must be standing at home just flushing the toilets all day for you to think that you can get that money back, because I assure you I was home – I wasn't home in June. You billed me 14,000 gallons. I wasn't home for two weeks. I didn't have a leak. I checked. I went out shut the water off at the meter – no meter running. Shut off all my water in the house, turned back on the water that goes to the house, still the meter's not running, cause there's no water running, but you bill me 14,000 gallons.

The next month, miraculously when I'm home all month, my bill was for 5,000 gallons. I'm thinking, okay the only persons that were home were the cats. They must have had a party at my house when I wasn't there because somebody used 14,000 gallons. I called. I said, "There's no way. You had to have read the meter wrong." They said, "Um, no, they read the meter right. You just used that." I said, "But I never used 14,000 gallons" and they said, "I can't help you. This is what it is. You need to pay the bill or we turn it off. That's simple." Well, of course, I have to pay the bill. I've never gotten another high bill like that but I want you to at least address the possibility of wastewater not costing us as much as our intake. The intake should always cost us more if nothing else because you're not gauging what's going out and you have to either put a meter on it, what flows out and bill me only what I give you back or else bill me below a rate for what you don't get back, because that's not fair to me. I mean I paid \$83 for wastewater. Darlin' I've got news for you I couldn't have gone that many times.

Crowd: Laughing. Clapping.

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Kim Parizo: There's no way.

Charlie Beck: Thank you.

Kim Parizo: Thank you.

Charlie Beck: The next witness is Wayne Miles.

Wayne Miles: Um, thank you very much. My name is Wayne Miles. Um, my address is 6301 Doe Circle East, Lakeland and I'm in the Lake Gibson subdivision also. Kim's a hard act to follow. Um, I've heard a lot of information tonight about rate increases and money and things like this. Um, I've got a couple other concerns and I'm really interested for the Public Service Commission to hear. Um, and it actually deals more with the type of company that Aqua Utilities is and how you deal with them as a client and as a customer. Okay?

Um, my first concern is the quality of the water itself. Um, I honestly do not feel as a customer that I should be required to go out and purchase a third party water filter to remove the smell from the water before I drink it, and I've had to do that for years, ah, drinking this kind of water. I've lived in other countries where we've had older houses, older buildings, older pipes and things like this and you can turn on the tap water and drink it and it's clear. It doesn't smell. It doesn't have any kind of odor or anything to it. Ah, when I called Aqua Utilities and inquired about the smell in the water they said, "Well we only bring it to your house. We don't bring it into your house. It's probably your pipes and things like that that's causing all these problems."

Well my house isn't that old. I mean I lived in Europe and had houses – lived in houses over there where pipes are a lot, lot older than anything I've gotten here in the states and that water is crystal clear and easy to drink and like that. The other answer that I got from Aqua Utilities was that it meets the government standards. Well I got news for you, the government standards don't necessarily – aren't right and I think the Public Service Commission maybe ought to look at these standards again and make sure that these standards include water that is not smelly, not dirty and things like that. It's a little bit clearer. I mean this is almost 2011, we should have standards for water that are a little bit better than what they are now and maybe that's the standard that the water company ought to be held responsible to – to bring up.

Now my other experience with Aqua Utilities, um, happened one day, ah, it was a Sunday morning, it happened to be August 30th in 2009, I was sitting at home enjoying a Sunday morning and I heard this noise and I thought maybe my wife was in the shower or something like that. She was out in the other room. Well I got up from my office and walked over into the bathroom and noticed all this brown sludge coming up from the bottom of my tub. It was raw sewage, backing up into my bathtub and I ran into the other

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room where we have a walk-in shower, cause that's a little bit lower than the tub, that was backed up with raw sewage. So I immediately called, ah, a plumber because I'm thinking, you know, I know a little bit about water and water usually goes downhill. Ah, I called Roto-Rooter and had them come out like in a hurry cause I figured the pipes going out to the street are clogged up and I've had this nightmare in my head of roots and things breaking into the pipes and all that. Well the Roto-Rooter guy came out, ah, ran a camera down my pipe all the way to the street. He says, "It is clean as anything," and I looked at it on the video, there wasn't anything blocking it at all until it hit this big thing and just stopped at one point. He says, "I think I know what the problem is," and he went over to a neighbor's house. We popped open the man hole cover in his driveway and the Roto-Rooter guy said, "Oh my god," he says, "this is – your water in the sewer is way, way high," and what had happened was the water in the sewer level backed up higher and higher than the pipe going out of my house. So obviously when we flushed toilets or did laundry the water just backed up – it came right into my house. So my phone call next was to Aqua Utilities. I got a hold of the emergency number and they called back to me within about 10 minutes, which I was very impressed, and the guy his name, I have his name written down here and everything, he said he'd be out there as soon as he could but he lives in another county and he's about 60 miles away. Well he came out and I kept calling him, um, actually I called him about an hour later and he wanted to know how I got his phone number, and, ah, well I'm an investigator by trade so I can kinda find out things like that, and I ask him what he found out and he said, "Well the lift station pump is broken." He says, "People flush things down the toilet that they shouldn't flush down there and it clogs up the pump," and I said, "Well don't you guys have any kind of alarm system?" "Well I'm it." Okay? There is an alarm system on the lift station for sewage, okay? It's a little bell that rings outside the building and if the neighbors hear it long enough and get annoyed they will call Aqua Utilities and say, "Hey your alarms going off."

Crowd: Laughing.

Wayne Miles: Honest to God, that's what they told me, alright? So my question for the President of Aqua is, and I've also asked this to Aqua Utilities and never got an answer since August 30th of 2009, is: Why don't you have an alarm system on your sewage system? Okay, from what I understand from talking to a guy named Dan who is your technician, he says the way he finds out about it is the neighbor hears the alarm going off and calls him. So in the event the neighbor goes on vacation, or something like that, can I at least get paid for providing alarm service to you guys?

Crowd: Laughing, clapping.

Wayne Miles: I mean, now – oh this gets better. I'll try to hurry. I know we got time constraints. Um, I had sewage back up into my house twice within 3 months. Okay? So, I'm not happy about this whole thing. Um, the first time this had happened, ah, we had submitted a claim for damages of less than \$200 to clean up raw sewage in my house.

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Now if anybody think that's unreasonable I'll do a rate increase. Alright, but that's not very much money and I asked Aqua Utilities to pay for that and I thought as a consumer that was a very, very fair amount to ask for them – for damages for raw sewage in two rooms in my house. Okay? I processed the form according to their instructions and faxed it to a really nice sounding girl named Karen up there. She was very helpful on the phone. I got a letter back from Aqua Utilities about two weeks later saying they were going to deny my claim for damages, for less than \$200 for raw sewage in my house. I called Aqua Utilities, asked to speak to the guy who signed that letter and I was told by Aqua Utilities that they did not take phone calls from customers and I would not be allowed to talk to him. So as an investigator I wanted to make sure I get this information clear, so I restated it, I said, "So what you're telling me is I submit a claim to Aqua Utilities and the person that reviews it, goes over it and decides whether or not it's a valid claim or a invalid claim, and decides if he's going to pay it, I don't have the right to talk to him as a consumer?" And she said, "Yes, that's how our system works." Well after a few more moments of her listening to me talk, she was very nice and connected me to someone, and I wasn't rude and I wasn't obnoxious on the phone, okay? I felt I had a right to talk to somebody who made that kind of decision. That's the kind of Customer Service this company does not have and I think you guys as Public Service Commission personnel should know about all that. So, I wrote a letter to the Public Service Commission in out – outlining this whole problem. Within a couple of weeks I did get a phone call back from the Public Service Commission and they were very nice and helpful and I appreciate that. Okay? What I did do is I asked the Public Service Commission to look into this and I wanted to find out why Aqua Utilities does not have an alarm system on their pumps. To me that seems like a very simple, easy thing to do. I mean the technology we have today, I mean I can take my cell phone and e-mail a picture back to my printer and have it waiting for me when I get home from the office, but Aqua Utilities can't have a lift station go offline without it sending out an alarm to anybody. I also found out from the technician that the service vehicles, which are these big, huge trucks, they're in whole another county too and they take a lot of time to come out. So it just seems like they've got a very poor structure in place to do maintenance, reporting, and customer service. They're very, very bad in that area as far as I can see. I was in business for 25 years myself, I gave customer service or I lost clients. Alright? These people coming out here and saying, "We want more money." Alright? I'm saying, "No they don't deserve it. They should earn it first before they get a right to ask for it."

Crowd: Clapping.

Wayne Miles: I'd like to thank everyone for letting me talk. My throat is a little bit dry right now. I notice you guys have bottled water up there, not Aqua Utility water. Thank you very much.

Crowd: Clapping.

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Charlie Beck: The next customer is Russ Horne. Is Russ Horne here? In the meantime, is David Anderson here? David Anderson? David Pontes, P O N T E S?

David Pontes: My name is David Pontes. I live at 5896 Jacaranda Avenue at Lake Gibson Estates. Um, everyone has been so eloquent. You've just about said everything that I wanted to say. Um, regarding the high wells, I worked for a certain, um, I worked for Disney. We have high wells all over the property. Every one of them is monitored if one of them goes into a high/low condition there's an immediate alarm. We take care of our customers.

Crowd: Ah, tell these guys that. Laughing. I know what you mean.

David Pontes: Right across from my house – I live on the corner of Daughtery and Jacaranda and right across from my house is a lift station. This lift station frequently goes into alarm and it makes a racket and I've heard it go for as much as 2 or 3 days in a row before someone came over to service it. Even when I make calls, I can't get through to Aqua Utilities half the time.

Crowd: You're the alarm system then?

David Pontes: Yes sir.

Crowd: Okay.

David Pontes: _____ that specific title.

Crowd: I appreciate that.

David Pontes: Um, we don't deserve this, ah, I mean look, I don't even understand Aqua Utilities' math. You know they say that they want a 28% increase and yet my bill tripled. What planet are they from, cause it's certainly not this one. I wish I could say more, I just – I don't think that they deserve any rate increase; in fact I would like to have an option to – have another water utility company service me because these people are outrageous. They're extorting us.

Crowd: Amen.

David Pontes: And you shouldn't allow – you should not allow these people – you should not allow these people to even have a business in this state. They're ripping us off.

Crowd: Clapping.

Charlie Beck: The next customer is Procopio Guerrero. Procopio Guerrero? Bob Ferguson? Bob Ferguson here? Gerald Runions?

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Gerald Runions: Here.

Charlie Beck: I mean Gerald. I'm sorry.

Gerald Runions: Good evening. My name is Gerald Runions, R U N I O N S. I live at 4633 Newcomb Avenue, Zephyrhills, Florida, Zephyr Shores Estate. I've live there since 90 – ah, 2002 and when we moved in there we had Florida Water. We never had a problem, but once in a while some emergency thing would happen but they were right there and they took care of it, and when we weren't there, when we were back in Michigan, which for the first six months, we bought the place, then went back to Michigan with the intent of going back and forth every six months but then we decided to just move to Florida. So, - but in the meantime when we were up in Michigan our cost – ongoing cost for Florida Water was \$17 a month, Now, you know, we understand that they have infrastructure to take care of and, you know, but now it's gone up – I don't have to pay because I live there full time but the people that are not living there full time are paying triple that, and, you know, I look at this company Aqua – they're pretty smart. They gotta be smart. They sat there and said, "You know what, lets buy all these little communities in Florida. We've got them captive. There's nothing they can do about it. We'll buy them – we'll sock it to 'em, and we'll get all the money we can out of them, and we'll play some games. Fix a few things up and then say, 'Oh my gosh we spent millions fixing your system up.'" When, that they have put in: electronic meter readers, they put in a few valves and we kept after them so badly cause they weren't flushing the system – Florida Water flushed the system at least once a week. Religiously, cause we, you know we were warned, "Do not wash on such and such a day cause we're going to flush the lines," and they did. We had to get on them at one of our meeting in Zephyr Shores Estates and say, "Why aren't you flushing the lines?" So, well they put in some automatic flushers. Now sometimes they work and sometimes they don't, and when Florida Water had it – they had two guys that basically serviced our park constantly. Those same two guys now are still – at least I know one of them is – still working for Aqua, and they have a vast area to take care of. So, nobody comes in and reads the meter, except on the fly or the electronic. Nobody comes in and checks the system in a routine basis, so we just sit there, but yet they're making a fortune and now they want more money. Ah, they are smart, I've got to give them that, but just because they buy these places up and they figured that we're all cash cows, does not mean that the Commission has to allow them to keep bleeding us, because we cannot – you know pretty soon we won't be able to sell our property. We'll just have to move out and abandon it. What are they going to do with the water system then? There's going to be no customers. So, I, you know, in conclusion, I'm just saying that absolutely not - no more increases.

Crowd: Clapping.

Charlie Beck: The next customer is Robert Roscoe.

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Robert Roscoe: I want to thank you for the opportunity to come up here and speak. Believe me this is not my cup of tea and I will not take long. My name is Robert Roscoe, R O S C O E. My wife, Tot and I live at 4621 Newcomb Ave., Zephyr Shores Estate, Zephyrhills. Ah, we've been there for ten years. Ah, when we first moved there, like Gerry said, our average water was anywhere from \$20, \$25. Now it's in the high to low eighties, in that 9 to 10 years it's gone up 300%. It's outrageous, outrageous. And I didn't mind that so much until I went in the bathroom one day and I see a sign my wife put on the wall, "If it's yellow, let it mellow, if it's brown, flush it down."

Crowd: Laughing.

Robert Roscoe: Then I thought, "Well, this is getting out of hand." And, anyway – we're on a fixed income, as I look around here and 95% of these people are seniors, most all retired, like I am, and things are getting tough. My car insurance is going up. My home insurance is going up. I got a letter two weeks ago that they're streamlining how my homeowners will not be renewed and there ain't nothing you can do about that, but you can do something about this water and we need your help. You're our last resort. If you don't help us we're going down. We're going to drown. Please help us. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Rudy Briede.

Rudy Briede: Thank you for the opportunity. Ah, I won't be long. I've listen to all of this and it's disgusting. I hope somebody's listening. I don't have to repeat what they've all said. It's known throughout the state, it's in the papers, you people read about it, they know about it. We're all on fixed incomes. I mean I've been retired for 25 years. Trying to live a better life but it's costing me more and I'm taking less off of it. What can I say? There's all these people in the same boat here. They're not here because they want to be here. They have to be here. You – they can go out make their money, which we thought we were doing but we're not doing it anymore. I hope somebody's listening. That's the best I can say. Thank you.

Crowd: Clapping.

Charlie Beck: Thank you. The next customer is Bessie Foster.

Bessie Foster: My name is Bessie Foster, F O S T E R. I live at 810 Fairlane Drive, Lakeland, Florida. Ah, that's in the Lake Gibson area. Ah, I don't really have anything to say, everybody's covered it pretty well, but I almost didn't even come tonight, I talked to a lot of my neighbors. They didn't come. The reason is we feel helpless. We feel that Tallahassee is not listening to us. They only listen to big business. Um, I - when we got the first rate increase two years ago, I did a lot, a lot of writing. Talked to the Governor's office,

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talked to the Public Service Commissioners, the County Commissioners, everybody – I've been my rounds with Aqua and their "friendly" customer service, and I do know that Aqua is well known as a predator company. Um, they buy up the small water systems – and I can see why they would, I mean you hear about how many people are on these systems: 300, 700, 150. I mean those – that's such a small group of people our elected officials don't care. I mean what's a hundred fifty votes. So I – and they think that okay they can plow over these small companies. There's power in numbers. Well I will tell you that we're organizing. We will be bigger numbers. Our voice will be heard.

Crowd: Clapping.

Bessie Foster: And I hope at the next meeting me and my neighbors will feel more like we're being listened to, because we haven't been in the past and I would just like to know if you folks are getting anything out of what we're saying tonight or are we just beating our heads against the wall again.

Crowd: Hello...Anybody home?

Bessie Foster: I mean were you listening before? I was on that bus when we went up to Tallahassee. There were people from all over the state. We were in there hours talking to the Public Service Commission and nobody seems to listen and it's just very frustrating, but it's not a point of whether we can afford to pay the water bill or not. It's an unfair water bill because Aqua is an unfair company. We deserve to have a local company where it doesn't take an hour for a service truck to get here. That is ridiculous, and Aqua shouldn't have to spend the money, because they'll charge us for it to get us the service truck here. They need to either have – we need a local water company. The county, the city, somebody's that local and can take care of us without charging us an arm and a leg to do it. The only improvement I have seen, and I'm retired so I'm there all the time, I haven't seen them putting new pipes in or anything. They put new water meters in. Who benefited from new water meters the most? Them, because the guy doesn't have to go back and read it now in my back yard. You know he – that's all you see from Aqua – truck going down the street doing the rural electronic meter reading, and that's what I'm paying for is so they can pay their stock payers more dividends and make more profit at our expense and I'm just sick of it, but then I don't feel like we can do anything about it because Tallahassee's not willing to help us.

Crowd: Clapping.

Charlie Beck: The next customer is John Round.

John Round: My name is John – excuse me – my name is John Round and I live at 390 Windermere Dive, Lakeland which is just off Lake Gibson. I look out over Lake Gibson. It's very easy to forget the very basic points that are at issue here. This is a situation where a

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very large utility company, Aqua, buys up small concerns which supply water and sewer service to possibly only a thousand or so households. Almost immediately they applied to the regulatory authority for a huge increase in the rates that they were allowed to charge us. The reasons they gave included the need to invest substantial sums to improve the service and the product. Very few residents attended those earlier hearings because: a) most of them didn't know about them; and b) they trusted that the regulatory system would protect them from unreasonable increases, and you DID NOT do that!

Crowd: Amen. Clapping.

John Round: What changes and improvements did I see them make, and I live, my house is close by the center of their operations: 1. I saw them dismantle and remove the sewage treatment plant and level the site. They didn't need it any longer because they'd contracted with Polk County to take the effluent. They just paid Polk County to take the effluent. They also buy ready treated water from Polk County and then send it on to us at a profit. All they do is supply the pipe work. They replaced some of their distribution pipes and who benefited from that? They solved the leakage problem. The more water that leaked out of those pipes the more they lost – the more money they lost because they were having to buy that water and pay for that water.

The quality of the water hasn't changed. Somebody talked about speaking not being their cup of tea. I'm an Englishman. I know about tea. You can't make decent tea with that water. They replaced the meters with a type containing a small radio transmitter so that they could read those meters without getting out of their trucks. Some of those meters are now buried below the earth. Those meters – there's a very strong suspicion that many of those meters that they pitted are faulty. They are maintaining that 32,000 gallons went through my meter last month. There was one person in that house. There are no leaks, and they say 32,000 gallons went through that meter. How the hell can I disprove that? Only recently I saw some of their men, and by the way, their men they are only working guys, it's not their fault. Please don't anybody have a go at those men. They know that there's something wrong here. It's a management problem. It's a system problem. It's a political problem. It's not the fault of those ordinary working guys. I saw them working on the fire hydrants that they're mandated to keep in good order. Now they've only just been working on those fire hydrants. They haven't been working for a long, long time, and they have chosen to do things which improve their profitability rather than our safety. Everything that I've seen them doing, apart from the fire hydrants, has had the effect of improving their profitability. The water tastes the same. The toilet flushes the same. It just costs me four times more than it did before, and now they want even bigger profits. This has also affected the value and the "sale ability" of my house. My new neighbors who are connected to Polk Utilities are getting the same water and their effluent has been treated in the same way as ours, in the same place as ours, but they pay very substantially less than we do. So why buy my house in this situation? If this were France, and I can understand that not many Americans or Englishmen for that matter have much liking for

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the French, the French would have rioted in the streets. They'd have blocked the Eiffel with tractors.

I've been in contact with every major political office about this and nothing has been done. *Nothing*. Why should we bother to vote for any of these people? They don't give a damn about us.

Now why do we have this situation? Could it be that some of these people are taking money from Aqua? I don't know. Some of the regulators we all know now work for Aqua. Clearly we have the best regulators or we had the best regulators that money can buy. You should not add to this grossly unjust situation by giving them yet another increase. You should slash the existing rates. We shouldn't have to pay any more than anyone else does for their water and sewer, and why don't you cancel their franchise?

Crowd: Clapping.

Charlie Beck: Okay, the next customer is John Rivera. John Rivera? Cindy Amiel, A M I E L? I don't know what customers have left. Is there anybody who wants to speak who hasn't had the opportunity yet?

Would you come up and give your name.

Jim Wilson: My name is Jim Wilson. I live at 35117 Condominium Boulevard in American Condominiums in Zephyrhills. Ah, I didn't put my name down, I'm an add-on speaker here but this is the second meeting I've attended. I went to the one in New Port Richey. I've listened to the speakers there. I've listened to the speakers tonight, and to me it's pretty obvious what's going on. I think Ray Charles can see what's going on here. For God's sakes, ah, you know, it's obvious in hindsight that the Commission made a mistake. You made a mistake when you gave that last increase and I don't know what influence you guys have in taking it back to the Commissioners, but take it back to them. We're a bunch of retired people here and we held jobs just like you have, and comparable jobs and we've made mistakes too. There's no shame in making a mistake, but don't keep making it over and over. Don't give them another

Crowd: Clapping.

Jim Wilson: And you, you have the opportunity to correct the mistake that you made in the past. Reverse this whole thing.

Crowd: Yes.

Jim Wilson: Put the rates back where they were. That's what needs to be done and that's the message that your Commissioners need to know. Thank you.

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Crowd: Clapping.

Andrew Maurey: Is there anyone else who would like ...

Katherine Jones: I did not have a chance to sign up. I thought I would have to leave and pick up my husband, but I did not have to leave. He got a ride home because he knew this was important. So, my name is Cathy – Catherine Jones. I'm at 834 Fairlane Drive, Lakeland in the Gibsonia Estates, and I'm speaking for myself but I know from others. I'm not on a fixed income. I make my income as a teacher in Polk County, which is not getting raises. We don't make more money because when the economy's down and housing is going down, we don't make more money.

Um, when I got the rate hike in 2009 I knew nothing about the Polk – or the Public Utilities Commission. Maybe as a teacher I should of. Um, I do now – I do a lot more than – I know a lot more about government than I did before, because I got on the bandwagon and I got on the email list. I got on calling people because I couldn't believe that I had – didn't have public representation out there to prevent a 300% increase when I had no raise to cover that. I had no money to pay for a water bill that went up 300%. I went from \$30 to \$120. My – and that's water, I don't pay for sewage. It goes into a septic tank. I have teenagers. I don't water my lawn. My lawn's brown. It's always been brown, cause I never could afford to water my lawn to begin with, and I have a sprinkler system, but I do have teenagers. My teenagers aren't contributing to my income. They take showers. They flush toilets and don't think twice about it, and I – you know, you can tell them – its' like picking up a towel, you can tell them to pick the towel up but they're going to still leave it on the floor. You can tell them to take a short shower but they're going to still take an extra ten minutes if they want a long shower. My teenagers are growing up. I'm probably eventually be that fixed income, but right now I'm not, and I really want somebody out there and out in my government who I vote for, and I am a registered voter, who will represent me and will keep these kind of rate hikes from ever, ever happening again, cause I never want to be choosing whether I'm buying groceries for my family or paying a water bill that I have to have water.

Crowd: Clapping.

Andrew Maurey: Is there anyone else who would like to address the panel?

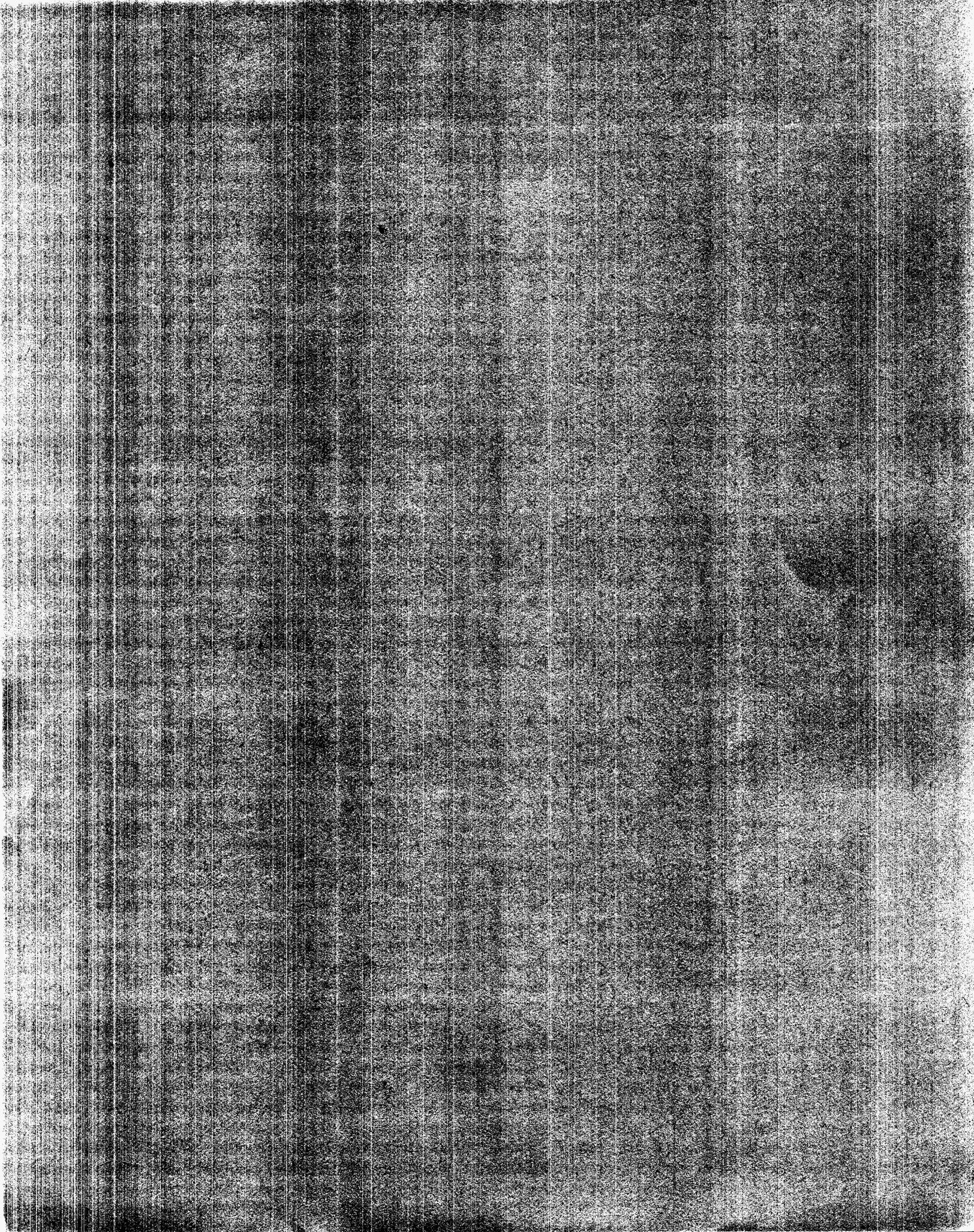
Cindy Amiel: Hi, my name is Cindy Amiel, A M I E L. The address is 911 Fairlane Drive, F A I R L A N E Drive. I'm also in Gibsonia. What other information did you need?

Andrew Maurey: That's fine. Thank you.

Cindy Amiel: I'm just here tonight to ask you to please think seriously about all the families, myself included, that have been affected by

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NOTE: This is where the tape ended. No more recording available. From Charlie Beck's notes it looks like Cindy Amiel and Mike Brenner were the only speakers who were not recorded because of this.



ATTACHMENT F

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Andrew Maurey: I'd like to call this meeting to order. Staff Counsel will you please read the Notice.

Ralph Jaeger: Yes, Chairman. By Notice this time and place has been set for a Customer Meeting in Docket No. ...

Crowd: Can't hear you... It's stuck. The cord is stuck.

Ralph Jaeger: By Notice this time and place has been set for a Customer Meeting in Docket No. 100330-WS, Petition for Increase in Water and wastewater Rates by Aqua Utilities Florida, Inc.

Andrew Maurey: I'd like to welcome all of you to this Customer Meeting. My name is Andrew Maurey and with me, to my immediate left is Ralph Jaeger and Jay Donahoe, to my right Stan Rieger. When you entered the venue this morning, you were greeted by Dick Durbin. We are all representatives of the Florida Public Service Commission technical staff. We also have the pleasure of Commissioner Nathan Skop with us today. Commissioner Skop, would you like to address the audience?

Commissioner Skop: Yes, thank you madam um chairman, mister chairman. I'm Commissioner Skop of the Florida Public Service Commission.

Crowd: Can't hear you.

Commissioner Skop: I'm sorry. Let me come up to the microphone for a bit. You need to turn that on.

Ralph Jaeger: It's not on yet.... (Microphone noise) Turn it on. Good catch.

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Commissioner Nathan Skop: Good morning. I am Commissioner Skop of the Florida Public Service Commission, um. This is a staff led customer meeting this morning and I'm here just to observe so I will be listening with interest to your comments. It is good to be in Eustis Florida this morning. I was raised in Sanford and have relatives in Umatilla so I am very familiar with the area and I would like to welcome each and every one of you and look forward to hearing your comments. Thank you very much.

Andrew Maurey: I'd like to welcome all of you to this customer meeting this morning and we'd like to thank you for taking time out of your schedule to be here with us this morning. The purpose of today's meeting is to gather input from Aqua customers regarding service quality, customer service and the proposed rate increase. The Commission is interested in hearing from you and your comments will be recorded. A copy of this digital recording will be placed in the docket file as a public record, a copy of which can be obtained from the Commission's Clerk's office.

At this time I would like to explain how this meeting will proceed. First we will have a brief presentation by Aqua Utilities Florida, followed by a brief presentation by the Office of Public Counsel. After these two parties have concluded their presentations, staff will make a presentation regarding the rate case process. Once staff's presentation is completed, we will begin to hear from customers. Customers will be called in the order to which they signed up. If anyone would like to speak but did not sign up we ask you to please visit Mr. Dick Durbin at the table near the door and he will include your name on the list. If you like to submit comments but do not want to speak, you can submit written comments. When you entered the hall this morning, you picked up a copy of the Special Report. On the back page is a comment sheet. You can fill out your comments today and hand them in to any member of technical staff or you can take the report home with you and fill out your comments and mail it to the Commission. We also encourage you if you have friends or neighbors who are unable to attend today's meeting to take extra copies of the special report with you and distribute them to your neighbors. Now Aqua Utilities will make a brief presentation on their requested rate increase.

Jack Lihvarcik: Thank you Mr. Maurey. Good morning.

Crowd: Good morning.

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Jack Lihvarcik: My name is Jack Lihvarcik and I am President of Aqua Utilities Florida. I appreciate the opportunity to offer some opening comments to our customers in Lake, Sumter, and Orange Counties concerning this case.

Crowd: Is that mike on?

Jack Lihvarcik: Sorry - thank you. We have additional Aqua staff available today in the back to answer any of your questions and address any concerns that you might have after the meeting. We are here today to hear from you, our customers and we understand that a rate increase is never easy to accept.

This request is different than the 2008 request. We have filed this request under the proposed act agency action procedure. Commission staff will explain the PAA process further during their presentation. However, the purpose of the PAA process is to keep rate case expense to a minimum. I would like to a minute to explain to you the improvements we have made to our water and wastewater system that are the reason for our need to file a rate case. Over the past 2 ½ years, Aqua has spent \$8.4 million dollars in capital to comply with DEP regulations and to improve water and wastewater quality, service, and reliability for more than 22,000 customers throughout the state of Florida. In addition, since filing this case, we will be spending an additional 3.7 million dollars, or about 73% which is directly related to infrastructure improvement projects.

For the systems in Lake County, the improvements are replacement of defective fire hydrants, hydro-pneumatic tank replacement, water main replacement, water main extension, and our upgrades to improve water quality. In all the systems, new water meters, aging meter fits, and meter valves were installed. At the water plants, upgrades such as paste, chemical paste feed pumps, pumps and motors, and recording devices to monitor flows. The wastewater system improvements to the collection system are collection line replacements or upgrades, lift station rehabilitation, and replacement to lift station pumps to improve efficiency. At the wastewater treatment plants, the rehabilitation of concrete tanks, rebuilding of surge tanks, the replacement of pumps and motors. Also Aqua's addressing secondary water quality concerns at Tangerine. Aqua has designed and permitted and is adding a sequestering agent into the water to improve water quality. The other issues contributing to improved water qualities are numerous dead-ends, undersized water mains and galvanized pipe. Aqua has been installing water mains to connect dead-end lines and replacing undersized galvanized

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mains. At the request of a customer a fire hydrant is being installed to provide fire protection to the area. A comprehensive water flushing program was prepared to flush the system. The plan was prepared to systematically flush the distribution system in accordance with AWWA standards. In June and again in September, we met with the customers of Tangerine to discuss the water quality improvements we made to the systems. We listened to the additional issues of water quality and water pressure and prepared a plan to address their concerns. In September, the meeting was to address the impacts of rates the capital improvements would have on the rate structure we prepared for the filing. We look forward to hearing from you our customers and we will be available after the meeting to answer any questions you may have. Thank you.

Andrew Maurey: Thank you. Next we will hear from the Office of Public Counsel.

Charlie Beck: Good morning everyone. Thank you for coming. My name is Charlie Beck and I'm with the Office of Public Counsel. Our office is separate from the Public Service Commission. Yes.

Ralph Jaeger: Charlie, we can't hear.

Charlie Beck: I'll speak right into the mike. I'm with the Office of Public Counsel and our office is separate from the Public Service Commission. The Public Service Commission has the authority over Aqua. They're going to be the judge in this case and can grant the increase, modify it or deny it. Our office is separately funded and we do not report to the Commission. We are an advocate on your behalf in the case that has been presented by Aqua. Aqua is a subsidiary of Aqua America which is a New York Stock Exchange Company. As you might guess, they have considerable resources to pursue their rate increase. The Legislature created our office to even the deck a bit and to represent you in opposition to Aqua. And we are going to do everything we can to fight this rate increase that Aqua has filed. We have a CPA in our office who is working virtually full time to on trying to get behind the financial information that they have filed. We have also hired 3 uh people who may appear as expert witnesses in the case. One is with an accounting firm and is a CPA that specializes in utility accounting. Another is a person that specializes in finance and the third person is an engineer who works for Tetrattech here in Orlando. And all these people are analyzing the information Aqua has filed and will be prepared to be witnesses in the case. Right now we are in the midst of trying to get documents and having Aqua respond to interrogatories. We are having

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some difficulties in getting that information from them and we filed a motion to have the Commission order them to do that.

We have prepared a separate analysis to try to explain or try to compare your present rates with what Aqua has proposed. I tried to hand it out to everybody as you came in. There's also more on the table back there. We are very concerned that the notice that you received in the mail did not give you the whole story. It simply gave you a rate but did not tell you what the present rates are to compare. It also gave you a usage charge it did not explain that the usage was per thousand gallons. It makes it look like there is just one usage charge not per 1,000. So we did an analysis that tried to compare those rates at various usage levels: 3 thousand, 5 thousand and 10 thousand gallons, so you can get an idea of what their proposal is. Now let me say that that is not the whole story. Uh, right now there are rate bands and your rates are ranging very different for example if you are water rate band 1 or rate band 4, Aqua has proposed to do away with the rate bands and have one uniform rate and that is the rate that you see as the proposed rate in there. So they asked the Commission last time to do that and they denied it. They did not go along with uniform rates. So if they do not go with the proposed uniform rate that Aqua has, the rates would be very, very different from what you are seeing in front of you. And I have no way of to actually give you a comparison but just so you know that for example if you are in rate group 4 right now, it may look light you would get a slight decrease under Aqua's proposal. If the commission doesn't go with the uniform rates there would be a significant increase, instead of that. Likewise if you are in rate group one right now, you would see a very large increase under Aqua's proposal, if the commission doesn't go along with uniform rates it might be less than that. There's a lot going on in this case and it's hard to give you a clear picture but we will try to do the best that we can with this. Thanks for being here and we look forward to hearing from you.

Andrew Maurey: Thank you. Now Commission Staff will provide an overview of the rate case process that will be filed in this case.

Jay Donahoe: Good morning ladies and gentlemen. My name is Jay Donahoe and I'm with the Florida Public Service Commission. Uh, Aqua Utilities....

Crowd: Can't hear you.

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Jay Donahoe: Oh man. Again my name is Jay Donahoe. Can you hear me now?

Crowd: Yes.

Jay Donahoe: Okay I'm with the Florida Public Service Commission. I'm an analyst. I am here to give a presentation on the action and the application that Aqua has just put forth for a Proposed Agency Action. Um, with the application for a rate increase a lot of events take place. Um, in my presentation, I would like to explain to you the proposed agency action process, which we are involved in right now. Um, staff's review and analysis of the case, uh customer meeting, a lot like what we are doing right now, and a possible protest of the Commission order. Now with the Proposed Agency Action process also known as the PAA, the utility may request this by statute; it's an informal process; it costs much less than going to a formal hearing. Um, it must be completed within five months of the official filing date and can be protested by any substantially affected person. Now with the proposed agency action process the Commission has many rules. Um we, staff does a review and analysis of all of the financial records, we hold customer meetings, and um the staff comes up with a PAA recommendation which then is uh decided upon by the Commission themselves on whether to go forward with that recommendation. Um, the staff's review and analysis we do an audit of all the uh of the books and financial holdings of the company uh there's a determination of used and useful plant, quality of service, prudence of the utility operations by our engineers, um and there's also a review and analysis of accounting, rate and billing issues done by our staff accountants. Now during these customer meetings, um the purpose of it is to receive any comments regarding the quality of service provided by Aqua, uh the utility's interaction with you the customers, uh the proposed rate increase, and uh, to answer any customer questions. Remember that this morning this meeting is for you and we're here to listen to what you have to say. Now, when you first walked in, there's a guy, Dick Durbin, back there, you want to come up to speak tonight, today, just fill out a form, print legibly, and um, turn that in to us, and we'll call you guys up as you filled out, uh, the forms. Also back there with Dick Durbin there's a special report given to you by the PSC uh there is a lot of pertinent information on there and also on the bottom there's contact information including our website and our phone number up in Tallahassee. In the very back of that special report, is uh a customer comment letter just in case you uh think of anything after this meeting or you didn't want to get up and speak today or even if you want to go home and your neighbors couldn't come and fill this out and send it in to us and it will be made available to all the parties involved to see online. Um, with the PAA recommendation and the commission conference uh the staff prepares and files a

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recommendation we then um have the recommendation is reviewed by the Commission and is voted on at the Commission conference. Uh the utility representatives, the customers and OPC may attend and may speak. Now if anybody here wants to speak at the Commission conference in Tallahassee, please let us know a week ahead of time so we can get all of your information and get you lined up to show up at that commission conference. Um, also if you wanted a hard copy of the recommendation that we the staff come up with let any of us here know and we'll get um your information we can get it to you the best of our ability whether it be through the mail or email whatever is easiest. Also I said earlier, we have a website, Floridapsc.com, if you visit that website, uh it has all the information that is involved in this case if you look at the very top of the website on the home page uh there's uh a tab that says agendas and hearings. And if you click that tab and go to the next page it has everything live so that the Commission conference, all hearings even everything that has been done previously is located and archived within this website so you can view anything for your pleasure or personal knowledge. Um, now for the recommendation and um the commission conference uh for Aqua the, the, um recommendation is um tentatively scheduled to be filed in February of 2011 uh there's uh the commission conference is then tentatively scheduled for twelve days after that filing date and the commission can either approve, deny or modify staff's recommendation. After the Commission conference, um there is a uh a PAA order issued within twenty days which then sets a, a uh, time stamp for a twenty-one day protest period which any substantially affected person can protest that recommendation, or that ruling by the commission. Now if no party files a protest, the new rates will be effective upon issuance of the consummating order which is about 3 to 5 days, but if a party other than the utility protest the PAA order the utility can put the approved rates into effect but those rates are subject to refund with interest. Uh, now if a timely protest is filed, um a formal process must be completed within 8 months, uh the customer service hearings will be held and technical hearings will be held in Tallahassee. The customer service hearings will be held just like the one today in the service areas. Uh, the utility and protesting parties will litigate the issues, the commissioners can, the customers can also testify before the Commissioners. Now in a formal hearing during the formal hearing process, Uh there's many responsibilities that all the parties are responsible uh need to take into account for. They need to each file testimony, um they're all responsible for putting on witnesses, and coming up with cross-examination for the other parties' witnesses. And also they're responsible for um conducting depositions and also attending the Commission prehearing conference hearing held in Tallahassee. Now after the hearing, uh staff prepares another recommendation based on the evidence found at the new hearing and then participation at the post hearing agenda conference is limited to commissioners and staff. Uh, then the commissioners will make a vote and a final order. Now if anybody was to appeal this final order that must be done through the First District Court of Appeals. Now, during this uh customer meeting, please remember when you come up to the podium that this meeting is being recorded uh please come

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forward to the microphone, speak into it clearly and state your first name and last name and spell your last name for the record. Thank you.

Andrew Maurey: Thank you. Thank you, staff. We will now begin to take customer comments. A copy of this, of these remarks, a digital recording of these remarks is being made and will be available from the Commission Clerk's office. Now before we begin, I'd like, we have more than 20 people signed up to speak and we'd like to afford everyone an opportunity to present comments before this panel. So if you would, when you come, come up to speak you state your name, your address, spell your last name, give us your subdivision, we'd like to uh respectfully request that you hold your comments to five, ten minutes if you have to, to afford your neighbors and other customers an opportunity to address the panel. With that, I, Mr. Beck would you call the first customer?

Charlie Beck: Thank you. The first customer is Roger Harper.

Roger Harper: Good morning.

Panel: Good morning.

Roger Harper: It's a pleasure to see you here. My name is Roger Harper. I live at 1713 Orkney Drive in Leesburg at a place called Scottish Highlands. We have our own wastewater treatment plant so we don't get involved with those rates. So the thing that I uh comes to my mind right away is the uh 2008 hearings and uh the results of those hearings, as far as I'm concerned and as far as the public is concerned. I received a letter from the Public Service Commission, uh I can't recall who it was that uh in answer to my question and that was that Governor Christ had almost mandated that we go to a three tier system and uh that uh that was part of the increase, the increase that we had. Uh, the people that I surround myself with after that hearing uh had very little confidence in the Public Service Commission and as I look through your biographies uh I look at all these fancy titles and fancy places that you've had your educations and my first thought is you know somewhere in there I would just like to see somebody say you know, I am a human being, I have empathy for the people that I serve but you don't. You serve the Governor. You don't have the, you don't care about us. Our Governor would not even answer our letters in the last request. At least he didn't me. Now I look at this increase

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and, and the first thing that I see here is uh 24.98 percent in the basic facility charge. And then I stop to think, what am I paying that for? Uh now where I come from, up in the Midwest, now we didn't have those charges. They, they just ran the charges in with the normal water charges, normal water rates. Uh, then I brought down the block one, now I noticed uh the proposal was uh to go from a 5 thousand gallon tier to a 6 thousand gallon tier. That changes the ball game. Uh but uh block 1 charge per thousand gallons two hundred and twenty four percent. You know what? I retired on 1982 dollars and believe me they have not kept up with the cost of living. You can get if you are lucky, a half to three quarters percent on investment in a bank in a cd, if you're lucky. Most of us who have any investments at all have taken a beating over the last several years and have actually lost money in investments. And here we have a company that has the guts and the gall to come up here and ask us for a two hundred and twenty four percent increase. They got to be nuts. I'll tell ya, I'll tell you what the outcome is gonna be and I not saying this to put anyone on the commission down. But I think they have smarter attorneys and better paid attorneys than what you guys are. And I, you know I'm saying that as sincere, that's the way people feel. Uh, you know I don't want to put you down but then the next tier is two hundred and eighty seven percent. My gosh, we're getting crazier, you know. Uh then you go down to tier three, is a hundred and fifteen, hundred and sixteen percent. Man this is terrible. Whatever happened to Aqua Utilities doing the same thing that other businesses do when they need money, they float bonds. They don't try to gouge the people for every dang dime they can get just so they can put in a water line. If they, if they need three million or thirty million dollars, they'll float a bond. But not them. They want to get into our pockets. I'm gonna stop right now cause I don't want to get carried away. But let me tell you about an old song, an old country and western song. She got the gold mine, we got the shaft. Thank you.

Crowd: applause.

Charlie Beck: Thank you. The next customer is Earl Green.

Commissioner Skop: Hold on a minute. Mr. Harper, could you please come back up again? I have a question for you. Sorry you got away. I don't have a microphone so I'm kind of silent over here. Um, you mentioned a letter you received from the Florida Public Service Commission in relation to the three tiered structure ...

Crowd: Can't hear you. That cord won't go.

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Commissioner Skop: I was reluctant to do these as this is a staff led process, but I did have a question for Mr. Harper.

Crowd: Can't hear you. Speak into it.

Commissioner Skop: I am reluctant to do this as this is a staff led process, but I did have a question here for Mr. Harper and unfortunately I don't have a microphone and so I have come to the podium. Mr. Harper you mentioned that the commission provided you with a response to your letter regarding the three tiered rate structure and you indicated the letter indicated that the Governor had put that into effect. Do you have a copy of that letter because I would be very disappointed if that's the response that you got?

Mr. Harper: I have it in my file at home for, I'm sure. I'll figure it out and we'll send it to you.

Commissioner Skop: Okay. If you get with our staff member in the back there, they will be able to give you some contact information and I appreciate your accommodating us.

Mr. Harper: Okay. Thank you.

Charlie Beck: Thank you, Mr. Green.

Earl Green: Thank you very much for allowing me a few minutes this morning. I think I may be a little late because one of the handouts you gave me indicates that the PC/PSC staff is scheduled to file a recommendation with the commission today or yesterday. Did you file it or am I too late to speak here?

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Andrew Maurey: The recommendation referred to the interim recommendation. The final rates, the rates that you will be paying going forward that vote takes place in March 2011.

Mr. Green: Okay. What are the interim rates?

Mr. Maurey: The interim rates are also included in the staff, they'll be the center column. The uh, if you are looking at page 6, the first column refers to rates that are currently in place, the middle column which has the heading interim rates refers to the rates that would, that are going to be considered at the November 9th agenda conference that were the subject of the recommendation that was filed yesterday.

Mr. Green: So my rates are going up already.

Mr. Maurey: By statute...

Mr. Green: Okay.

Mr. Maurey: The interim statute was followed ...

Mr. Green: I don't want to take up my time with um but I wanted to share it anyway. And I listened to the Aqua utility people tell us the reason for it and I spoke to a young lady on the phone uh it was an 800 number so I only god knows where she lived or anything.... She told me that the reason of the rate increases is they've spent \$8.3 million that they didn't have so now they need it. So I was a little disappointed in that conversation. Uh and I somewhat disagree with what they said and I know you got accountants looking at it. I don't put much faith in accountants anymore if you remember Arthur Andersen is no longer around. Uh your engineers and the other type of people, not a lot of faith in them. Um you know we had Enron that put us out of business with some of the oil stuff. So your credibility, gentlemen, is decreasing. Aqua Utilities putting in infrastructure giving us good water ... there's another factor involved in it. I went out on the internet to what public information was available. Nicholas D. Benedictus, you

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have to be careful when you pronounce that last name ladies and gentlemen, CEO, in uh 2002 he made \$1.1 million dollars, today he makes \$2.5 million.

Crowd: Whoa. Laughter.

Mr. Green: Okay. The CFO David in 2002 made \$315,000. He makes \$794,000 today. You get it off the internet ladies and gentlemen. This is no secret to me. Okay. April 2006, the CEO and CFO made a presentation. They called it 2006 analyst day; I believe that it was in Boston. They made the following comments. There are 50,000 water systems in the country. Demand is generally unaffected by most things that you see other companies affected by: inflation, recession and so forth. We're out of the recession, thank God, ladies and gentlemen, we can afford this apparently. There's another thing that's important about this and this is the words of Aqua America Inc. "we are unique in that we are the lone remaining monopoly that is regulated under the rate base rate of return methodology." Lone Monopoly. For those that don't know what it is, you better look it up in the dictionary, we're a democracy. It's unbelievable what I'm reading. What I'm seeing in this. Here's another thing they said: "Low cost of capital." When they need money they get the public service states to go out and borrow the money and then the taxpayer pays it back. There's no big deal. Low cost of capital is helpful. They've even got their employees involved in the low cost. They have to pay most of their healthcare today and this is in 2006 they're talking about it. And here is the most important thing they said besides being a monopoly: "the last thing that I think is important about our company is our strong regulatory relations." That's not me ladies and gentlemen that's them telling you how strong they are with the commissioners. Hiring the people from the commissioners' staff to help them get um, get their rates through. The money is not being spent properly ladies and gentlemen. My rates 2007 December was \$100 a month. 2008 it's \$200 a month. And with this rate increase, it's \$400 a month. Same usage, two people. Same yard, except for one thing. I finally took out my grass. When you come by my house there is not a green blade shows looking up at you. Couldn't afford the grass anymore, can't water it anymore. I've asked my wife if one bath a week is going to make it for us. It's a pitiful state of affairs ladies and gentlemen. Takes my breath away. I'll leave you now for the rest of the people cause I'm sure they have things to say too.

Crowd: Applause.

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Charlie Beck: The next customer is Cynthia Irwin.

Cynthia Irwin: Good morning. I'm Cynthia Irwin. I live at 36765 Shadow Hill Drive in Fruitland Park. Um I wanted to come here today because at this point it doesn't matter if you get a rate increase or not a rate increase cause our water is not drinkable. It has not been drinkable for a long time. It smells like rotten eggs or sewage. Either myself or my neighbor calls Aqua the 800 number about every two weeks and they give us some story about flushing the lines and after my third call they sent out this young man that jumped out of his truck to get a water sample with his little Gatorade jug which I'm sure was not sterile. He got it out of my water hose and it had been laying there for at least two weeks cause we don't water so I was kind of curious of the water quality that was in that. Probably wasn't any better than what we get in our kitchen though. So I think you know you mentioned the New York Stock Exchange and how unlimited access to pursue this rate increase and perhaps they need to take that money and give us drinkable water. Or refund all water I have had to buy every month in bottled water since I can't drink our water. And I'm getting real tired. My neighbor finally got to the point that she was so frustrated that she called them and said, either get us decent water or we are getting channel 9 involved. Because you know they had that incident with that other city a few years ago. That straightened it up for about 3 weeks anyhow. So I don't know who you know is in charge of getting our water drinkable or if it ever will be, probably not. Cause they're not going to get us decent lines I guess is the problem. I'm not quite sure what it is but I guess I implore you today please don't give them an increase because the water is disgusting It's not even worth having. Thank you.

Mr. Maurey: Thank you.

Mr. Beck: Thank you. The next customer is Billy Pierce.

Billy Pierce: Bill Pierce. 33739 Linda Lane, Leesburg, Florida. Okay I got this in the mail. It states here that customers should be aware that the rates on this are for, are all gone be all the same for each customer. It does not say anywhere about a rate increase on the paper that I can find. It says that it wants all customers to pay the same rate. You have this right?

Mr. Maurey: Yes.

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Mr. Pierce: See it's highlighted here in black. Rate increase you are aware of that..... alright I was talking with this gentleman earlier in here about this uh (inaudible) water company right and he's talking about needing money. Everybody needs money. I need some myself you know what I mean. You had a rate increase 2 years ago and here this other gentleman is talking about how much money you make and how much raise you got and that's a good deal you know. Anyway, if you are hard up for money this bad, why don't you just go with this bottled company, along with this Frank Wood and (inaudible) try in get that in there and he said he would take that tax money and get you some of that tax money and if you are that hard up help Mr. Wood fight these people. That stopped his bottled water company. So I just thought they were hard up so and I don't know if you are aware if this or not and I pay taxes too ... I think that is terrible. I'm not campaigning and I'm vocal and that's a fact. Also I was watching the World Series last night and (inaudible) and I say God bless America. (*Garbled speaking on some of the above*).

Mr. Maurey: Thank you.

Mr. Beck: Next customer is..... I'm sorry.

Mr. Maurey: I'd like to mention that Representative Allen Hays has uh joined us for this uh meeting. Representative Hays could you uh

Representative Hays: I really don't have anything to say. I'm here with two ears and keep my mouth shut preferably. I just want to hear the concerns of the constituents from this area and see what kind of input you have. Thank you.

Mr. Maurey: Thank you.

Mr. Beck: The next customer is Bob Gruno.

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Woman in audience: May I make a suggestion please?

Mr. Maurey: Yes ma'am.

Woman: If these people that are speaking could speak at the side and then we would have a better chance of maybe hearing them that way too. In drama you don't have the audience listening to the back of the person.

(Moving podium.)

Mr. Maurey: Thank you.

Bob Gruno: My name is Bob Gruno. 34834 South Haines Street Road, Haines Creek Mobile Homesites. The question that I've got in mind to ask is there's been a lot of unnecessary uh improvements that has been made and everything and I know they like to have all the expenses to get in front of the Public Service Commission ask for a raise a showing that they spent this many dollars and that many dollars and everything. I'd like to CEO here especially Aqua people to listen to this. I want them to check out um Leeann Hines (spelling?) home across from the clubhouse in Imperial Terrace. They can check right there. Two years ago or so they put in electronic meters. They did. And last summer my sister got a bill from Aqua stating two hundred some dollars uh that she owed for back water because the meter was not working properly. She wasn't even there the whole entire time. They only lived there in the winter season. They're up in Michigan in the summer season. And yet they made her pay this \$200 some dollars in which they weren't even there to use water. And she tried to explain that to their office and they refused to even find anything out to check it. In the mean time now since then uh about six months later they came there and um tore up the ground around the meter and everything and uh done something to replace the meter. But right today if somebody wanted a good lawsuit for Aqua and she has repeatedly asked them to come and refill the hole up and take care of that problem there cause it doesn't look nice in the back yard and its is a very dangerous hazard for Aqua people to leave something untaken care of like that. Um Main Street Mobile Homesites Waterworks and everything um that had been run real super great for about twenty years. No problem with everybody enjoying the taste of the water and everything. Uh, wasn't Aqua's first deal they when they bought, didn't buy it first from the person but they bought it from another

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party. All these parties that have, Aqua including, does that, I don't feel hire the best technicians and best qualified people. I wonder if the person that comes to check our water system is even registered and certified or is a college graduate under these kinds of conditions and everything. Maybe some of the high paid CEOs and high salaries maybe they should take some of the money they make and get them a little better quality of people to maintain and take care of their water systems and everything. That's all I want to say.

Mr. Beck: Thank you. The next person is Clarence Van Waardhuizen.

Clarence Van Waardhuizen: Good morning. Thanks you for letting us speak. My name is Clarence Van Waardhuizen. I am the owner of the Sunny Pines Mobile Home Park at 5902 North Orange Blossom Trail in Mount Dora. This rate increase is a real problem for us. We're a 55 plus park, several residents trying to live on social security, low retirement plans and so forth. There's really no way we can bump our rates for them on a monthly basis to pass this charge along to them. In so keeping, yesterday I went through my past bills for the last, since 2007. And I mainly looked at that usage over 10,000 gallons per month cause we hit that very, very quickly within a few days of the first of the month cause we have all the people using it. You might pass these down if you would. (*passing papers*) In October of 2007 the price per thousand gallons of water was \$1.53 and the sheet I passed down there shows the different years that we went through. Our current rate is \$6.01. That was an increase of 393% since 2007. That's 3 short years. If this current proposed rate goes in with the \$12.98 it would be an increase of 848% since 2007. There's something wrong with this picture. We need to get this fixed. Everyone else has to tighten their belts at this time. The money's just not there. So let's hold these increases off until this economy rebounds and people start getting their social security increases again. Let people live. Thank you.

Mr. Beck: Thank you. The next customer is Keith Goodman.

Keith Goodman: My name is Keith Goodman, spelled G O O D M A N. I live at 30718 PGA Drive in Mount Plymouth... don't really have problems with the service that we primarily have because Aqua purchased the system after it was put in our development. So the system was relatively new. It's been stable, operating fine. I think that one of the issues that bothers me if we could begin to look at their financial issues. All this within our development we have residential water and we have irrigation water. Now in relation

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to that I get two bills – it comes in two envelopes, two statements one for irrigation water one for residential water. And if you send in on one check to pay the two bills – good luck because it can be from 3 to 5 months until it's figured out. Now if they can't figure out how to reduce their billing statements by 50%, I wonder what's happening with the rest of their accounting procedures. Cause all I need to do is to take two account numbers and make one account and send one envelope, with one bill, receive one check, and the bill is paid for. So I begin to request if you will to take a look at what their accounting procedures really are. In being from the Midwest, with a somewhat rural background to me if you look at those things it ought to be plain as the ass on a goat.

Audience: Laughter and applause.

Mr. Beck: Thank you. The next customer is Richard L'hommedieu.

Richard L'hommedieu: My name is Richard L'hommedieu. Last name is spelled L ' H O M M E D I E U. I'm pleased to be here this morning and I am located at 1112 Ben Hope Drive, Leesburg Florida and currently hold the position of president of the Homeowners Association in Scottish Pines. I will not repeat the remarks that have been made but I totally agree. Thank you very much Roger. You did a good job. I would point out to you that since the rate increase in the year 2008 within our community of 650 homes, 89 individual wells have been placed in for irrigation purposes. We are seeing requests for 2 and 3 and 4 a week. And if this goes through, I think you will probably see 650 wells go through. This is ridiculous. And I read one comment that was made here in the special report and I quote from it: "Item 2: why is Aqua requesting a rate increase? According to Aqua's petition, it is requesting a rate increase to cover increasing operating costs and to earn a fair rate of return on its investment." My question to you is a fair rate of return on their investment, how about a fair rate for the users? Thank you very much.

Mr. Beck: Thank you. Next customer is James Lingeman.

James Lingeman: I'm Jim Lingeman. L I N G E M A N. At 37511 Quail Ridge Circle so I'm in the Quail Ridge subdivision. I notice here the only reason I thought this hearing would be held was because Aqua wanted a uniform rate on their customers. This rate increase would increase my bill 13% from the last monthly bill I got. And I can't

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understand why they need a uniform rate. They're able to keep track of all their customers' names and addresses. They ought to be able to keep track of an individual rate. To make it all uniform just so I get an increase I can't quite see the purpose of that. That's kind of silly in this day of computers.

Audience: Applause

Mr. Beck: Thank you. The next customer is June Longnecker.

June Longnecker: I was told to speak into the mike. My name is June Longnecker, L O N G N E C K E R. I live at 1306 Moray Court, Leesburg, which is Scottish Highlands.

Man: Hold it down so you don't have to stretch.

June Longnecker: Ok. I'd like to address one thing that Mr. L'hommedieu brought up on the front page of the special report. Number 3, it says "When was Aqua's last approved rate increase? In 2008." They are allowed a 1 ½ percent rate increase without the inconvenience and cost of a public hearing. That has affected our rates since 2008. There's been a small little adjustment. It went from a \$1.97 a thousand gallons to \$2.00 a thousand gallons. Your meter went from \$13.79 to \$14.31, I believe it is. I did just a little basic math and I have a water bill in 2008, in June of 2008 for 20,600 gallons. At that time it was \$35.82. Since then we put in a well. We use it for irrigation only so our house water is only something under 2,000 gallons. It's minimal. But if we hadn't put that well in and this rate increase goes through, for the same amount of water that cost me \$35.82 two years ago would cost me \$235 and change. That's basically all I got. Thank you.

Mr. Beck: The next customer is Dorothy Willis.

Dorothy Willis: My name is Dorothy Willis. My address is 40101 Orange Circle, Lady Lake, Florida. It's part of Carlton Village. I'm distressed by the notice I received that was sent out by the utility and reviewed by the staff. I guess the staff is too professional to recognize that a lot of us are not used to looking at very much more (cough blocking

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sound) ... and writing a check. They gave a comparison between apples and oranges. My bill tells me I pay 003.8 something per gallon. Here it reads like maybe, I wish, that if I used up to 6,000 gallons of water I would only have to pay \$6.49. Kind of misleading? Heavens to Betsy I think what they meant was \$6.49 per thousand. But again, if you don't read things carefully and think about them and worry about them, which I don't need. I have a heart condition. I wish they had said: we're raising it from 003 to 006 then I would have no problem seeing what was happening. This is very misleading and it slipped by the staff who are supposed to be very careful at scrutinizing what goes in front of them. Especially since they reviewed this. Anyway, again, I wish my salary, my annuity, my social security had doubled in the past few years like the salaries of the directors and the president of Aqua America. I don't know. I don't think anybody else here has had that good luck. Unless you are working at Aqua maybe, I don't even think the staff has gotten a doubled increase in their salaries. Aqua has not lost any money over the past two years. In fact, it has prospered so much that as Aqua America they're now paying 7% dividends on their stock. Don't you wish you had all your money in Aqua stock? Especially if the bank is only paying .003% on your CDs. I'm.... this is ridiculous. And then when you look at the fact that in Lake County we have unemployment of 12%, that means a lot of homes are being attacked in a way that is so desperate that our food banks are having a hard time of keeping themselves in stock so that they can help those folks in need. I'm distressed to some extent with our staff at the Public Service Commission and the Commission itself because my concept of capitalism says you take your money and you invest it and you get a return on your investment but for some reason somebody glitched their thinking and decided that the customers are going to provide the money for the investment in capital improvements. But they aren't going to get any investment return. Where is capitalism when this is allowed to happen? Anyway, I was reading about what's happening in Pennsylvania. They're going, Aqua is going to issue a bond and raise lots of money and pay investors, which is great. But they're also increasing their rates. Alright, you're going to have to pay the investors some dividend on their bond or whatever they call the money for your bonds. But of course it was so interesting to read they had a special provision was going to be made for the low income in Pennsylvania for those that have trouble paying for their water bills. Are they going to do the same thing in Florida for those of us who are going to have trouble paying our water bills? Thank you for listening.

Mr. Beck: The next customer is Lois Dodge.

Lois Dodge: Lois Dodge. D O D G E. 31529 Terrace Drive, Tavares Florida. First of all, thank you all for listening to me. I'm a nurse. I take care of people I don't confront them so if I trip on my words, forgive me. I agree with the previous speakers. They've all been

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right on as far as I'm concerned but my biggest concern is with the new rate changes. People who use 0 to 6,000 gallons will be charged a set rate. I think that most of you know that Florida is a state that has a transient population. So the people who are not here in the summer will be charged for 6,000 gallons whether they use it or not. I find that grossly unfair. Aqua Utilities did come to our communities and put electronic water meters in to supposedly make a more accurate reading and to upgrade our service. It didn't. It upgraded their efficiency. I believe in capitalism, companies should be able to make money but when it's a public utility and you can't opt out of it this is excessive. The small users, don't you just think they'll find a way to use the water? They'll probably just let it run into the street. We're supposed to conserve our natural resources. This doesn't promote any type of conservation. It promotes waste. Anyway, last time in our community you got an 18% increase, most of us in this room are saying we didn't really get any increase. And the block consolidation rates should not be approved. Thank you for your time.

Mr. Beck: Thank you. Ms. Dodge. Charlie Beck. I think the notice is very confusing that you got in the mail. I mentioned that the rates that they are proposing has a base facility charge that everybody pays whether there is any usage or not but the usage charge is per thousand gallons. The notice doesn't tell you that on the usage so that when you see the first 6,000 gallons, the rate they are showing you is for each thousand gallons. So it's not for 6, it's per 1,000 gallons.

Ms. Dodge: Does that mean if there is no usage, there's no charge?

Mr. Beck: That would be true, there is no usage at all it would just be the base facility charge, alone.

Ms. Dodge: That was very misleading.

Mr. Beck: Yes. The next witness is Kenneth Nyong. And I apologize if I mispronounced your name.

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Kenneth Schmidt: I know I am supposed to speak into the mike. Good morning. My name is Kenneth Schmidt. S C H M I D T. Either I can't print or something else. I live at 70 Stonehaven Court, Leesburg Florida in Band 1, Scottish Highlands. It's just interesting to me that reading Kiplinger's Letter telling us that inflation is somewhat less than 1.5, between 1 and 1.5 in the last years. The federal government telling us that it's less than 1% per year the last two years and yet we have the nerve of this company they ask for increases of over 100%. I hope that the PSC uses some common sense here and realizes that these rate orders have just gone out of sight and unreasonable and takes that into consideration. Thank you.

Mr. Beck: The next customer is Bob Welder.

Bob Welder: Welder. Good morning. My name is Bob Welder. That's spelled W E L D E R, just like a welder. I live at 36447 Bristol Circle, Grand Island and we use the Grand Terrace water service. Anyway, it seems like as many of you have probably realized every time you go to your mailbox you get a new proposed increase from Aqua water. I've got listed here June of 08, you got a proposed increase, August of 08 a letter for proposed increase, March of 09 a proposed rate increase, October 09 a 2.33% increase, and this last one October 29. First off, this report is incorrect. Number 3, it says their last approved rate increase was in 2008. Okay I have a letter here, this is dated February 24, 2009 "at the Florida special agenda conference the commission took action on Aqua's application for revenue increase." Subsequently at the March 25, 09 special agenda conference, the commission took action on monthly rates. As a result the commission approved a revenue increase of 58.92% for water and 77% for wastewater and that was effective April 1, 2009. So that's after 2008. Then in that same year August 29, 09 they uh they increased the rates for Grand Terrace by approximately 2.33%. Uh that's 2 increases as of 08. And so far right now what they're proposing in my development it looks like my water will go up from \$3.82 a thousand gallons to \$6.49 which is like a 70% increase over top of the in 2008. I used to pay \$15 a month and now I'm paying about \$25 a month for less water and that's about another 50 or 60% increase. And um the only thing I have to say is I don't place a whole lot of faith in this whole thing because if you guys vote against it we'll get another letter in March of 2011 saying Aqua's proposing another rate increase. Every time they fail in their request for increase, they just send out another letter and reapply and now we go this whole process over again and over again. And so, that's all I have to say.

Mr. Beck: The next customer is Harold Robinson.

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Harold Robinson: Thank you for letting me come. My name is Harold Robinson. I live at 1205 Loch Rannoch Court, Leesburg Florida, that's part of the Scottish Highlands. I lived in, fortunately I lived in a community before that had their own wells which I didn't have this problem. I moved into this community in June of this year. We bought the home in May and I just want to go over a couple of things that have happened. Now I'll try to make it short. When we first went there we moved in on June 15th, on the May 20th is when we purchased and we used a sprinkler system twice and we used very little water. And we had a bill of 8700 gallons which came to a total of \$33.42. Under your proposal, that same bill without us living there would have cost us \$82.87 which is a total of 2.48 or almost 2½ % or 2½ times the rates which is unconscionable. I ran a bank for many years, I ran a couple of banks, and I cannot see a corporation that is so outrageous, it's raising rates this high and I can't quite frankly see the public water commission approving something this ridiculous. Now, I took a couple of things, one person mentioned twenty thousand gallons. I took a look at a water bill, if you had a total of 20,000 gallons for your lawn, for sprinkling your lawn, now that twice a week during the summer a total of nine times let's say, on an average, that's 24,000 gallons including the use of your home, which is for your toilet, your sink, your water, your washers, your showers, etc. That would be a cost of \$270.74. That's getting outrageous, that's per month. What the heck are they trying to do? Are they trying, now I have no problem with dividends. You have to make a profit. There's no question you have to make a profit. You have to pay a return to these people. But this is unreasonable. I talked to three people at Aqua Water. I got two different answers on this whole thing because quite frankly this is false advertising. And unfortunately the public water commission put the same figures down. They put a block. A block is wrong. The one answer is yes you are paying \$6.49 for that first block up to 6,000 gallons. I talked to the third person they said no it's \$6.49 per thousand gallons. Or .00649 per gallon from .002. This is unconscionable. What is wrong with even coming up. I don't know why this Public Service Commission said no, this is not going to be allowed. My son's an attorney; I tell you what he'd be doing. He'd be getting on their case and darn fast. I believe in paying returns to your people that put their money into this corporation. I believe in getting a good salary for these people because its important that they get paid for the job that they do but quite frankly at 2 ½ just \$2 million a year income which I have no objection to if he makes the money, it's unconscionable when he's gonna gouge everybody else to get it. Is he a human being or is he someone who wants to get nothing but money out of everybody else. I think the service commission has a responsibility to say we are not going to tolerate this kind of indifference. And I think that, but first I want to give a compliment. I want to compliment Bart Fletcher. He called me back when I called him. He's a kind gentleman and I want to thank Representative Hays for being here because I didn't talk to his office but I talked to Terry Baker's office. Now I expect him as my representative to be on the phone talking to the proper people

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to getting something done. I believe in a small raise. I believe in giving them a fair return. Just alone on the base rate, they are going to make with 16,000 so many people – are gonna make a half a million dollars a year, which is a nice increase. I don't believe in gouging people. I didn't charge people 20% when the rates were up to 20% for mortgages. I kept it reasonable but I'm not seeing it with this company. I have no problem with my service but I have a problem with their costs. And when you put on advertising, and you put on its going to be so much make it right for the people. If it's so much a gallon, say it. If it's so much a thousand gallon, say it. Don't put it so it's false and this is false on their part and it's criminal. Thank you.

Audience: Applause.

Mr. Beck: Thank you. The next customer is Jack Hallett.

Jack Hallett: It'll take me a long to get there. It was a long trip from over there. After the July 16th meeting I wrote a letter to Mr. Carter who was the chairman of the committee at that time. And instead of getting a letter back from him after the horrendous increases, I got a letter back from one of his people and his suggestion was pretty much a slap in the face. He sent back saying exactly what I said. All he did was show me the rates and then what he said was this type of rate structure is typically recommended by the regional water management district as a conservation measure. Now this was the same damn time the St. Johns was giving Niagara 500,000 gallons a month. And when we use irrigation water a good 50% goes right back to the aquifer. And he's telling me that you raised the rates so that we would use less water. Now this is a real slap in the face. And I don't get a letter back from Mr. Carter, I get a letter back from Randy Roland and then he tells me if I have any questions don't call him, call one of his people, Ellen Plendl. How many people do you have up there on this committee? It just seems like you can't get through to anybody. And you wonder why people are mad at government today and why people are angry and voting against who's in. They're trying to get them the heck out. It's just is so annoying, you can't get anywhere. I'm gonna skip a whole bunch about the stuff I had, but the water meters that cost us \$7.79 eighteen months ago went up to \$13.92 at the last raise and they weren't to do us as consumers any good at all. They were strictly for Aqua Utility's benefit. So they could drive by as a labor saving instead of to go, having a guy go around and read each meter. Now they're going out to 6.17 ... now how much are they? \$17.50 is it? Can't even read my own damn note. \$17.66, so it's another 20... 200% increase from the original. They don't cost that much. They probably already amortized what the original cost is. And this is a

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labor saving device for Aqua Utilities. It does us consumers no good. So how many times do we have to pay for those water meters? I mean if they buy a new truck for a meter reader do we have to pay for that? Are we paying for their new building up in the Villages? My last bill, September bill, and I was watering once, once a week instead of twice a week like I could – was 53 bucks. So using the new increase would be \$125 which is a 133% increase. This is asinine. Now we have a – I live in Scottish Highlands also – and we have a – it's a beautiful area. We have a lot of lawns and what this has done to our places is awful. It's a damn shame because the housing prices as everyone knows has gone down and this hasn't helped at all. People are letting their lawns – a lot of people can't afford to irrigate so the lawns look like the dickens so it's dropped the prices of homes even more than they already are. And it's a shame.

Woman: Speak into the mike Jack.

Jack Hallett: And it's just a crime what this has done and this will be even more people that let their lawns go to sand and it's just hard. To get back to these ... Now I got so upset, I lost my train of thought. All right, I guess that's about it. Anyway, I wish when I was in business I wish the heck that I would have know that there was a business like the Florida Commission I would have gone into some sort of business that guaranteed me a profit. It must be awfully nice to do that. When I was in business, I took my chances. I did go under one time and had to get back on my feet again and start all over again. But that's capitalism. You go into business as an entrepreneur and you take your chances. If you make it, you make it; if you don't, you don't. But this is wonderful to be guaranteed a profit. Wow, I wish I had done that. Thank you for your time.

Mr. Beck: The next customer is Donna Kuczynski.

Donna Kuczynski: My name is Donna Kuczynski. That's K U C Z Y N S K I. I live in the Fairways at 30418 PGA Drive, That's in Sorrento.... And I came because already I have a high bill. Uh the combination of two which this gentleman from Fairways said is absolutely unnecessary. You can't pay it over the internet. You have to, you know, write two checks and send it off every month so that is a waste. If there operating expenses are going up well they can cut that out. Cause the thing is we are a recent acquisition, the Fairways, it's new homes. Unfortunately, we bought ours at the peak so you know when prices were high so our home bought at \$280,000 is probably worth about a \$135,000. Now you guys know this, maybe you don't have to relate to that but pretty

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much I'm living in an upside down home which when we retire very shortly, I'm going to have to walk away from. There's no way I can make that up. You're asking us in a subdivision that already has quite a few foreclosed homes in it, people walking away from those homes, you're asking me to give you, have \$98 worth of irrigation money, you folks from Aqua, and \$46 for the inside water That's like a \$147. And you're asking us in the Fairways to pay for the infrastructure we're new. We have good infrastructure. You're asking us, and I feel sorry for these people who have problems with the smell of the water and the gentleman from the Fairways said ours is good. We have things okay, but you're asking us to, if you look at the sheet of rate comparisons, you're asking us to, look we're the highest. 633% increase. That's going to make for a lot more abandoned homes like the gentleman said. But we just can't sustain this. Why do we have, why do we... they chose us, they chose us, they bought us from the developer. And now they want us and because it looks like our rates are lower but who gets to see a 633% increase? Would you like your water to be increased by 633%? Just look, the Fairways is the worst, look at that chart. That's all I can say.

Audience: Applause

Mr. Beck: The next customer is Tony Vandenberg.

Tony Vandenberg: I said enough is enough. My name is Tony Vandenberg. V A N D E N B E R G, Post Office Box 314, Tangerine Florida 32777. I'm part of Focus Group in Tangerine. I first promised that I would not say anything about rates but I will say one thing about rates. And an almost 112% increase on water is absurd. We're in a recession; we're in a depression, that's silly. Couple of other things: Communications. And I mentioned this the last time I met with Aqua. We have... I'm the chairman of the church council in town at the Tangerine Community church. We've had things like trucks driving over our backyard which could be our drain field, we're really not sure. Uh, it was supposed to be reseeded when they were done. It never happened, hasn't happened, probably will never happen. They turned off the water; I mean we have one toilet in this church, its a little community church. They had two lines going in there. They turned off the wrong line without a reason, knocked off all our sprinkling system, killed over a \$150 to \$200 worth of flowers, never replaced it. They have made a mess at the water company. It's adjacent to the town park. The town park where children play, people walk their dogs, people jog. The far side of the water company is atrocious, they have limbs, stumps; all kinds of things that people could get hurt with, not to mention some nice safe havens for some snakes and such. I have a water softener that they ruined on me three

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years ago. They've been told about this for three years now, come and replace it, just take care of the filters, replace the filters Why is it that way? Because I went away for three days, I came back my dog, my water had been rust, I mean pure rust. Fine, I'm sure they inherited some old pipes and everything. They changed my water meter, my house sits about 100 yards off the main road and my water meter was near the house. They put a new line in, put the water meter towards the front of the house 100 yards away from my house so if something happens to that water line, it comes to me, it's my bill. Nobody's made a motion to correct that. This thing with the comparison rates, my gosh. Can it be any more confusing? It really is, I mean. I'll try to stay near the speaker. But I'm done. I mean this is silly. 112% rate increase. Wrong. Thank you.

Audience: Applause.

Mr. Beck: Thank you. The next customer is Theodore Stratton.

Theodore Stratton: Yes. Good morning. I'd like to thank you for this opportunity. My name is Theodore Stratton. S T R A T T O N. I live at 205 Sarah Lane, in Leesburg and I'm on the Fern Terrace system. In the 1980's I was the director of a mutual water company in Colorado. And this time included the collapse of the oil scale industry and the bubble of the savings and loan debacle. We kept our water system running without raising rates because nobody could afford it. When something broke, we fixed it. We just managed by working really hard to keep our customers in water without bankrupting them. Since that time I have watched the water industry, particularly looking at the consolidation of water systems and when Wal-Mart got bigger, prices went down because there is an economy of scale. Where is the savings in economy of scale in these water systems? They can't have 27 different presidents or financial accounting systems. When they put the drive by water meter, in did our rates go down? No but because they are a public utility, the public service commission guarantees them a rate of return. So the more money they spend the greater their rate of return is. I've been waiting for this to happen because I knew as soon as a water company gets to be a certain size they would come up with something as absurd as this. Uh the percentage of increases is staggering. In this area, the largest percentage of people on social security in the entire United States, they're on fixed incomes, they simply cannot afford it. And then comes this document. I look at this thing, I see a tap fee which is your basic charge going up \$1.30. And you look at this thing and it says block one, one to six thousand is \$6.49 Gee that's nice they are gonna raise this one piece a little bit but my rates are gonna go down. But then I saw this next section, \$9.73 for block two and it just sounded

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too good to be true. So I called Aqua Water and I asked these people, is this \$9.73 for the next four gallons, yea that's right. Well it's a good thing I came here today because it's not correct. Now there is no justification for anything like this percentage rate increase. They should be cutting our rates because they have a larger, their business is larger. They should have been able to cut their management overhead because they don't have all these individual businesses. They should be able to purchase their materials at a lower price because they have economy of scale purchasing. There's something wrong here. These people are not managing their business properly. I know cause I ran one. Thank you very much.

Mr. Beck: The next customer is David Bussey.

David Bussey: Well it's good to see you folks again. It's my third meeting and uh we were down in where were we last night?

Mr. Maurey: Lakeland.

Mr. Bussey: Lakeland. And then we were in Sebring the night before that and New Port Richey before that last week. My name is David L. Bussey. I live at 4948 Britni Way in Zephyrhills and per your previous request I will try to not be very redundant. It's getting harder and harder to do. Thanks for having these meetings. I want to thank Commissioner Skop again for being here and for the record because none of the other Commissioners are here, especially Commissioner Edgar, I'd like to let her know concerning this rate case and all the other ones that she is doing a terrible disservice to the customers in this Aqua system and she needs to be replaced. Um just so you understand these folks over here are staff and this is a Commissioner. The commissioners, not commissioner Skop, but the other commissioners in the past are the ones who have been doing this to us and it needs to be stopped. I also wanted to say hello to Mr. Lihvarcik again and you guys did not introduce who was with you. Of course the counsel is here Mr. Hayes, good to see you again, and of course the rate engineer, Troy Rendell is here with Aqua, whom I found out last night in Lakeland, his most recent job was with the PSC. I oppose any and all rate increases. I want the revocation of the Zephyr Shores system. I'm requesting a proposed change in legislation and I referenced it last night. A memorandum that Commissioner Skop had asked for in 09, dated January 16, 09, and I read this a couple of nights ago requesting a change in the legislation that would give the Commission more latitude in revocation

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of certificates which is what we need. This went somewhere into PSC heaven and it's still there apparently. And I'm requesting that the staff find this document and finish processing it and get it to the Commissioners so they can act upon it. Instead of leaving it wherever it's at. I also have petitions here from Zephyr Shores from the two parks involved, Zephyr Shores and American Condominium Park. This is a partial list of signatures, there's not many because most of the sunbirds still are not here yet. Okay, but I want this entered into the record that we the residents of Zephyr Shores Property Owners Association Inc. and American Condo ask the Florida Public Service Commission to reject any proposed rate increases from Aqua Utilities Florida. And I also have a letter here which I would like entered into the record. This is a letter written by Representative John Legg in Pasco County dated October 21, 2010. And it's to the Public Service Commission asking them to stop this ridiculous thing they're doing here to all of us. This is oppressive; it's never ending always increasing. It's got to come to an end. Things has to change and I'd like this entered into the record too because along with Representative Legg and all the other state representatives in Pasco County last year who put together a letter and put all their signatures on it and sent it to the Commission to have it put into the record saying basically the same thing. Well that letter got ignored. Okay. They snubbed our state legislators; ignored them; didn't even put the letter in the record. Shame on those Commissioners and who else might have something to do with that disservice to us. Having a meeting at 10 A.M. in the morning, I don't get it. There are 7,000 rate payers up here and you are having a customer hearing at 10 A.M. in the morning? On a weekday? I don't know if I can blame the Commissioners for that. But somebody should be taken to task for that. That's just another display of how you feel about customers. You don't care about us. You demonstrate that almost every time you do something regarding us and I'm sorry to disagree with you. Commissioner Skop I don't think you had anything to do with scheduling these meetings. So I'm blaming you guys, the staff. This is just uncalled for what you are doing. To me it's telling me you don't want all these people here because you don't want to be here a long time hearing the same thing over and over. And I just, it's just, I don't understand it. I understand the Orlando Sentinel today has got another article in it blasting the Commission referencing corruption. Can't help but think there's some there somewhere, I just can't help but think that. And I think we're going to find it. I think we're going to push and push and push and we're going to find it because these rate increases are insane. You folks need ...

Audience: Applause

Mr. Bussey: It's so insane that I joined an organization to help fight this thing statewide called Flow Florida, because it's got to be fought statewide. You can't do anything about

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this. My little group in Zephyrhills can't do anything about this. But there's about 20,000 ratepayers in this state that are putting up with this crap. And if we get together, we can do something about this. Sitting in McDonald's this morning and I picked up the paper and I thought I can find something in the paper just like they do on the radio talk shows. I get, they just use newspapers you know so I went to the comic strips and I found this and I changed the name of this Dilbert comic and I got in here Edgar, that's my favorite Commissioner, uh this is Dilbert now, 'Edgar, you've been such a good intern that I have decided to promote you.' says the Aqua utility guy. 'Your new status is called PSC Commissioner. You will exist in a plane between the living and the damned.' And the new Commissioner says: 'Yes, I will exist.' And the utility guy says: 'Great, it went right to his head; he'll do exactly what I want him to do.' Our biggest problem although it seems like it, our biggest problem is not with the most notorious water profiteer in the state of Florida. It's really not with them, even though we think it is. You folks have got it good up here... You've got to... I don't know when you're going to make these audio recordings available on your website of all these meetings that we've had but you folks have got to get on there and listen to what's going on at these other locations. You've got it good. Where we are, we've got it good compared to what we've been hearing. This is a terrible thing that's going on here; a terrible thing all over the state. Make sure I don't forget anything here. Okay, just about done. Based on the comments, complaints, and horror stories that I've heard at these past meetings and that I have been hearing today, there is no doubt in my mind that current state statutes allow utility companies to take advantage of ratepayers. The Commission needs to be taken out from under the control of the state legislature, who are beholden to the utility industry here in Florida.

Audience: Applause

Mr. Bussey: And you've got to understand something. You can walk up to Jack after the meeting and talk to him about your little problem and he'll listen to you and tell you what you want to hear. But I want you to understand something he could care less about your problems. He could care less. And I want to tell you something else. The Commissioners have their track record in the past and we'll see how they do coming up here in the next few months. But the Commissioners' track record has also proven that they could care less about you. They're in business to keep these folks in business. And that's got to change. That's not the right philosophy. We are being conquered because we're divided and only you folks, the ratepayers, can correct this real underlying problem that we are experiencing. You've heard of the tea party and the impact that it's having all across this country? Well there needs to be a water party. And I hope you join it. And I'm done. I'll see you in Tallahassee guys and gals. Thank you.

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Mr. Beck: Thank you. The next customer is Greg Andes.

Greg Andes: Good morning. My name is Greg Andes. A N D E S. And I live at 25101 Chipshot Court. Mount Plymouth Fairways is my subdivision. I just want to touch off on a lot of things and I want to address the president. And hopefully that you're not taking notes and not looking at me cause this is for you. Okay I had a lot of issues with my water. Your customer care doesn't really care. You know, they don't know what they're talking about. Yea, there are places in my subdivision that don't have problems with their water. I'm at the end of the line. I'm pretty much the last house on my system and I have problems. I've spent \$5,000 trying to fix it and I could have bought a well for that. But in my subdivision we don't allow wells. I spend in upkeep of my equipment that I have purchased to have quality water \$40 to \$50 a month. I'm on a fixed income. I am a disabled veteran. So if you guys want to gouge, that's fine. I'm all about the American way (inaudible) but what you're doing is essentially being a gas fighter but with water in a hurricane or a state of emergency. These rate increases they don't mean nothing to you. You just line your pocket. When it comes down to it, you're hurting the consumer. As a private water utility for profit you should want better county standards, better federal EPA standards, which I have lower and borderline EPA standards at my house before I get to my filtration. They always say well we'll just flush the lines. I shouldn't have to call and flush the lines to have them flush the lines. They should already be on top of it because you know what, the total dissolved solids coming out of your lines is well within the EPA standards, but it's not my standards and I hold myself to a higher standard. Which everybody should be able to drink quality water out of their tap. Where people are buying water, doesn't work. And I'm addressing you personally because you are the one that is lining your pockets. Because you're not making an effort to keep quality water as Florida is a peninsula with water around it; you're just lining your pocket. You know with all these rates increases, when is our water bill going to be more than our mortgage payments? Keep it going and that's what it's going to be. And that's to the Commissioners and the staff of the Commissioners. You know, they have dual meters in our property, on our properties, one for irrigation water and waste. But what happens, you can't combine the two, like Keith said? That's first of all, according to that other gentleman that just preceded me, 22,000 people in the state of Florida for ratepayers or whatever the number is, cut that in half and multiply it by 12 ½ 12,000 now I'm not very good about doing numbers in my head, 48 cents for a stamp, you're saving money there, cost of paper, cost of people to mail them out, to print them off and mail them out you're saving money there. Why do we need these rate increases? You feed you want to line your pockets. That's how I feel about it and I'm not getting a quality service for it. I pay for a service, I should have quality service. And you know what, I was in the military so I know that you have to bite your tongue on a lot of stuff.

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You can't say hot, cold, I want a hot meal every day. But when I'm paying for a service I deserve a premium service. And that's not what you're providing for anybody in this audience. You know, your IT or your website, I don't use pay, pay by the month, I pay you three months in advance cause they charge me over the phone because you don't have a website where you can go and pay for it. I pay three months in advance cause it costs \$3. 20 for Western Union on the back of your phone on the back of your bill it has a 1-800 number. And \$3.20 per bill. And you're making or somebody's making an excessive amount so I pay three months in advance. And yes I am on a fixed income and yes the government has said no cost of living increase so now at this time you're asking us to pay for something and the majority of these facilities, residents, are retirement communities and you're asking them who are already or most of them or the majority of them are on the fixed incomes. You're asking them for a rate increase and it's not, it's not, we're in a recession, I don't care what the market has said. July 09 the recession, we're out of the recession. We're not. Until I see it coming down the hill and more money in my pocket, we're still in a recession. Okay, you know and I've seen this. I've been here since 10 o'clock and prior and I've seen that there's a few people on this board and this staff and it's falling on deaf ears. So there are a lot of people that are willing to do it and yes, I'm a vocal person, but when it comes down to it, I see a lot of fa la la la, it's falling on deaf ears and I don't think my statements are going to make anything, but the voice that I have this is appalling. To what you guys are doing, to allowing to what you're doing, and for the citizens of our state, I don't know. Is your position uh appointed or is it voted?

Commissioner Skop: I'm appointed.

Mr. Andes: So all these Commissioners that are appointed we need to get the person that appointed you, gone. If that was the governor, he's gone this year.

Commissioner Skop: That would be the Nominating Council that did not reappoint me.

Mr. Andes: You understand where I'm coming from people? It's time for a change and that's what you need to do. Thank you for your time.

Audience: Applause.

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Mr. Beck: Are there any other customers here who did not sign up and would like to address the Commission staff.

Commissioner Skop: We have one Mr. Beck.

Mr. Beck: You need to come up to the microphone.

Wilson Sheppard: Good day. I'm Wilson Sheppard. S H E P P A R D. I live in Scottish Highlands, Leesburg, Florida for the present time. I'm a central Florida native for many generations I've been before the, not me personally, I've been on the Sumter Electric Board for 20 years, I've served on the Seminole Electric Board for many years.

Woman: Microphone, I can't hear you.

Mr. Sheppard: I'm sorry. I have gone through this, I've been on Aqua here only a short time. But I know something about rates and I think it's ridiculous that the rates they've have had to increase. Thank you.

Audience: Applause.

Robert Thrasher: Good morning. My name is Robert Thrasher. I live at 35437 Willow Circle in Fruitland Park and I'm an Aqua utility customer as we all are. It's been interesting to hear some of the speakers bring up some of the statistics. I didn't bring any paper work with me but my water bill was increased more than 100% and now the new proposed rate is about 187%. Can you hear all these different figures? Somebody said something like 800% since 2006. How badly run is this company? My God! It's incredible. Besides that, they're about as arrogant as OPEC. At least OPEC, we import the oil. Where do these guys get the water from? They have to maintain the infrastructure to pump basically what is our water from our aquifer, our lakes, to our houses and meter it. I just find it unconscionable that the Public Service Commission, I

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don't even think they should have a meeting like this. It shouldn't get this far. They want me (inaudible) drop this proposed rate increase with this magnitude on you I want to laugh them right out of the office and say you're crazy.

Audience: Applause.

Mr. Thrasher: I wasn't aware that the Commissioners were appointed. Who appoints them, the Governor?

Commissioner Skop: The Governor only makes the appointment based on the list sent by the legislature. So there's a nominating council and they control effectively who sits on the Commission because they control what names get submitted to the Governor.

Mr. Thrasher: I see. Well there's an election coming up. Boy I sure wish I knew who to vote out of office. Thank you.

Andrew Maurey: Is there anyone else who would wish to address... Yes. Thank you.

Representative Allen Hays: Thank you. My name is Allen Hays. You heard me earlier say I did not intend to speak when I came this morning but I have learned quite a bit just in listening and in perusing this sheet here. And there's, I have a lot of questions which I'm sure will not be answered today, I'm not going to even bother to ask all the questions, but it's my understanding that your company acquired some of these systems in a run-down condition and candidly, I blame the Public Service Commission for allowing those systems to get in that run-down condition. And we need to hold the companies responsible and have them keep these systems in good repair, providing reliable water in sufficient clarity and quality and quantity, as well. I'm sure you've made some notes on some of your things; this billing stuff is elementary 101. You ought to be able to get that corrected real soon. Frankly my first reaction when I look at the size of these proposed increases, is to ask you what planet are you living on? Because in today's economy to ask anybody to pay 34% more is unacceptable at best and then when you get into these others, the 600% it's just really, I find it outrageous. I'm all in favor of you guys making a fair return on your money, but the key word there is fair. And

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we've got to look at the timeline over which you expect to recapture your investment. And it's got to be fair. And I don't find these figures fair at all based on the limited knowledge that I have. Now I will be happy to listen to some of the things that you all have to say or actually spoke before I got here as I was late getting to the meeting. But I just do not find this acceptable and frankly I'm counting on you guys to turn this kind of increase upside down and say absolutely not, because this is unacceptable. To those of you that have questions about the appointment process for the Commissioners, there is a public utilities commission appointment committee. What's the name of the thing?

Commissioner Skop: PSC Nominating Council.

Rep. Hays: Okay. PSC Nominating Council and they meet and they submit names, a list of names to the Governor. Excuse me. The Governor then chooses the appointees from that list of names. But the Council screens them for their qualifications and that sort of thing and um someone pointed out that we'll be getting a new governor but that's the way it is and then the after Governor appoints those Commissioners they then have to go before a Senate committee for verification, ratification. If the Senate does not approve the Governor's appointments, then the Governor has to appoint some more people and that has happened just recently also. That's all of the nuances of it. Okay, thank you. Appreciate your time.

Woman in audience: Mr. Hays?

Rep. Hays: Is it appropriate for me to answer her question?

Andrew Maurey: Yes.

Woman: I understand the legislature set up some requirements and conditions for the quality of the candidates and that was strictly to remove someone from the Commission and to keep that person from being reappointed. How do you feel about that?

Rep. Hayes: I don't know anything about it so I have no feelings. Other questions?

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Woman: How many on the Commission?

Rep. Hayes: What is it, five on the Commission?

Commissioner Skop: Five.

Rep. Hayes: Five.

Man in audience: How long is your term?

Rep. Hayes: Is it a four year term?

Commissioner Skop: Four years, yes sir.

Rep. Hayes: Yes sir, a four year term?

Mr. Hayes: Alright. Thank you.

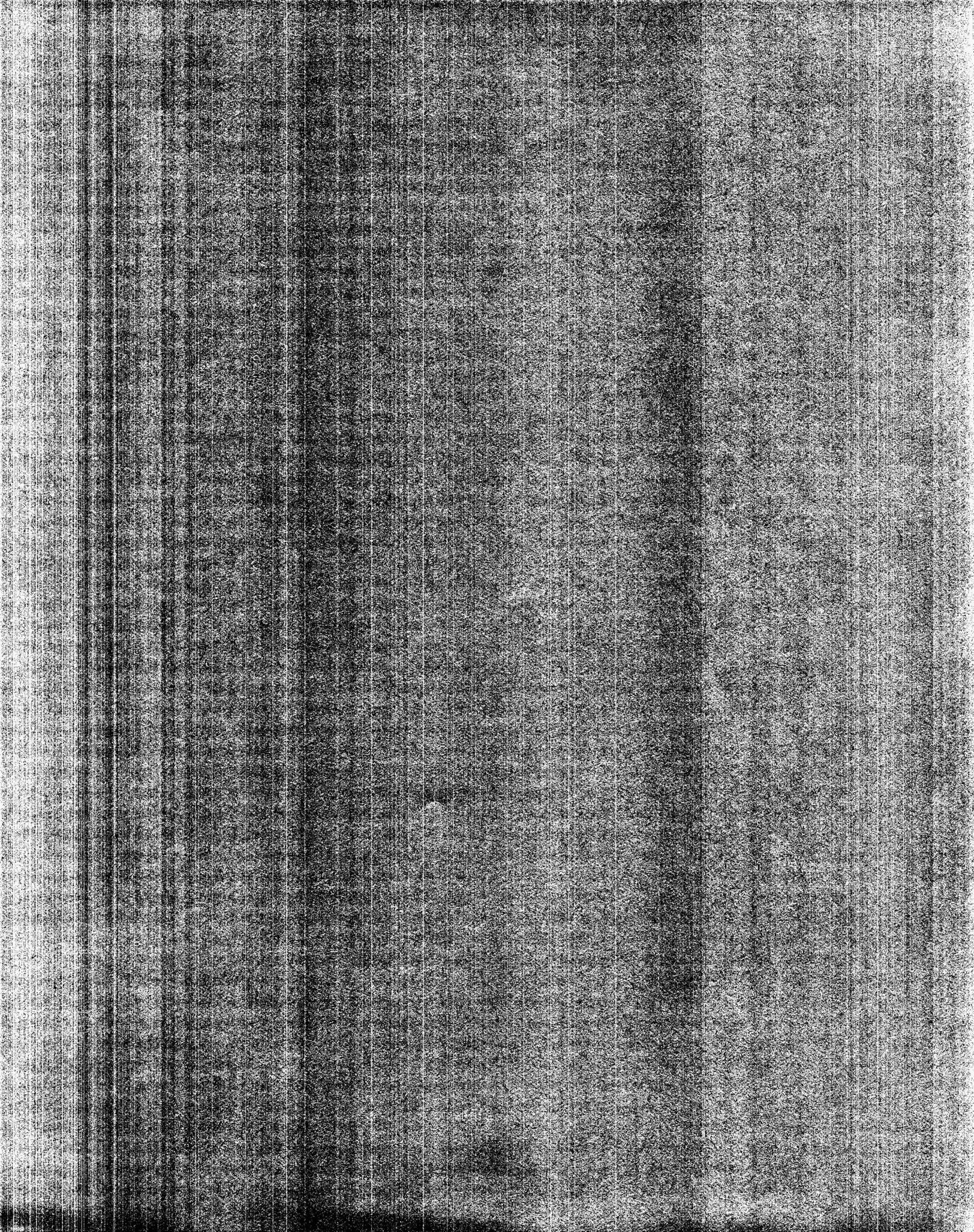
Another man: I'd like to say one more thing. I'd like to see the Public Service Commission require them to republish their statement as to what kind of charges they are going to ask for an increase. For the one that they put out was misleading. You heard it this morning. People thought that 0-6,000 was \$6.49. I think they should publish that a second time for every 16,000 so many people know the true facts of what the costs are and not a misleading article which they put out. Which I think is unconscionable and I said that before. I'm sorry but if you are running a business that way is not the American way. Thank you.

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Andrew Maurey: Is there anyone else in the audience who would like to address the panel? Seeing no, no one wishes to speak. Commissioner Skop would you like to make any closing remarks?

Commissioner Skop: Thank you Mr. Chair. Again I am Commissioner Skop and one of five Commissioners that has questions about the nominating process (in audible). I do have two months left of my term. The nominating council did not afford me or Chairman Nancy Argenziano the opportunity to interview to remain on the Commission but that is a separate story. But I am happy to come down with a few months left in my term to hear your concerns. I thought it was very important to come down and hear your concerns as I have done for all these meetings that we've had and as with my colleagues not being here and I can't speak for them but I know it's important to hear your concerns and I thank each and every one of you for coming out this morning. Thank you.

Andrew Maurey: Thank you. Thank you again for taking time out of your schedule to attend this meeting. This customer meeting is adjourned.



ATTACHMENT G

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Andrew Maurey: Good Evening. I'd like to call this customer meeting to order. Staff Counsel, will you please read the notice?

Ralph Jaeger: Yes. By notice this time and place has been set for a Customer Meeting in Docket No. 100330-WS, Petition for a water and wastewater increase in rate by Aqua Utilities Florida, Inc.

Andrew Maurey: I'd like to welcome all of you to this Customer Meeting. My name's Andrew Maurey. With me tonight to my immediate left is Ralph Jaeger, to my right is Alicia Roberts. When you entered the auditorium this evening you were greeted by Dick Durbin. We are all member of the Florida Public Service Commission technical staff. We'd like to thank you for taking time out of your schedule to attend this meeting. The purpose of this meeting is to gather input from Aqua Utility Florida customers regarding service quality, customer service, and the proposed rate increase. The Commission is interested in hearing from you and this meeting is being recorded. A digital copy of this recording will be placed in the docket file as a public record. Copies of this, ah, this digital recording may be obtained through the Commission Clerk's office.

At this time I'd like to explain how the meeting will proceed. First, we will listen to a brief presentation from Aqua Utilities Florida, followed by a brief presentation by the Office of Public Counsel. After these two parties have completed their presentations a member of Commission Staff will make a brief presentation of the rate case process. Once Staff's presentation is finished we will begin to take customer comments. Customers will be called in the order in which they signed up to speak. If you, ah, if anyone wishes to speak who did not sign up, you may meet with Dick Durbin outside the auditorium and he will add your name to the list. If you'd like to submit comments but do not wish to speak tonight, you may provide written comments. When you came into the auditorium this evening you were handed a copy of this report – the Special Report. In addition to information regarding the case, the contact information for the Commission on the last page is a comment sheet. You can fill that out this evening and hand it to any member of staff before you leave tonight. It will be added to the docket file. If you would like to

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take it home with you, fill it out later, you can mail it back to the Commission. It is pre-addressed to the Commission. Also, if you have friends or neighbors who were unable to attend this evening, we'd like you to take extra copies of this and distribute it to them so that they may submit written comments as well.

Now Aqua Utilities will provide a brief presentation of its requested rate increase.

Jack Lihvarcik: Thank you Mr. Maurey. Good evening, my name is Jack Lihvarcik. I'm president of Aqua Utilities Florida. I appreciate the opportunity to offer some opening comments to our customers in Lake Osborne concerning this rate case. We have additional Aqua staff available today to answer any of your questions and address the concerns that you might have after this meeting. This request is different than our 2008 rate request. We have filed this request under the proposed agency action procedure. The Commission staff will further explain the PAA process during their presentation. However, the purpose we filed for the PAA process is to keep rate case expenses to a minimum. We are here - here today to hear from you our customers and we understand that our rate increase is never easy. I would like to take just a minute to explain to you the improvements we have made to your water & wastewater system that are the reason for our need to file a rate case.

Over the past 2 ½ years Aqua has spent 8.4 million dollars in capital to comply with DEP regulations and improve water and wastewater service and reliability for more than 22,000 customer throughout the state of Florida. In addition, since filing this case we will be spending an additional 3.7 million dollars or 73% which is directly related to infrastructure improvement projects. For this system at Lake Osborne we listened to our customers and we improved pressure and fire flow concerns that our customers had in the county. A second inter connection was installed to improve fire flows and water pressure during peak demands. The installation of new water meters, meter pits and valves to improve meter reading accuracy and efficiency. You will hear further explanation of our rate case and our proposed rates from the Staff of the Commission today. We look forward to hearing from you and your comments and will be available at the end of the meeting to answer any questions you might have. Thank you.

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Andrew Maurey: Next we'll hear from the Office of Public Counsel.

Patty Christensen: Good evening, my name is Patty Christensen. I'm from the Office of Public Counsel and along with Charlie Beck and Steve Reilly. We're attorneys and we represent customers in this Aqua Utility filing. We have some accountants in our office, ah, Ms. Vandiver and Ms. Merchant, who are also working on the case with us, and what we're doing is we're taking a look at everything that they've requested and we're going to do an in depth look and see if what they're requesting should be granted or not. Now our office is headed by J.R. Kelly. He's our Public Counsel. We're an arm of the Legislature, and we are separate from the Public Service Commission. So we are not under the same umbrella. Now, I've talked a little bit about who's in the office and who's working on it in the office. We've also have hired outside consultants to take a look at it. We have done agreements. We have Donna Ramas, we have, um, Kim Dismukes, we also have Andrew Woodcock. They're going to be looking at accounting issues, finance issues and engineering issues and they're going to be looking at it for all of the systems that Aqua Utilities has requested for the rate increase, I think that's something close to 87 systems throughout the state of Florida. Ah, you all are one of the systems that they've ask for the rate increase. Now we've intervened in the PAA process, if this is not going directly to hearing and the PAA process is kind of a more informal way of requesting a rate increase. The Staff is going to take a look at everything. We're going to take a look at it. Staff's going to make a Recommendation at the end of the PAA process. We're going to look at that Recommendation and we're gonna evaluate it based on everything that we've studied and see if we agree with what Staff's recommending to the Commission, what the Commission votes out, and we're going to have to make a decision when we get that – the end of that process. If we feel that the rate increase isn't justified and we need to request a hearing, we'll do that. If we look at it after everything's done and we decide that the Staff, although it wasn't a perfect Recommendation, it's pretty close to what we would have recommended and decide that it's not, um, worth the additional cost to the customers to incur additional rate case expense, then we won't protest it. So we have to weigh those when we get to the point of the Recommendation being filed, and we're going to look to see how close Staff is in their Recommendation to what we would have recommended that the Commission do. If we're very far apart, we'll likely be in a hearing. If we're very close, we probably won't

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end up in a hearing. So I want to make sure that we're up front with that, and they'll explain a little bit more in depth about the PAA process.

Now we've set up discovery and we're looking at all the capital expenditures that they talked about and they've requested, and we're gonna see are those reasonable, and we're going to take a *really* good look at that.

Now I've given a hand out and I had it up at the front desk for you to pick up from our office and on page 2, if you look at it, you can see that Lake Osborne from the last rate case was placed into Rate Band 3, in my understanding, you only have water rates, if you flip to page 3, we've done a summary on the current rate request in yellow with the typical bill for up to 3,000 gallons, up to 5,000 gallons and up to 10,000 gallons, and if you look at Rate Band 3 your current rates are \$31.71 if you use 3,000 gallons. That would increase to \$37.13. Up to 5,000, \$41.73. That would increase to \$50.11, and up to 10,000 gallons, your current rate is \$73.03 and that would increase to \$95.52. This is for ease of comparison because if you look at the Staff Report it gives you the per gallon fee but it's not particularly clear, that that's per 1,000 gallons. So we wanted to give you a typical bill. So if you use 3,000 gallons and you take that per gallon fee that's in the Staff Report you should come up with the \$27.00 plus the base rate fee. Okay? So I wanted to make sure that's clear, we wanted to make sure everybody at least had a comparison from last time's rates and what they're asking for now. If the Commission does something different, if they don't got the single uniform rate which is what the Company is requesting and what we've made a comparison too. If they do something different your rates could go higher or they could go lower than what's currently in this comparison. So I just want to make sure that you all understand that, cause that will depend on what ultimately is in the Recommendation and what the Commission decides to do, and that when they get to the PAA process and they'll explain it to you, all this information when they get to the Recommendation and when we get to Agenda, it's all going to be online and it will all be available before the Agenda Conference. We're looking at some time around February, and there should be an opportunity if you want, after you've read the Recommendation, if you want to talk the Commission, come up to the Commission or even send in comments or such, we can try and work with Staff on that if we get to that far at the Agenda Conference, but hopefully that gives you a fairly good overview of where we are and we want to hear your comments tonight. We want

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to hear about the quality of service from you, we want to hear about your feelings about the rate increase. It is important to the process. Ah, we know that Staff's here tonight but it's important for the Staff members to hear because they're going to put this in the Recommendation to the Commission. So, thank you for your time. If anybody didn't get a copy of it or we ran out in front, let me know, I will make sure that you get a copy. So, we look forward to hearing from you.

Andrew Maurey: Thank you. Commission Staff will now provide an overview of the rate case process.

Alicia Roberts: Good evening. My name is Alicia Roberts and I'm an analyst with the Florida Public Service Commission. Tonight I am going to go over the PAA rate case process with you. My presentation will cover: The Proposed Agency Action Process; staff review and analysis; the Customer Meeting; How to Protest a Commission Order.

The Proposed Agency Action Process: The utility, Aqua, has requested that its rate case be processed in this manner, which is governed by Florida Statutes. The PAA process is an informal process as opposed to a formal hearing process. This process that Aqua has chosen to, um, present their rate case costs much less than a formal hearing process. It must be completed within five months of the official filing date and it can be protested by any substantially affected person.

Now I'll talk to you about what happens with the PAA process. When a company files for a PAA the Commission Staff – the Commission Staff performs a review and analysis of the rate case filing. The Commission holds Customer – Customer Meetings as we're doing here tonight. Staff prepares a written Recommendation and enters it the recommendation to the Commission who will then make a decision at the Commission Conference.

During Staff's review and analysis this is what happens. Staff Auditors will conduct an audit of Aqua's book and records. Our Staff Engineers will determine the used and

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useful plant, the quality of service provided by the utility and the prudence of Aqua's operations. Our Staff accountants and economists will review and analyze any accounting issues, rate issues and billing issues relating to the utility's rate case filing. In all rate cases, the Commission will hold a Customer Meeting as we're doing here tonight. The purpose of this meeting is to receive customer comments and concerns. We want to hear your comments regarding the quality of service provided, the interaction between Aqua and its customers, the proposed rate increase and answer any other questions that you may have regarding this rate case filing. Tonight is your night. We want to hear from you. So, please speak up.

As you entered tonight you were presented with Dick Durbin who presented you with, ah, a form that looks like this if you wanna sign up. On this form you can sign up to make customer comments and your comments will be addressed in the order in which you've been signed up on the list. You have – if you have not signed up, don't worry we can still get you signed up after the last person who has signed up, um, so that you can speak and your comments can be heard. Again, we talked earlier about the Special Report. This is the Special Report for your convenience that has been prepared and with this report it has pertinent information regarding Aqua's rate case filing. Please make sure to have a copy of this report before you leave. Staff's contact information is also listed at the bottom of this report. On the last page of this report we have included a self-addressed Customer Complaint Comment Letter. Again, if you do not wish to speak here tonight or you know someone who is not here to speak, take one of these and you can write your comments and mail them into the Commission and it will be given the same weight as if you spoke here tonight. Once you – once you've filled this out this information is filed in the correspondence side of the docket file.

After the Customer Meetings are concluded and Staff completes its review of the utility's rate case filing, Staff will prepare and file this Recommendation. Staff's Recommendation is reviewed by the Commission and then voted on at a Commission Conference. Utility representatives, customers, the Office of Public Counsel are all allowed to speak at the Commission Conference. If you would like to attend the Conference in Tallahassee, please notify a Staff member at least one week prior to the Conference being held. Again Staff's contact information is listed on the Special Report. This form – if you would like to receive a written copy of what Staff's Recommendation

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is, you can see myself or Dick Durbin after the meeting and we'll take your e-mail or mailing address and make sure that we have that sent out to you when we have the Recommendation appear. Also if you would like to stay up to date with the progress of the rate case you track the status of the docket at the PSC website. The web address is www.psc.com. On our web site you can review official documents filed in this case. On the PSC website there is also a link with streaming video and audio so that you can watch and listen to the Commission Conference as it happens. Staff's PAA Recommendation is tentatively scheduled to be filed in February, 2011. The Commission Conference is held 12 days after the filing of the Recommendation. At the Commission Conference the Commissioners may decide to approve, deny or modify Staff's Recommendation. After the vote at the Commission Conference, the Commission will issue a PAA Order within 20 days. After the PAA Order is issued, then there's a 21 protest period that begins. A substantially affected persons may protest and request a hearing. If a party other than the utility protests the PAA Order, the utility can put the rates into effect, however, the amount collected will be subject to refund with interest. If no party files a protest the new rates will become effective upon the issuance of the Consummating Order, which usually happens about 3 to 5 days after the protest period expires. In other words, if the PAA is not protested, the rates will go into affect approximately 45 days after the Commission Conference. If a PAA Order is timely protested a formal hearing process begins and must be completed within 8 months. Customer Hearings are held. A Technical Hearing is held in Tallahassee and Aqua and protesting parties will litigate the issues. Customers may testify before the Commission if they choose to do so. During the hearing process each party is responsible for: filing testimony, putting on witnesses, preparing cross-examinations, conducting depositions, and attending a conference that's held in Tallahassee. After the hearing Staff prepares another Recommendation based on evidence presented at the hearing. The Commission will address Staff's Recommendation which is based on the evidence presented at the hearing. Participation at post hearing Commission conference is limited to Commissioners and Staff only. Then there is a vote and a Final Order. Any party to the rate proceedings may appeal the Commission's decision to the First Court of District Appeals.

This is the conclusion of Staff's presentation. Thank you for listening to us. Now it's our time to listen to you. Please remember that tonight's meeting is being recorded. If you have signed up to speak, please come forth to the microphone. Please state your name, your address and spell your last name for the record. Thank you.

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Andrew Maurey: Thank you. And just for clarification the e-mail address for the Commission, it is on the bottom of the Special Report and its: www.floridapsc.com. At this time we would like to call the first customer. Ms. Christensen.

Patty Christensen: Ah, Mr. Donovan? Bob Donovan? Dovey, excuse me. If I get your name wrong I apologize in advance.

Bob Dovey: You wouldn't be the first. Good evening. How you doing? My name is Bob Dovey, for the recovery D O V (as in Victor) E Y, 1711 High Ridge Road, Lake Worth that is in the Lake Osborne Estates subdivision. First and foremost for the record this meeting is not convenient to this neighborhood. There are three governmental agency facilities within two miles of the neighborhood. There's one within a mile, and this is six miles away. At 6 o'clock during the week, most of the people that would have normally come here at an appropriate time, 7:00 or at a closer location, are coming home from work, getting their kids from daycare or what have you and going home, there not here because they physically can't be here. That's unfair. I hope you take note of that because this is two years in a row we've had to do this. It's been at the same place. I have nothing wrong with Greenacres but we'd like to have it a little closer to home. That way we'd be participating. Thank you very much.

Um, I will remind you up front, in case you don't already know, that Lake Osborne Estates is a small, middle class bedroom community. We have no industry. We have no businesses. We have a church, um, and so we're rather small. Little over 400 homes, I don't remember the exact number. As a result we're kinda stuck in the middle – in Aqua Utilities, we – it's the only company that they own in Palm Beach County and they're a pass through. They buy bulk water from the City of Lake Worth. They don't treat it, they don't do anything to it. The spigots opened and, of course, there it pipes into us. Ah, we heard from Mr. Lihvarcik earlier, ah, I will tell you that the improvements that they've made to the system, regarding pressure and fire hydrants, um, and their meters, were either regulatory only or regulatory and serves their company. In one case I know a fact that twice that they jacked a bored under the main roadway in that neighborhood and

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never contacted Palm Beach County about it, cause I reported it. Never got a permit. Palm Beach County was supposed to be pursuing that. I don't know where that stands. So, they don't even do business by the book. Okay, I'm not here to criticize the Company, I'm here to tell about the rates, but you should know that the Company doesn't do business like regular utility companies do. Okay?

As far as service – no service. They're simply a pass through, and they come by in a car every day by telemetry, they read your meters and they put in the electronic meters. That wasn't by request. They put it in. It suits their own purpose. They don't have a guy walk door to door. In that community you can read every single meter in that neighborhood in less than a day. So they're not putting a lot of effort into what they're doing there.

Water quality, again, just by the City of Lake Worth. So we're not talking about a utility that's taking water, treating water, finding locations for water and they're not drilling for it. They don't have a well head or anything like that . They're simply buying bulk water from the City of Lake Worth, delivering it to our homes, and the prices we had – you know we came here just last year. They had a massive increase. Massive. We did a lot of research. We brought letters. We brought – we did research about this company from all over the United States. They're known for this. Okay? And we came and it didn't do any good. They got pretty much – outside of having to do some quality control issues in other utility areas – they got exactly what they wanted. And that was at the beginning of a bad recession. Our neighborhood was hurting in a bad way. They got it anyway. They got exactly, what – hear we are a year later. Now a year later, my neighbor across the street, his house is foreclosed on. I've been out of work almost two years. You know this is a regular bedroom community. You know it's one thing to have a – and it was a massive rate increase – doubled, virtually doubled the rates. I'm paying almost twice this year. Two people live in my home. You know, we shower and, you know, use the dishwasher. You know, and my rates doubled. Okay? That's just me. I know people that paid even higher rates. At one time I went over 5,000 gallons. You don't even want to know what that's like, but the point is here they're not providing us service. They're sending their billing out of corporate. They're not coming and, you know, they're not doing anything else for that. They're just letting water pass through their pipes. The point is here, that we're a little different than some of the other communities you've had

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meetings at. You know we don't have wastewater. We don't do anything; we're just buying this water. This is unconscionable. That we're this far into a recession – what, I betcha at least 30% of that community is probably out of work. I don't have a number on that and that's my guess. We got homes foreclosed on. We got empty homes around here and we're taking another massive hit. Another 30% hit on top of it. I mean we expect that when the economy goes bad some companies are going to take a little increase of 10% or whatever. I mean you got FPL, and others like that, but we had a massive – almost doubling our rates last year, and then they come back a year later. C'mon guys. Something reasonable here. I mean we expected that hit because, you know, this might last awhile. But, no, are we to expect it every year, when we have to come here and defend our wallets. I mean it's ridiculous. Yes, the cost of business goes up. 30% of the whack, that's a small one this year compared to last year. What they got was way bigger than that. I mean way bigger than that. Now they're coming back to take another day. Listen, I don't know the internal workings of that company – I can find out, but that's not the point. For whatever they are, they're not providing a service that says they should get another 30% to do that. If their investments are not where they want them to be, frankly I'd be happy if they left Palm Beach County. Let them go somewhere else. You know we'd like to have somebody else take our system. If they're not, then they're not. But let's be reasonable about it. We took a massive hit last year. It hurt a lot of people for a long time. We're just – not even getting over that – here we come again. Little fairness here. Okay? We know things go up in cost, but this is ridiculous. I mean it's absolutely ridiculous. Something's got to stop here, and I would pretty much bet on protests when you do that Recommendation. You can almost count on that one. It's just not fair. If we're getting hit the way we are, I can only imagine what the other entities are getting hit at. You know we're just a regular community, and you're going to hear numbers, facts, and statistics tonight. I don't have to be the guy that brings that out, but let's say first of all we need to make meetings where more people can come to because if you're looking at this room and saying this is representative of Lake Osborne Estates. Absolutely, positively not. They just can't get here, so let the voices you do here tonight represent the people who can't make it here tonight. They're all the same. They're all worried about losing their homes. Never mind are they not gonna be able to pay for water, electricity. At some point the Public Service Commission has got to say, "Enough". It's supposed to be balancing the issues, we want good business. I'm a free market guy. Okay? I don't blame 'em for trying to get it, I just don't think they should. Did they really shift, at this point – I mean they had a big hit last year. Let's be reasonable about this, and ah, for the people that can't make it tonight the answer is, "Just don't do

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it guys". Last year was big – just about doubled my water bill. Thank you, have a good evening.

Andrew Maurey: Thank you.

Patty Christensen: Ken Berg?

Ken Berg: I'm glad that you are down here to listen to our situation. Um, this is the third year that I have spoken, before I was speaking to the Commissioners, now we're speaking to Staff, which is great because I work for a service provider and I'm a member of staff, so I know what you go through and what you have to listen to and hopefully you'll listen very intently to what we tell you tonight.

I have several documents. They're only big because I need to point out a few parts of each. So, I'd like to give Public Counsel and Staff one of each of these. I apologize for not having a power point presentation but I did not know that we would have the facility to do that.

Now if I can put on my cheaters here so I can see. Basically what I'd like to talk to you about are the concepts of fairness, justice, and truthfulness. I'd like to go over the Aqua Utilities Florida, Inc. Annual Report, dated December 31st, 2009, but only as it relates to Lake Osborne Estates. Now do I care about the other entities that are involved in this rate increase? Yes, but my primary concern here tonight is to address what we have as it applies to Lake Osborne Estates. If you look at the handout, you'll see that there are items highlighted yellow. If you can just take a look there, I think a max of ten pages there. Everything in yellow totals up to about 4.5 million dollars. I took the time to get a calculator, but that's right. All of those items that if you look at the lines that I highlighted, are associated with construction, operation, maintenance and repair of a water treatment plant. The reason that's important, Aqua does not have a water treatment plant that services us as was pointed out earlier. They buy water directly from the City of Lake Worth.

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Now, if you shift your attention to the items highlighted in pink, those items refer to Lake Osborne Utilities, or – excuse me, Lake Osborne Estates and utilities provided by Aqua. If you look at page 4 of the fourth page back, you can see that Lake Osborne is considered an intangible plant. That means you can't see it because it doesn't exist, and you look at the costs associated in that column with an intangible plant and those associated with all of the other costs associated with having a water treatment plant and you can see my area for concern. If you look at page eight, next to the last one, you can see that Aqua is interconnected to the City of Lake Worth, and it purchases from Lake Worth, they're listed as a vendor, and its services are provided through a meter. Now the meter is basically located at a street across from where Lake Worth Utilities has its pipe.

If you look at page nine you can see that Aqua does not treat any of the water. There is no filtration, there is no treatment, there is no well point, there is no storage tank. You won't see a water tower in Lake Osborne Estates. Why is that important? We are getting billed for infrastructure in other localities. Not for infrastructures that service Lake Worth Estates.

Now if you look at the last page. Some of the yellow highlighted pages indicate construction costs incurred in Lake Osborne Utilities. Lake Worth, or Lake Osborne Estates, excuse me, has been built out for about 40 years. There's no construction happening. The same 477 service points that were there 40 years ago are there today. So, any of the yellow highlighted columns that have to deal with construction activities should be discarded.

Transportation costs we're being charged for. I believe its \$19,000. I cannot believe that they pay that amount of money to that one meter reader that goes around in a day for twelve months out of the year. That charge does not seem to fit either. Now to further illustrate what I mean, if you'll look at the packet that has the, ah, map in front of it. It should be right behind the other one stapled to it. I know it's all hand produced, but I tried to do as best I can. You can see that there are only – in our tier layer, which is the,

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um, Rate Band 3W. There are eight facilities. All these facilities are geographically isolated from one another and there is no connection of services to any of them. There are four in Lake County. There are two in Polk County. There is one in Putnam County, and there is one in Palm Beach County. All of the other eight, excuse me, seven have water treatment plants and all the associated costs to go along with it. Lake Osborne Estates does not. You can see on my attachment, I didn't have to highlight them, except Lake Osborne, every one of them has a water treatment plant. Lake Osborne Estates does not. They have, as was pointed out earlier, no head well, no storage tank, no treatment facilities, no filtration, only a meter from which to dispense water to Lake Osborne Estates.

In summation on this first point, as a result of Aqua's last rate increase the residents have been continually subject to, what I really consider financial court. We are being harmed by these rate increases, and we're being forced to be subjected to unfair and unjustifiable water charges. These charges – they're charging us, and we're having to pay, allow Aqua to spend untold thousands of dollars, buying new facilities, maintaining other facilities, operating other facilities in areas other than Palm Beach County, or, in our particular case, Lake Osborne Estates. We have a request, remove all the out of county costs from the Lake Osborne Estates billing structure, then come up with a rate for us. Again, remove all of the out of county costs for the other seven facilities from our costs then determine the rate for Lake Osborne Estates. Again we do not have a treatment plant that incurred or incurs all those costs. We have several questions. Some of us have met and many of us have met other people. The first question is: Is it legal for Aqua Utilities to use the money we pay for water to buy, operate, maintain the water treatment systems in other Florida counties? We'd like an answer to that. Is that legal for them to use the money we pay for systems outside of Lake Osborne Estates?

The next question we have, is it legal for Aqua to force us to pay for services or goods we do not receive? Is it legal for Aqua to force us to pay for services or goods that we do not receive? That's what's currently happening. We have a request. We request that the Public Service Commission refer Aqua's billing practices to the Office of Public Counsel and the State Attorney's office for further investigation, possible prosecution or lawsuits. We also request the Public Service Commission to revise the entire rate structure of Aqua Utilities, that includes Lake Osborne Estates, and exclude Lake

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Osborne Estates from a Band 3 rate group and provide a mechanism that allows Lake Osborne Estates' residents to pay only a fair charge to Aqua Utilities for transferring the treated Lake Worth water to Lake Osborne Estates from the meter interface at Michigan Drive. That is our first issue that we wanted to address. Again, fairness, trustfulness, and justice.

Now I'd like to draw your attention to a letter sent by Holland & Knight to the Public Service Commission on June 15, 2010 in which Aqua intends to propose pro forma plant additions that will include repairs to, and replacements of water and wastewater facilities – notice water and wastewater, adjustment for health insurance expense, purchase of water and other costs that may be included. You can see I've highlighted several of those points in that letter. If you look at Attachment A and run through that list, you will not find Lake Osborne Estates mentioned. So here we have another situation of other non Lake Osborne Estates entities benefiting from a proposed improvement and we're going to be billed for it. Lake Osborne Estates is not on that list. Nor do we have a wastewater plant, we couldn't even benefit from it if they had it and we don't have a water treatment plant, so we couldn't benefit. Again using that same letter, if you look at the 3rd paragraph on the page where Aqua is pleading poor and they're faced with dire conditions. Now I've included for your review postings from Aqua America, their website and, also, a printout from flowamerica.com, an organization that's involved in the – looking at different utilities, and you'll see the headlines read and I quote, "Aqua America announces record earnings for 2nd quarter in 2010". Aqua Utilities Florida is a subsidiary of them as you're well aware. The other headline, "Aqua earnings grow for tenth straight year". They're pleading poor. They want a rate adjustment. Evidently corporate doesn't know that. We have a question. They're pleading poor to the Public Service Commission yet the home office is saying 'record profits'. Record profits. Is this a type of fraud that they're presenting to the Public Service Commission? Not representing the facts correctly. Again, it's just a question.

Lastly, if you'd notice in the last paragraph of page 2 that the Public Service Commission's – once again a reminder that Aqua expects to – expects you to again to entertain a request for a interim rate increases. They seem to really like this interim rate request and the increase they're getting. It happened last time. It happened the time before. What does that mean? They're taking money out of our pockets, putting it into

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an investment account, making money on it and so what if they have to return it. Big deal, they've already made the money on it. So the Public Service Commission, at least in our belief, needs to look at that interim rate increase. They either get the rate increase or they don't. I don't think that – in this – there's any fairness in giving them an interim rate increase. Now I know on October 28th, if I'm correct, Staff had to present a Recommendation to the Public Service Commission with regard to interim rate increase. Correct?

Andrew Maurey: Yes.

Ken Berg: And we – and a lot of us have a problem with that because you've already made up your mind, or not, before all of the hearings have taken place. That kinda gives the impression that, you know, no matter what we say – we've already put in our Recommendation so, go ahead, get up to the podium and say what you want, but our Recommendation's already there. Hopefully you have the ability to change the Recommendation. We'd at least like to hear that.

Andrew Maurey: Well let me touch on that one point. Your comments are being recorded and they are going to be part of the record and they will be reflected in the final – the Recommendation for final rates that will be filed in late February and consideration in March. The practice of interim rates is specified by statute. It is not discretionary on the Commission's part whether to entertain a request for interim rates. Ah, but the fact that the Interim Recommendation's been filed and will be voted on next week in no way discounts the importance of the comments that you are making tonight or at any of the Customer Meetings.

Ken Berg: Is there a legislative branch to which we can address our concerns and to have legislation passed to possibly address that interim rate? Is there a committee that evaluates that?

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Andrew Maurey: It's called the interim statute and it's – like other statutes it can be amended or changed. Yes, and that would have to go through your representatives to ...

Ken Berg: Involve the House and the Senate side? Would that be correct?

Andrew Maurey: That's correct.

Ken Berg: And lastly I have to give to you, if I have it, that's it – this is a petition from the entire resident population of Lake Osborne Estates. I'm not going to take the time to go over that. Um, hopefully, ah, when you and the other staff members have a chance, maybe on your trip back to Tallahassee, or back at your home base and you're bored with nothing to do and you say, "Well let's see what they gave us ahead of time." Ah, we'd appreciate it, and thank you for your attention.

Andrew Maurey: Thank you.

Patricia Christensen: William Coakley.

William Coakley: Good evening and thank you all for being here. I'm William Coakley at 5934 Lake Osborne Drive and, um, I want to thank everybody for being here including Aqua Utilities and our Public Counsel and you all because I know some of you actually drove down here, right? From Tallahassee, somebody did.

Ralph Jaeger: Dick Durbin did.

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William Coakley: Okay. While we're grateful that you did that and, um, so I to want to add a little weight to some of the comments that have already been made. Ah, the notification time, as I understand it that can run anywhere from two weeks to a month.

Andrew Maurey: That's correct.

William Coakley: Okay. I would encourage you to try to give us as much lead time as you can because, ah, if you can stretch it to a month in the future about anything like this it will give us a chance – the time to prepare and we can be more adequately prepared because – I'm going to have to hunt and peck around my notes here so, bear with me I'll get it all out. Um, my water rates have gone up four times over, um, I can remember bills that I've paid were \$12.00 and now typically it's \$44.00. But, um, I want to talk about parity. Because what I consider fair is what is a fair market value for what they're providing for what we're receiving. So, I decided to look at Lake Worth water rates. What the residents are paying. Right now as of October 1st they had a rate increase, so we're all kinda getting used to these little increases and they just went up 14 whopping percent, and I was a little surprised but they're building that RO plant and they have some other expenditures that they've – they're using for that lawn they got, but anyway their rate to a customer for the first 4,000 gallons is \$2.69 per thousand gallons. Now that's with their 13% increase on that particular band. Now, if the next band is from 4 to 8 thousand and they're not following in the same rate bands but I'm just giving this to you. It's \$4.15 per thousand. So, what I want to do is kind of tie that in with where we're at right now. Not even with this rate increase. Cause, frankly, what I'm asking for and going to apply for is a rate decrease, but I'll discuss that in a minute, because I think a rate decrease would actually help Aqua Utilities recover some of their revenue that they've lost. Um, right now with Aqua Utilities compared to Lake Worth's \$2.69 we're paying \$5.01. That's almost double. Now this doesn't take into consideration what they're paying for, I'm going to get to that in a minute. Now that is, of course, considerably higher. That's 150% higher than a Lake Worth resident would pay for the same water. Um, in the next rate class, which is roughly – I'm going to ball park it 5 to 10 thousand because there's not an exact correlation here between the rate bands. Um, we are paying \$6.26, they're paying \$4.15. That's a pretty significant difference, but let's stick with Aqua Utilities for a moment, and go back to – previous to the last rate increase. We were being charged \$2.03 per thousand – flat rate. That jumped to the

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\$5.01 I just mentioned. That's what Mr. Dovey and Mr. Berg were talking about. That is significant. From going from roughly \$2 to \$5 in round figures, that's huge. That's really monstrous, and from that \$2 on the next band we went to \$6.23. That's three times over, and then on the final band, I don't even want to talk about this, 7 times – 7 ½ times more. That is an enormous, enormous impact on people in the community, and how did they justify that. I don't know how it got it by, but this was before my watch. So, I just want to reiterate that these are the figures that I was given, ah, by Jenny Lingo and these have been also verified with the City of Lake Worth. Now that means, overall, in the long perspective of time that Aqua Utilities has been involved we have had a – or, let's put it this way, if we go to this next increase we're looking at huge figures here. First of all going from our \$5.00 to our \$6.49, as they are suggesting, that's a 30% increase. Now Lake Worth who supplies them water on a retail rate, only went up 14%. So, I don't think we're anywhere near parity here in dollars and cents, and in the amount of the rate increase. They have a double rate increase over what Lake Worth, um, in the next rate band, again Aqua Utilities their rate increase is a 55% increase not the 14% that Lake Worth had for its residents. So, in all of this, what are the costs here that Aqua Utilities is dealing with? First of all they don't even own the meter that connects to our system. They don't maintain it. Lake Worth does. Now what are they buying the water for? Well a couple of years ago I negotiated a deal with West Palm Beach, Florida through Ed Balvis, and we were going to get in the City of Lake Worth a bulk rate of \$1.27. That went up last year to a \$1.37. So I'm going to assume, just in round figures that Aqua Utilities is probably paying in round figures about \$1.50 per thousand gallons and it's probably flat across the band but I don't know that for sure. I've requested the information, but I don't have it yet. Assuming that it's a \$1.50, which is the high end of the spectrum, and they're charging \$5.01 for that. That seems to me an abomination, especially when the public is subject to a monopoly, even though your – the Public Service Commission being the conscience of the corporation in our behalf, and we appreciate that, but I think that's unconscionable. You buy it for \$1.50 or somewhere in that area and you mark it up to \$5.00, when the people they get the water from are selling it for half. So there's a parity issue here and I think that parity issue reflects on the character and the integrity of Aqua Utilities, because I personally, and I'm sure none of you would, I wouldn't have the nerve to come back and ask for more money after what had just happened as of April, 2009 when the current rates went into place. Now I want to talk about this parity in terms of comparing it a little bit with Lake Worth, because Lake Worth with all of its administrative overload, its vast infrastructure, its pension plans, its comprehensive health plans, which I've noticed was an item (inaudible) and its building its RO plant, they're not exactly a prime example of – of a

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low side of the rate scale. They're probably on the high side, but I don't know that, I'm just telling you that they have an enormous amount of overhead that they're dealing with, and they're selling water for half of what they are and they have nothing but some pipe in the ground. Okay, now they gave two reasons why they need this increase. One was Capital Investment, and Mr. Berg already discussed that. We hope we're not going to be forced to pay for some bad investments and utilities that were poorly maintained and they bought them, you know, on the block, and now want us to pay for updating them. We don't consider that's fair, since that money is not being spent in our area certainly. They mentioned meters, I believe, ah, if you price those meters out even at \$200 apiece, that's about \$100,000.00. You know, that's not into the millions. That's not huge, since they're grossing at least a half a million, if not more, in profit from us every year. So, that's another point, but the second one is the one I really like. I enjoyed this, cause when I read it I remembered my freshman year in economics. Here's their statement, "The second factor that drives the need for rate relief is that consumption has plummeted by nearly 16% from the Commission's consumption calculations in the last rate case. This reduction in consumption has resulted in corresponding reductions in revenues. The drop in consumption and corresponding reduction in revenues are significant and they are directly – notice the word 'directly' – attributable to the installation of a large number of private irrigation wells." Well ladies and gentlemen, I've been all over Lake Osborne and may be somebody else here will speak to this issue, I haven't seen anybody drilling another irrigation well in our area, and I want to refer you to a study that South Florida Water Management did about the economics of water rates and prices. They did a whole study on this, and the first law of economic theory states, "that as a price of a commodity increases its quantity demanded decreases". So, let me get this straight. They're coming here after this huge whopping increase they had. They raise the rates high. The studies all say that means there's going to be a drop in consumption, and there is, and now they want another rate increase, which means what? That consumption's going to go down again, and this is what they call the 'idiot loop', where it's an endless spiral of, "we're not making enough money, we don't have the consumption we used to have, and so we want more money." And that's why I'm offering Aqua Utilities an opportunity tonight, because my economic analysis of this and South Florida Management would agree, is that if they decrease the rates the consumption would go back up and then they wouldn't be here next year asking for yet another increase.

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Now the next issue I want to take up is the Capital Investment issue, which was the other reason. Um, they said, let's see here, "privately owned utilities are experiencing difficulties maintaining regulatory compliance". Well that sounds like a great opportunity for entrepreneurs; so, I can't blame them for wanting to get into it. But how many of these out of spec utilities did Aqua acquire, and how much of that expense in upgrading them is being passed on to us? Certainly you can't justify any of the increases based on our circumstances here in Lake Osborne. Then they have this other statement on their website it says, "Its (mean Aqua Utilities) aggressive, growth through acquisition strategy has resulted in nearly 200 acquisition and growth ventures in the last ten years. These growth ventures have allowed Aqua America to achieve its growth goals and has had a favorable impact on its financial performance" and that's wonderful news for stockholders, but wait a minute, now we're hearing Aqua coming here and pleading that we are quote 'faced with these dire conditions' and therefore the Company, it says, 'has no choice but to seek timely rate relief'. How did we get, and Mr. Berg pointed this out as well, how did we get from this wonderful panacea of 'Come join the fun, make money with us', 'We're doing great.' 'We're financially sound. We've got a plan; we're meeting our goals' to 'these dire conditions and we have no choice. We have to seek timely relief.' And it goes on. It gets better. The drama continues. In that letter of June 15th that Mr. Berg also referred to, it says, 'AUF's current revenues are simply insufficient to meet its utility responsibilities.' Let me stop right there. If that's the case why didn't their sales forecasts, why didn't anybody pick up on that? So they could correct the problem internally instead of coming to the public and robbing the public, because that's what they're doing. They're coming to rob it out of our pockets to make up for these ventures. It's a government bailout in a kind of different way.

Let me continue, to meet its utility responsibilities in the manner that the Commission – now they're saying it's you guys – and AUF's customers expect. With the Company's current consumption and sales forecasts and the cost it must incur to provide safe and reliable water – they're playing the safety one there – that the return on equity will fall to a negative return. I would love very much sir if you would advise your stockholders that this is the case. I think you need to make that information public to your stockholders and put it on your website that you're suffering dire conditions and that you may not make it. It may be over. You may get bought out. There may be bankruptcy. We may not have water. I mean dire conditions. This is a very serious problem in image and character and integrity here. It appears that perhaps this company has recklessly plunged itself into empire building which is not unusual, and then somehow discovered

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that they did something they shouldn't of done and now they want the public to bail them out. Like we've seen that, we've seen plenty of that and its all come out of our pockets, and so I'm here to suggest that we apply for a rate decrease over the present rates to give them the financial relief they need because supply and demand is going to bring them more consumption and that 16% may very well be made back. And it is a fair and right thing to do because it puts them back on parity with everybody else, with companies far more complex in terms of their infrastructure. So, we don't want to end up paying for purchases they have made and acquired in this rush to build an empire. We don't want to pay for those mistakes that they've made – the imprudent, I believe you call it – expenses and, ah, investments. I believe the word is imprudent. So I would hope that you'd leave no stone unturned in investigating every detail of how they're justifying all these other expenses and then look at the big picture and say to yourself, "Here's little Lake Osborne a community of mostly working folks and they don't have tanks and they don't have chlorine. These people are not adding a value to that water. No value added and here's what the other folks are paying and here's what they want these people to pay."

So I believe my case for rate reduction, and I am the Chairman of the committee that's looking into this, and so I hope that we'll stay in contact, and I'm looking forward to finishing out the process. I hope I didn't take too much of your time. So, thank you very much.

Andrew Maurey: Thank you.

Patty Christensen: Vaughn Simon.

Vaughn Simon: Boy, what an act to follow. I thank you Mr. Chairman. Ah, my name is Vaughn Simon. My address is 1325 Lake Victoria Drive. I'm a customer of Aqua. Ah, I'd like to talk a little bit about the good and the bad first cause I don't know that anyone else has. Ah, as a customer, and speaking only for myself, let me tell ya the water is fabulous. It is great water. Lake Worth makes the best as far as I can tell. Ah, so that part's great, we got good pressure. Ah, as for the service, ah, not so great. Because

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Aqua is so diverse there is no local presence. It's not like being in Lake Worth where there's an office you can go to and speak to a human being. Ah, I went to Lake Worth's office today as a matter of fact. Ah, there is no fleet of trucks that I've ever seen. If my water starts squirting out of my 50 year old house – my 50 year old plumbing system, if something breaks in the middle of the night and I dial the 800 number are they going to send someone from – I don't know, where ever the 800 number is? There's no full time local presence of Aqua that I know of anywhere in this county. So it's not the same as being connected to a big – big water system. They don't have that local service. Ah, yea they have the fancy meters now but that means there's even less presence from Aqua because before they used to have someone who walked around once in awhile. Now you don't even see that.

Ah, notice the sea of green – the empty seats. That would probably lead you to believe that all the customers are happy. Ah, actually they probably are. They're dumb and happy, ah, because they don't have any information. Ah, this is the notice and I'm sorry I didn't think to bring a copy of it to hand to you, but this is the notice that we got from Aqua and it says, 'Before the Public Service Commission'. It's a notice about this meeting. Ah, and I'm not the only one who noticed this because, ah, by george, here's a letter from the wonderful people in the Office of Public Counsel where they tell you that this notice is quite inadequate. Ah, I only have one copy to hand you. I'm sure that some of you've seen it. Ah, what the problem is, ah, there telling us what the new proposed rates are and not telling us what the – how they relate to the today's rates. So, here I am I'm a customer and I'm looking at this, the first number I see is 17.66. Well now if I'm organized enough to have my last water bill – here's mine, I look and I see, okay, that's 17.66 that's the customer charge – the water base facility charge, oh, gee that went up less than \$1. That's pretty good. Well, okay, I can live with that and I'm done. Right? But if you look closer you'll see that's not where the real increase is. If you read down you'll see, um, a number here which doesn't even have units attached to it. Zero to 6,000 is \$6.49, and the letter from the Public Counsel explains this to you, and now I'm the customer and I switch to my bill and I say, "Oh well what am I paying for a thousand now?" Well, it doesn't tell you. It tells you per gallon is .00501. So now you got to be a math major or in my case a business major I guess, and you have to actually do the math, then you have to do the percentages, and, ah, we find out that whoa – whoa that's a, depending on which block you're on at least a, almost a 30% increase, and my water bill goes up not a dollar, but my water bill at around 3,000 gallons, the same as the Public Counsel's example, is 17% increase. In a world, which according to

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Washington we have 2% inflation, ah, Aqua Utilities wants 17%. Why is that? So, ah, the reason that nobody is here is because the a – not only the other reasons the people gave, ah, the meeting is inconvenient, place and time, but the notice is just totally inadequate. It doesn't tell people what's going on. They actually have to figure out what's going on for themselves. Why would it be so hard to tell them? This is not a minor detail because the, ah, the actual increase – the lion's share of the increase is in the gallonage, and that's the part that's really hidden. That's the part you really have to do the math to get it out. Ah, so really this meeting really ought to be repeated to be honest.

As far as rates, okay, as I've said 17% and the 2% rule, ah, what's going on, ah, I don't know if we've talked about it being a working class neighborhood. Well, not at my house. Another guy mentioned two years out of work. Well I've been out of work two years, finally decided I'm retired and living on a fixed income. It really is fixed because with inflation at 2% there are no social security increases, but Aqua wants one. Ah, I did a comparison because I asked myself, you know, am I being fair or not. So, I got on my – got on my computer and I did a little bit of footwork and I went around and I gathered prices from some of the local water utilities and, you know, this is unscientific, this is amateur, ah, you're the professionals but, um, I couldn't find a water utility that was not drastically cheaper than what we're paying. Ah, a typical 3,000 gallon customer pays \$31.71 today, \$37.13 under the proposed rates. If that same customer were connected to Palm Beach Utilities, the bill would be \$13.45. Less than half. So I really hope that you're taking a look at what's causing Aqua to be so inefficient. Not one other utility in the local area, that I could find, the local market area, was not drastically cheaper. The most expensive one I found is the City of West Palm Beach which was 19% cheaper than today's rate that we're paying in Aqua Utilities. Ah, the – I mentioned the 17% rate increase that's only for an average customer, I want to point out that the gallonage is going up anywhere from 30% to 55% I see.

Ah, one other thing and I need to start with a question here. Ah, the one price to all customers is that part of this what we're talking about tonight is that – is that part of this docket?

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Andrew Maurey: Yes Sir. In the company's filing they asked for uniform rates for all customers.

Vaughn Simon: Okay. I would like to address that. I don't think anyone else did. That's probably the most important thing going. That's probably more important than their rate, but what they've already done in a way by – and I don't understand why the Commission allowed them to put all these disparate company systems together and call them one system, because what they've done is they've disenfranchised us. Let me give you an example. Ah, I forget whether it was this meeting or the one before. There have been so many. Ah, the representative from Aqua got up and he started talking about how they needed new tanks, new pumps for their system here, ah, at Lake Osborne and we're of course able – as you can tell - to stand up and say, "no, oh no, none of that's true, there are no pumps, there are no tanks, ah, all there are is pipes under the ground. Ah, so now they've taken all this stuff and they've put it together and they can obfuscate all they want and there's really not much we can say about it because the only thing we know about is our one plant out of – what is it 40 – 44 I forget how many they have in Florida, ah, so they've put everything together and now they want to put it all together again. Even more together so that's there's only one rate tier for everybody. That's insane. Ah, calling a bunch of diverse utility systems one system, you know, it just makes no sense. They're diverse in character, we've already talked about some of them have different services, some of them have sewer, ours doesn't. Ah, most of them have water plants, ours doesn't. They're diverse in the investment that's required by Aqua to acquire them. They're geographically diverse, they operate in different market places. Ah, they have different levels of service. Ah, I'm sure that some of them probably are big enough to actually have a person they we can talk to. We don't, and, ah, putting them all together absolutely makes no sense at all. Ah, if a system over on the west coast of Florida needs, ah, needs a new water purification system, ah, I don't understand why we should pay for that. On the other hand, if the wholesale water charges from Lake Worth go up perhaps because of a new RO plant, ah, that's a, ah, that's an issue for us to deal with and pay for if necessary and not the people over on the other side of the coast. Ah, there's just no fairness here, and there's no way that we can intelligently talk to you about those other systems. And that's about all I have to say. Thank you very much for listening, and I hope you come to a fair decision.

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Andrew Maurey: Thank you.

Patty Christensen: Ray Thompson.

Ray Thompson: My name is Ray Thompson. I live on Lake Osborne Drive. I've lived there for some 53 years, and I like it there. It's a nice place, and we had a rate increase here on the meters about two years ago. I paid my meters and the water bill right along and one Friday night I was going – Friday afternoon I was going down to see my granddaughter down in Key West. Her husband's stationed in the Coast Guard and – coming back on Sunday – came back on Sunday there was a bill there from the water company and it was due on Tuesday. Two days later. Well I wrote them out a check and I sent it off. A month later I got another bill with a \$25.00 late fee. I called them up and they put me on hold for 20 minutes. Absolutely no response at all so I mean I've got other things to do, after all I – my time is limited on earth here, I'm over 90 years old now and I've kept up for over a year and a half paying my water bill, that is a meter and the water rate. However every single month there was a late fee because I hadn't paid for the last fee, and it kept on until I got up to \$147. Well one day I looked out there in the back yard in the evening and my dog was barking and here's a fella shutting off my water. Well, he said he had 14 more customers he had to shut off that evening. Well, he shut it off. I went over to my daughter who lives practically next door, I ran a hose over from one of her outlets there to one of my outlets and I had water for the night. The next day I went down to Home Depot. I went and bought myself a tank and a motor. I hooked it up to my well and I had water there for washing dishes and everything else, cooking, for about 3 months or so and I was going up to North Carolina, I have a home up there and it so happened that my daughter was going to take care of the place and she took care of the place and when she saw the bill come in there she paid the bill and she's been paying the bill ever since and cause as long as she pays the bill – I think she's paying the bill, she hasn't said anything. So a, but, ah, I'm back on Aqua's water now. However, I can't get this through my head here where they get the – over \$16 for the use of a meter. A neighbor of mine up in North Carolina ran out of water, his spring went dry and I have a well 337 feet down. Good water and I hooked up – I went up to the Ace Hardware store and got myself a meter. It cost me \$38.00, and I measured out 35 gallons of water and it was exactly what was on the meter, and I only charged him \$5.00 for the whole thing for the month until the following summer when we had a little rain

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and the spring get – but it's still there. But \$38.00 and here they are charging 68 dollars and some odd cents every single month for the use of their meter. Ah, I don't get that.

And another complaint I'd like to bring up is, their water line runs on the back of my property and I'm losing 525 feet - that's square feet of land and I'm paying taxes for and they're using it and it runs along the entire length of Lake Osborne and they're getting free uses on it. It's not the city property where, you know, where usually the city runs their lines right on the top of – on their property, but, ah, you know, that the taxes fault. I get my tax bill the other day too and it went up \$500. I'm retired. I haven't had a raise in my pension in 17 years – because I went to sea for 49 years and all them years I kept my pension from the master mason pilots and in all them years at one time we had 5,500 ships under the American flag and now we have less than 200 and they have to contribute. So that's one reason that we haven't gotten any pay, any increase. And we got this notice that there's going to be an increase in the water rate, so, on my 90th birthday my daughters they notified all our relatives from all over the world that we're going to have a big party. So I had a couple of my cousins from Norway come over here and they liked it here in Lake Osborne and they came over last year and they came over again last fall and even bought a house here they liked it so much, and when they – when I heard that they were going to have a rate increase I called them up on the phone and told 'em, "Well the water rates are going to go up." They're sitting over here now; they came right on over here. Unless you can understand Norwegian, I mean (laughing) – but , anyway that 's about the size of it, I mean, I think it's a – I'm thoroughly disgusted with Aqua Florida, or whatever they want to call themselves, but well that's about it, I mean that's all I can think of right now. Okay, thank you.

Patty Christensen: Linda Berg.

Linda Berg: Hi, my name is Linda Berg. I live at 1515 Shirley Court in Lake Osborne Estates. This is the 3rd time that I've come to speak and we're still having the same problems. Ah, Aqua Utilities is asking for a fair return on their investment. There is nobody that lives in our neighborhood that has had a fair return on an investment in the past 5 or 6 years. Ah, I work in construction. I worked in construction in Palm Beach County for 25 years. For the past 3 years I haven't had a paycheck. Um, I've had some,

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but I'm owed quite a bit of money because we're waiting for construction to come back up. Many residents in Lake Osborne Estates are unemployed like I am. I'm not the only story. We have many residents that are in foreclosure.

What is the fair return on their money? Where is it fair for me and those people that are losing their house? My husband hasn't had a raise, he hasn't had a cost of living increase, or a bonus for three years and he works – county or the state, (audience: "Yes, it is) well both. So we're doing without, like we thought everybody in the United States are doing without these days until I looked at Aqua Florida Utilities' financial statement and their Board of Directors last night on the internet was quite surprised that they are making quite a large sum of money and their company has an increase and the company I've worked for 25 years has no work at all. We have employees calling each day that worked for their company for 15 years say, "Do you have any work?" or "Can we get any work?", "Do you know of any work?" They're losing their homes and it's very sad. They can't buy food. I hear pitiful stories like this each day from people that I've worked with and that I grew to love, and then to have this company with the money that they have and the things that they've done, and if I'd have done the things that they've done to – which I will talk about in a few minutes – on billing, I would probably be in jail today. There is no one in this time period right now that's making a fair return on their investment. Our house is our investment and it went down 100% last year, but our taxes went up. Which is the story with everybody here in Palm Beach County. We're trying to survive. My big complaint is – that has been and has always been, um, how we get billed. I do accounting so I look at the bottom numbers each month of how many gallons used, because I know how many gallon used is gonna – it's gonna come back to haunt me or my husband because he pays the bill. There is no rhyme and reason to the way we get billed. We have a three bedroom home. We have one washing machine, we have one dryer, we have one dish washer, we take one bath a day, we have the same amount of people that we've had in our house for ten years. In 2003, we stayed the same. I understand we have a sprinkler system, but we don't go out and water the plants, we use our sprinkler system. So on an average I'm going to use the same amount of water every month or near that. If you have company it's going to be up a little bit. If you go away it should go down a little bit, but the first increase started – it started jumping around a little bit in 2004 per month a gallon that was used. 2005 it got really sporadic, but the big problem came in 2007 when it went up and stayed up for the first 5 months of the year, and the big problem was when they billed us for 19,000 gallons – 19,900 gallons in one month. We did get a refund on that after calling, that's

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another problem, is calling and trying to get results from somebody at the 800 number. Most of the time, they tell you, "If that's what your meter says, that's what you have to pay." If you don't pay it, well like the other people, you're out of water. Well it takes air, water and food to live, so you're going to pay the water bill and hope that you get your money back. In November of 2006 we were billed 17,000 gallons. We call them, they tell you, "If that's what your meter says that's what you have to pay." You don't get, - after I testified at the last hearing or was that the hearing before - we got a new water meter. The first two – four months, that was installed, it went between 7,000 to 9,000. I can live with that, because that's – I figure if I look at what I had in 2003 and, for some reason in 2010, it's good between that, but the years in between that, there is no rhyme or reason and I cannot get anybody to tell me, and there's been no refunds other than the 19,000 they refunded us part of that back, but it's not just me, I hear numerous people and I'll give you these on the area – you know, on the billing. You know those poor ladies at the last meeting that was held here talked about the same thing. She paid the bill because she lives by herself and they told her that was what she used, so that's what she paid, and I said you need to call and ask for a refund and she said, "You never – I can't afford to stay on the phone that long" because she worked and she said she would be on hold for 25 minutes. She had never gotten a refund. So how can they charge you for this just because of what the meter says? I don't understand that. If I had a swimming pool, if I had anything that took up excess – washing clothes, cooking, the same mundane tasks that you do day after day that everybody does. So, I don't understand how - we're just the average working family – how that the gallons can change that much throughout the year, and I'm not sure if I didn't just sit down and do a calculation from each bill, I would have never recognized that, and we didn't find out because my husband pays the bills that they had overcharged us for months after we got the 19,900 gallons in one month. To me if I would do that to a customer I would probably be in jail by now because that's charging somebody for something that they didn't use but how do you prove it? How do we go and say to them, "I know I didn't use this much water," because they say back to me, "Well that's what your meter says." Now I know of people who have leaks in their meters – that will come. Again, I'd like to address the fairness of the time to this, because I've had four phone calls from people who were coming but couldn't because of traffic or whatever. So, another place closer to us and another time would really work out better for everybody in our community, but I would just like for someone to tell me how my gallons of water each month can go from normal to double, from 8,000 to 17,000, from 8,000 to 14,000. That's not just a few gallons, because everybody's going to have a difference but that many – somebody – something is wrong somewhere. So, I don't feel like that an increase to a company that

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can't even explain to you why your bills are so – never the same, they're always up and down, deserves an increase in anything until they can straighten out their billing. Thank you.

Andrew Maurey: Thank you.

Patty Christensen: Robert Madden.

Robert Madden: Good evening, yes, Robert Madden at 1417 Shirley Court also in Lake Osborne Estates. Ah, so in addition to agreeing with most of the comments that were said tonight I just want to address a couple of issues further and ask a question. Ah, I saw somewhere in some of these documents that were brought in to me where Aqua's asking for a fair rate of return, I wanted to also address that, but the real question is: What is a fair rate of return? Is it, is it a statutory number or who decides what a fair rate of return is?

Andrew Maurey: The Commission will decide the fair rate of return for all utilities that appear before it.

Robert Madden: Okay, so it changes.

Andrew Maurey: It's not a set number,

Robert Madden: It's not a set number.

Andrew Maurey: it varies based on capital markets.

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Robert Madden: Okay. Um, well it seems to me that a water utility, water utilities in general, especially one like ours that, ah, simply passes through water, and, you know, from one provider to our neighborhood is a very low risk, a very safe investment. Um, as such, I think, that should receive or justify a very low rate of return. I don't know what the rate of return they expect is, but seems to me it should be very much like they bought it. I mean a water utility provides a service that's supposed to be, ah, low profile, under the radar, consistent service and not a lot of fanfare. Supposed to be a safe, low risk investment and I don't know what they're asking, you know, what a fair rate of return they expect is, but I don't think it should be very high. Ah, there's not a lot to this. It's not very complicated.

Ah, the second thing I guess I'd like to ask is when did the fair rate of return become a guaranteed rate of return? It seems to me that if they're having troubles financially, they don't want to have troubles financially. They want an entitled rate of return. It sounds pretty much like a plea for entitlement to me. Um, if they're doing bad, if they've made bad investments, they're seeing less revenue, they don't want to see that, they just want someone else to pick up the bill for them. Ah, and as far as I'm concerned they can reduce expenses. They can sell their assets like ours. Ah, they could file Chapter 11 and go out of business or sell themselves. Really, not my concern. I don't see why they're entitled to whatever it is they feel they're entitled to just because their revenues are down.

Ah, well lastly, we're all hurting in this economy, again, I just don't see why we have to pick up that slack for them if they made bad investments or seeing losses in revenue that are due to the economy. Out of their control, but other companies have ups and downs. They weather the cycles. Ah, they try to do what they can, cutting expenses. Looking for ways to raise up money by selling assets. I don't know why they're – they feel they're entitled to some rate of return year in and year out. That's all I have. Thank you.

Andrew Maurey: Thank you.

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Patty Christensen: Doreen Casanave.

Doreen Casnave: Hi, my name is Doreen Casanave, C A S A N A V E and I live at 1320 Ontario Drive in Lake Osborne Estates. Um, I don't have a big elegant speech laid out. I don't have a lot of statistics and numbers and facts and figures. Um, I'm getting an education here tonight. I'm a relatively new resident to Lake Osborne Estates. I bought – I think I've been there about three years or so, and since I've been there I've seen tremendous rate increases – phenomenal, to the point where I'm speechless. Um, I believe the first year I moved there I received a huge increase. And, um, I first of all would like to thank everybody who spoke and thank you for being here, but I, at the risk of being redundant I would like to reiterate everything Mr. Dovey and Mr. Coakley said and everybody else that's talked tonight because I share those sentiments, um, with the numbers, with the fact that all we receive is water that they purchase from Lake Worth. We don't have a water treatment facility. We don't have the wastewater. As a matter of fact not long after I moved in I had to replace my septic system and that cost me, I don't know, 6 or 8,000 dollars or whatever it was it was an incredible amount of money. Um, as we all are in this economy hurting, you know, I'm very thankful that I have a job. However, my hours have been cut. We haven't had a raise for two years. We're looking at another year before we're even considered if we are fortunate enough to get any kind of a – half the increase that we used to get, you know who knows if that's going to happen. Everything's being cut, the expenses are going up, the insurance is going up and, you know, I don't understand what justifies the increase in this water and the figures that have come up with, with the amount of money – that I had no idea how much Lake Worth Utilities was charging in West Palm – I know that I moved from West Palm to here and I know that in West Palm Beach I was paying for water and sewage and I was paying as much as I'm paying here just for the water to pass through their pipes. Now this is making me really angry. I, and I can't – I don't find the justification for it. So, ah, I don't know. Again, I don't have a lot of facts and figures and statistics, but what I have is, you know, just my personal story and my personal plea and I think that my situation is not much different from many – for many others in my neighborhood. Many of my neighbors and friends, and, you know, again I am fortunate enough to be employed. However, you know, I'm working like four jobs to keep my head above water. So, these kinds of things, you know, as little as they may seem to them, they're not little to us, this is a big thing and, again, we are not getting the service. You know, they're

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buying water and passing it through pipes and we have to pay all this money for what? I – I don't under – I don't see the justification there. Um, you know that's really my story. I don't see the justification here and I hope that you will seriously consider – take into consideration all the research and the work that these people have done and the figures and the facts that they have found and, you know, I agree with Mr. Coakley I would, I would vote for a decrease as well. You know, um, because I can't – I still can't understand the justification of the last increase, which I thought was like 60% or something or over. It was huge, whatever it was it was huge and I'm paying at least, probably more than double than I was when I first moved in. So, um, you know, we – and as well we are not getting a fair rate of return. I mean I can't even tell you how much the value of my house has gone down and, you know, we need some help here. You know we need you guys to consider our stories and our, um, our pockets and our lives and look at the service that's being provided or not being provided and come up with a fair decision, um, because again I really don't have much more to say and I don't see the justification. So, thank you very much for your time.

Andrew Maurey: Thank you.

Patty Christensen: Lawrence Silver.

Lawrence Silver: Good evening. My name is Lawrence Silver and I live at 5356 Lake Osborne Drive in Lake Osborne Estates that, of course, we're discussing tonight. I happen to be the Chairman of the Board of the Lake Osborne Estates Civic Association, Inc. We don't have a homeowners association we have a civic association. Ah, we represent just under 500 homes that are serviced – that are a matter of issue on this service by Aqua Utilities, Aqua Water. Ah, it is an extreme hardship on our residents. We've heard, our board's heard from our residents and although most of them can't make it tonight, obviously we don't have 400 to 500 people here tonight, we have enough people here that you certainly will be able to get the flavor of our discontent and our reasoning, and I just wanted to make sure to add – to add my voice as the Chairman of our association to everything's that's been said tonight and we are just hoping that we will be treated better by the current Commission – that's the current

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sitting Commission, which I understand has new members, than we have been in the past. Thank you.

Andrew Maurey: Thank you.

Patty Christensen: That's all of the persons that we had signed up to speak.

Andrew Maurey: Is there anyone in the audience who has not spoken tonight but would like to speak? Please raise your hand and we'll give you an opportunity to provide comments.

William Coakley: I have a question. I have a statement from a gentleman who was not able to stay here to speak and he wrote out a statement. I could read that if that's acceptable?

Patty Christensen: Yes, just read his name and address and so forth.

William Coakley: Oh yeah, there he is, sorry. Alfred Binner, B I N N E R at 1507 Crest Drive. Several years ago it took me about 1-1/2 years to resolve major billing problems that were a result of estimate billing. As a result of this I turned my property into xeriscape and ditched my expensive sprinkler system completely. I wrote ten letters and made at least that many phone calls. Finally someone was to meet with me at my home to read the meter but they never showed up. This issue was finally resolved by a lady who was a local representative and she was leaving the company. Signed, Fred Alfred Binner. Thank you.

Andrew Maurey: Is it Mr. Coakley?

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William Coakley: Yes.

Andrew Maurey: Ah, we could put that letter in the docket file if you would want to give us a copy of that.

William Coakley: Okay. Ah...

Patty Christensen: Yeah, we could just put that in the ... is it on backup?

William Coakley: Let me just , let me just – cause there ..

Andrew Maurey: Mr. Durbin had a copy machine if you want us just to copy that?

William Coakley: No, that's okay.

Patty Christensen: I can give you another one of those, that's ...

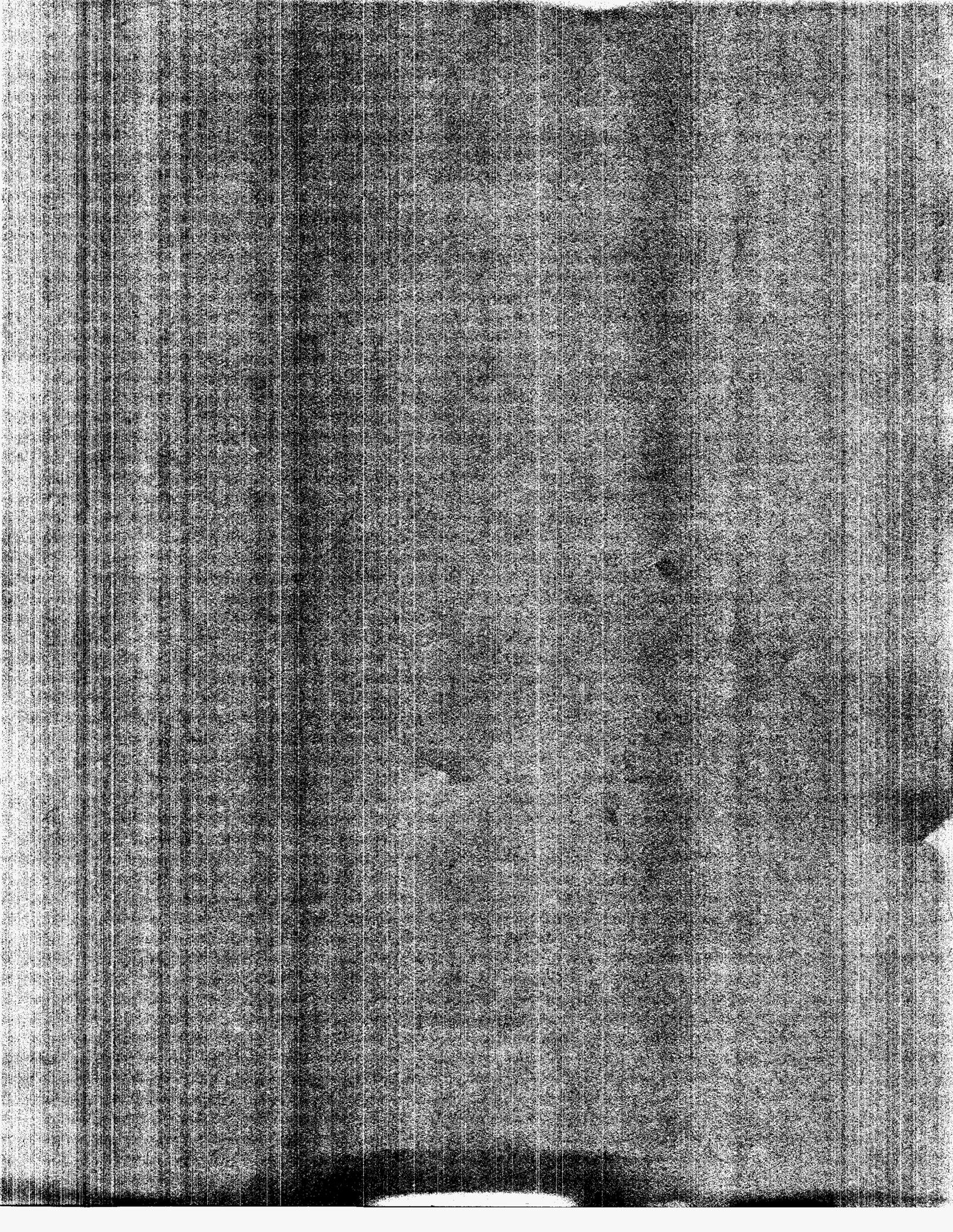
William Coakley: His statement is from here down. This is where he's writing to me.

Patty Christensen: Okay.

William Coakley: Thank you again.

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Andrew Maurey: Is there anyone else who would like to address the panel? Seeing that there are no other customers who wish to speak I'd like to conclude this meeting. Thank you again for taking time out of your busy schedules to attend this Customer Meeting. I encourage you to take copies of the Special Report with you and pass them out to friends and neighbors. If you have any concerns we would want you to call the Commission and through the website you can monitor what's going on in this docket and you have our contact information as well. Thank you for coming out tonight. This meeting is adjourned.



ATTACHMENT H

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Bart Fletcher: I'd like to call the customer meeting to order. Staff Counsel will you please read the Notice?

Keino Young: Good evening, by notice, this time and place has been set for a customer meeting in Docket No. 100330-WS, Petition for rate increase, petition for increase in rates by Aqua Utilities Florida, Inc.

Bart Fletcher: Well I'd like to welcome all of you to this customer meeting tonight. My name is Bart Fletcher and with me to my immediate left is Curt Mouring, Commission Staff, lead analyst, to my immediate right is Staff Counsel Keino Young and to his right is Stan Rieger, Staff engineer and as you were coming in Mr. Dick Durbin of Commission Staff. In addition to commission staff, we are pleased to have Commissioner Skop, Nathan Skop, here this evening with us. Commissioner would you like to address the audience?

Comm. Skop: Yes. Thank you. Good evening, Commissioner Nathan Skop of the Public Service Commission. I want to welcome the customers that came out tonight and look forward to hearing your concerns. Thank you.

Bart Fletcher: Thank you commissioner. We would like to thank you for taking time out of your schedule to attend this meeting. The purpose of this meeting is to receive input from Aqua customers regarding the service quality, the customer service, and the proposed rate increase. The Commission is interested in hearing from you and your comments will be recorded, a copy of this digital recording will be placed in the docket file as public record and a copy of which can be obtained from the Commission Clerk's office. At this time, I'd like to explain how the meeting will proceed. First, we will listen to a brief presentation from Aqua Utilities Florida Inc., which will be followed by a brief presentation from the Office of Public Counsel. After these two parties have concluded their presentations, a member of, Mr. Mouring will give a brief presentation regarding the overview of the rate case process. Now once the presentation is finished, we will get into take customer comments, customers will be called in the order that they signed up

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to speak. If anyone would like to speak but did not sign up please see Mr. Durbin right outside the chamber here and he will add your name to the list. If you would like to submit comments but do not wish to speak, you can submit your comments in writing, we have available as you came in tonight, the green special report form. This document contains a lot of helpful information including contact information for the Commission. On the last page you will see a customer contact form and if you would like to write your comments and you can hand them to any Commission staff at the conclusion of this meeting tonight or you can mail them in, the sheet is folded and you can mail it in. It has been preprinted with the commission address on it and if you have any friends and neighbors that were unable to attend tonight's meeting feel free to take extra copies of the special report and distribute them. Now, Aqua if you would, please provide a brief presentation regarding the rate case

Jack Lihvarcik: Thank you Mr. Fletcher. Good evening, my name is Jack Lihvarcik, I'm president of Aqua Utilities Florida. I appreciate the opportunity to offer some opening comments to our customers in Lee and Desoto Counties concerning this rate case. We have additional Aqua staff available today to answer your questions and to address any concerns that you might have after the meeting. This request is different than our 2008 rate request. We have filed this request under the Proposed Agency Action procedure. The Commission staff will further explain the PAA process during their presentation. However the purpose to file the PAA process is to keep rate case expenses to a minimum. We are here today to hear from you, our customers and we understand that a rate increase is never easy. I'd like to just take a minute to explain to you the improvements we have made to your wastewater system that are the reason for our need to file a rate case. Over the past 2 and half years, Aqua has spent 8.4 million dollars in capital to comply with DEP regulations and improve water and wastewater quality, service and reliability for more than 22,000 customers throughout the state of Florida. In addition since filing this case, we will be spending an additional 3.7 million dollars therefore, 73% of the requested increase is directly related to the infrastructure improvement projects. For the wastewater system in South Seas we upgraded various substations with pumps motors and other electrical controls. At the wastewater treatment plant we replaced pumps motors, blowers, and other electrical controls. The wastewater collection system consisted of collection line repairs and replacements. The major capital project is replacement for ethanol reject pass, due to the environment and age on South Seas Island and they started leaking, new tanks are scheduled to be replaced, placed in service by the end of this year. You will hear further explanation of

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our rate case and our rate proposal from the Staff at the Commission today. We look forward to hearing from you and your comments and we will be available after the meeting to answer any questions. Thank you.

Mr. Fletcher: Thank you. And now we will hear a brief presentation from Mr. Steve Reilly from the Office of Public Counsel.

Steve Reilly: Thank you. Comm. Skop, members of the public, I want to thank you for coming tonight. My name is Steve Reilly with the Office of Public Counsel. We are with the Office of Public Counsel; we are an agency of the Florida Legislature. They have funded us to provide free legal representation for rate payers in cases before the Public Service Commission and in fact county cases where they regulate utilities, especially in rate cases such as this one. We are very engaged in the case, we have formally intervened, we have hired what we believe is one of the best regulatory accounting firms to delve into all the accounting issues with the intention of identifying the material issues where they might feel the company has maybe not made its case for the increases requested. We've also hired an engineering firm, one of the bigger, strong engineering firms of Florida to look at all the engineering issues to determine the used and usefulness of the plant that has been added since the last rate case as well as look at the documentation and prudence of all the pro forma plant, which is proposed in the near future. Likewise the best engineer will also look at all the material plant additions since the last case physically being engaged in the inspection of those facilities. We've been looking of course at the companies' minimum filing requirements, the Staff's audit is soon to be released and we will be looking at that very closely. This is really your night as it was said, we really look forward to hearing your comments, the customers are very close to the operations of the utility, a lot of times both Staff and Public Counsel learn a great deal about the operations and quality of service of the Utility in meetings such as this. We really appreciate those who have taken time to come here tonight especially those driven some distance to be here. I will have the opportunity to introduce those who signed up or anyone else who comes in. So, thanks again for coming and for the opportunity to speak.

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Mr. Fletcher: Thank you Mr. Reilly and now Mr. Mouring will now give a brief overview of the rate case process being used in this docket.

Curt Mouring: Good Evening. Again I am Curt Mouring with the Commission Staff. This evening, I have a brief presentation outlining Aqua Utility's 2010 rate case, and specifically the Commission's role in evaluating the Utility's application. Aqua has requested that their application be processed as a Proposed Agency Action as Mr. Lihvarcik had mentioned and I'll go through briefly what that entails and go through Staff's review and analysis, the purpose of the customer meeting here tonight and the possible effects of the protest of the Commission Order. First, some information about the PAA process, a Utility may request this by statute. It's a less formal process than going to a formal hearing, which costs less than going straight to a formal hearing in the form of rate case expense and it must be completed within 5 months of the official filing date and it may be protested by an affected person. And here's an overview of what the Commission does. Staff will review the application, customer meetings will be held, and the staff will write a recommendation to the Commission, and the Commission will make a decision on the Utility's request. Staff's review and analysis will consist of an audit of the books and records. Staff engineers will make a determination on the used and usefulness of the Utility's plant, the quality of service provided by the Utility and the prudence of the Utility's operation. Staff will also review the accounting rate and billing issues in this case. Now the purpose of this customer meeting is to receive your comments on quality of service provided by the Utility, the utility's interaction with customers, the proposed rate increase, and to answer any questions you may have. And as Mr. Reilly pointed out, this is the customers' night and we are here to listen to your comments and concerns. Now as you walked in, Mr. Durbin outside had the sign in sheet I believe, I know a few of you have already signed in, if you have not, please do so and you should have also received a copy of the special report. The special report contains a lot of information about this case as well as contact information for Commission Staff. And please note the Commission's website at the bottom of the front page there which you can go to using the docket number listed at the top of the notice you can access all the filings in this case. Also note that the last page of the special report is the pre-addressed customer comment form that Mr. Fletcher had mentioned previously. Now, once Staff has completed its review and analysis, Staff will prepare and file its recommendation. The recommendation will be reviewed by the Commissioners and voted on at the Commission Conference and the Utility representatives, Customers, and OPC may speak at the Commission Conference and,

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this is a side note, if you are traveling up to Tallahassee, please make sure that Staff knows ahead of time that you wish to address the Commission. Also if you would like to receive a copy of staff's recommendation once it's filed, please see a PSC staff member after tonight's meeting and we will get some information from you and make sure that you get a copy once it's filed. Now here is just a screen shot of the PSC website and if you click at the very top there, there's a link called agendas and hearings where you can go and listen live to the Commission conference when it occurs. Now Staff's recommendation is tentatively scheduled to be filed in February of next year. The Commission Conference will be scheduled for about 12 days after the recommendation is filed and at that commission conference the commission may either approve, deny, or modify Staff's recommendation. After the Commission Conference a PAA order will be issued within 20 days which will trigger the start of a 21 day protest period where any substantially affected person may protest the order and request a hearing. Now after the Commission Conference if no party files a protest the new rates will be effective upon the issuance of the consummating order which will be 3 to 5 days after the expiration of the protest period. Now if a party other than the Utility protests the PAA Order the Utility may put the approved rates into effect however they will be subject to refund with interest and if a timely protest is filed, it will trigger a formal hearing process which must be completed within 8 months and customer service hearings will be held, a technical hearing will be held in Tallahassee and the Utility and protesting parties will litigate the issues at these hearings. Customers may testify before Commissioners at these hearings. During the hearing process each party will be responsible for filing testimony, putting on witnesses, preparing cross examination and conducting depositions and attending the prehearing conference and hearing which is held in Tallahassee. After the hearings, Staff will prepare another recommendation based on the evidence presented at the hearing. Participation at the Post Hearing Commission Conference will be limited to Commissioners and Staff and the Commission will vote and a final order will be issued. This final order may be appealed to the First DCA. Just some notes about tonight's meeting, just a reminder that this meeting is being recorded, please come forward to the microphone, state your name, address, and please spell your last name when you come up to speak.

Mr. Fletcher: Thank you Mr. Mouring. Now we will begin to take customer comments. Again tonight's meeting, a copy of the digital recording will be placed in the docket file. As you make your way forward to the podium and if you would state your name,

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address, and spell your last name. And at this time Mr. Reilly would you call the first customer?

Mr. Reilly: Our first witness is Bob Lloyd

Bob Lloyd: Good evening, I am Bob Lloyd, president of the Beach Cottages Association at South Seas, address is P.O. Box 63, Captiva, 33924. First I would like to say I appreciate all you folks coming this far, Commissioner and all of Staff, Steve, this is a long way to come, we won't hold you up unduly; there are three of us here tonight. We will have some words about our concerns about this rate increase. First I need to say that we object to the rate increase in case there would be any question about that, we object to any increase in rates for Aqua Utilities at this time. They've increased our rates like 50% in 2008, another 20% in 2009, that's a compounded increase of almost 80% and now they want 20% more. If that were to go through that's essentially a double increase in a three year period, and there is no way that there is any arithmetic that could justify that kind of increase, particularly given our service problems that exist with Aqua. I'd like the Commissioners, and the Staff, what they probably already know is that the PSC is bound by Florida Statutes, specifically 367.081, to consider as a part of any rate making process, consider the value of service and service quality. In other words the Commission is not obliged to just accept numbers and perhaps argue with those numbers the Commission also needs to consider the service quality provided to the customers, make the rate or the acceptance in our case we believe it is not with the acceptance. The quality of service at South Seas is called into consideration by a number of billing issues which my two colleagues will delineate in further detail in a few minutes. But, we have had billing issues that go on and on and on, and when you call the billing department and ask for help, you don't get it, they don't know what you are talking about, you call executives and ask for help; you don't get it, they seem to be ineffective in trying to straighten out the problems that exist, even while admitting that the problems exist. That's bad service. Quality has also come into question with concerns at the Florida Department of Environmental Protection, DEP, concerns that they have about the Captiva plant. It's a mess. They did a proposal for a consent order, it's been pending for several months. I don't know why it has not been resolved, it has not been, but there's a consent order out there it's an 8 page Order and I have it with me tonight. I'll provide copies for Staff and Commissioner and Steve. So you can see in

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some detail what these concerns are. You will see that DEP has expressed this concern; it has to do with their workings with the plant, that they are operating without a permit, leaks, and other matters which one of my colleagues will talk more about in a few minutes. As well as we have some pictures of the leaks, well get to that in a few minutes. That's bad service and we would like to see the consent order finalized, we would like to see it acted on. In fact those earlier comments that they have invested in additional plant, that is not evident at this point in time. I can tell you from the meeting that I had with the Florida DEP just a few days ago, that they are not aware of any improvements that have been made. I also want to call into question the used and useful matter on Captiva. I know Stan, you are going to have people look at that. Commission Staff is going to look at it, I encourage you not just to look at the situation on Captiva as important as that is to us but take a look at the same issue around the whole state. I think you might be surprised. DEP data show that the Captiva plant, the South Seas plant, was built for 300,000 gallons per day capacity, 300,000, gallons per day, the average usage is 120,000. That's 40 percent folks. That calls into question whether 60% of that investment in cost that has been thrown against the rates is really profit. 40% U and U is what I calculate it out to be. You are the experts. You will have staff who will have input and engineers but if the final result is anywhere near that, we got a major problem, you have a major problem with the Aqua Utility rate structure that's already in effect. I would recommend that as a part of this proceeding, you take serious consideration, take in serious consideration the possibility of reducing rates that have already been put into effect. You have the ability to do it, the U and U number seems to indicate that there is something really wrong with what's already been done and service quality is a major problem. That's all I had, thank you for listening, I appreciate your being here again and appreciate your attention to this, it's very important.

Mr. Reilly: Mr. Lloyd. Our next witness is Steve Brunner.

Steve Brunner: Ladies and Gentlemen, thank you for having us tonight. My name is Steve Brunner B-r-u-n-n-e-r. P.O. Box 100 Sanibel, FL, 32957. I am just going to briefly touch on a little more detail some of what Bob mentioned in his statement. I've been doing property management more than close to 10 years now and had the opportunity to work with hundreds and hundreds of vendors and contractors throughout the Service area out on Sanibel and Captiva. And some of the accounting practices that Bob was

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talking about, I've never seen such inept accounting practices as I've seen in the last six months that I've been in property management. We talked about billing issues and Bob went on to describe the lack of accounting practices from Aqua Utilities. I have managed about 8 associations on Captiva and of those 8 associations we only received monthly statements on four. We've gone 4, 6, and close to 8 months without receiving actual bills from Aqua Utilities. These phone calls that are being made as Bob mentioned, it goes to a customer service representative in Illinois who cannot answer the questions about where the billings are going. We were told many times they verified the address, they verified the day that they go out, and we just do not receive them. This makes it very, very difficult for budgeting purposes. We have had one association, without getting into too much detail, that just simply denied paying the bills because we were not getting invoices, since then we received the shut off notice for this particular Association and it's led to possible lawsuits and grievances that were made with Aqua Utilities on making the, getting the discount for the deduct meters and I'm not knowing how familiar everybody is with deduct meters. This is the credit that you get for irrigation usage, pool waste, so we are going back 6 months trying to get a reduction of our current bill from the shut off notice that we received and this is on, we are talking over \$65,000 worth of billings. Bob mentioned some sewage spills that's taking place. We had documentation. I had pictures that I'd like to send in at this time for all the Commissioners. We have dates; I have dates of September of 09 when Aqua performed a substantial sewer- backup, no response from Aqua. We've gone 3 days, with phone calls made and we had no service, it only takes, within 24 hours we had back up of raw sewage. This sewage was going into the storm drains, going into _____, into parking lots. This was maybe due to, I believe this was a lift station that was down. This lift station went down three times within a week. And finally after a third call they came out and replaced it. So on behalf of the Eight Associations of South Seas that I have managed, manages, we will not support Aqua's request for rate increase due to the reasons suggested. We counsel, monitor and stand behind the DEP violation of lawsuits.

Mr. Reilly: Quick question.

Andrew Maurey: The deduct meter problem, it is not yet been solved?

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Mr. Brunner: We currently have eight associations that have deduct meters, we have one that I've mentioned with the outstanding balance that have not been resolved, we received as of early this afternoon a e-mail from Harry Householder denying the request to give proper credit due to this association for past deduct meters, even after our management did extensive testing showing what was due back to the association. Bob in particular, his deduct meter has been installed now per their request, we got the verification from Aqua that it's installed properly and this is their deduct meter that we purchased through them and I believe it's been four months since it has been installed and we haven't seen any deduction or even note of deduct, deduct meter on the bills. I believe that bill, we still _____ (28:28) we haven't called to have them faxed to us.

Mr. Reilly: What is the status of the cut off notice? Service has not been stopped?

Mr. Brunner: No. we had the agreement that we would pay one lump sum and that we would make double payments, this was to catch up on bills that were not paid, but at the same time we were requesting credit after extensive testing through this deduct meter and they refused to give us proper credit. And to be fair, they, we were offered a percentage I believe it was 12% credit due. Since then Aqua upped that to 18% but, per the Association, this does not meet their needs to what they think the proper credit should be. So that, Mr. Jacob wanted is still, as of this afternoon, that's the last email that we got, so it's still being looked at.

(Background conversation.)

Mr. Fletcher: Mr. Brunner, what we might do is let the third person speak, and then follow up. We have some questions for Mr. Brunner.

(Background conversation.)

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Comm. Skop: Mr. Lloyd just with respect to the document you provided Staff, again this is a Staff led process so I am trying to minimize my involvement but trying to get a better understanding as to the status of the, what looks to be a draft Consent Order, would you explain that a little bit for us?

Mr. Lloyd: I can, let me add that I think it would be proper for the Staff to talk to Staff as to how they view the process since that letter was issued back in July. I think that the Staff of the DEP might be somewhat frustrated by the fact that they have not been able to move that process along and get the agreement that they feel they need, but I don't want to characterize their concerns. My meeting with them two days ago indicated that there was another draft coming and it indicated that it might be, it would be more harsh than this one in terms of penalties for lack of response and lack of service and lack of attention to fixing the problem. But I would encourage direct contact because it wouldn't be proper, for me to be the middle man here, I think you will find that the DEP will be very candid with your staff, Commissioner, and will explain exactly where they are. I think they are trying very desperately to reach the end of the road so they can start to get some fixes done, I believe that there has been some permitting that has been moved forward but there has not been the reaction that I think that they believed that they needed.

Comm. Skop: Just as a follow-up, in speaking to the DEP staff, have you been speaking with Mr. Evilpert (sp?), is that the person?

Mr. Lloyd: Bob Keith Kliman (sp?) is the gentleman that I've been with, he works for the DEP.

Comm. Skop: ...within the district

Mr. Lloyd: Correct (inaudible)

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Comm. Skop: And do you know whether the letter you provided the Commission Staff dated July 14, 2010, was that ever executed by the Company?

Mr. Lloyd: It has not. To the best of my knowledge, nothing has been executed by the company as yet. That needs to go through the process within the Company. I understand it's been escalated well up in the company. That needs to be finalized with DEP. The district staff has the ability to make certain changes to that -----(33:15) I don't know exactly when that might occur.

Comm. Skop: And just one final question. I guess, from the date of the letter that you sent to Commission Staff it appears that four months have elapsed since that letter was issued yet the letter requested that the Company sign and return a copy within 15 days of the date.

Mr. Lloyd: That's my understanding. While I am up here can I just mention, I forgot and I apologize I have a handout U and U question, too. The DEP has provided the numbers and I quoted and you all should have those. Again direct contact with the DEP would probably be most appropriate but what you find in there are the series of e-mails in which they have provided numbers included in the report.

Comm. Skop: Mr. Lloyd, just one final question. Have you read the draft consent order, I guess on paragraph 12 of that it spoke to a \$9500 settlement with regulatory matters, civil penalties, and cost and expenses do you have any discussion when you mention the other consent order, the second one. Did they communicate any additional information?

Mr. Lloyd: Nothing specific. What they did was indicate that the final result would probably be larger numbers, you'll also note there's a \$100 a day number in there somewhere immediately following that, I think, in fact, it's page number 13. The only indication I have is that for whatever reason and again, I am not going to characterize

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DEP, that's wouldn't be my job for whatever reason, they feel those numbers are going to get bigger.

Comm. Skop: I don't know if the Staff have seen a copy of the previously, I'm not going to ask them that but I do appreciate you bringing it to the attention of the Commission Staff.

Mr. Lloyd: Thank you Commissioner I think its important information that certainly indicates quality of service, or lack of quality, and the Commission has every right to take that into consideration both here and around the rest of the state as well.

Mr. Reilly: Our next witness is Thomas LaGuardia

Thomas LaGuardia: Good evening, my name is Thomas LaGuardia, I reside at 303 Periwinkle Way, in Sanibel. I am a snow bird and that explains my casual attire tonight. We just came down from Connecticut the other day. My purpose for addressing the board tonight is twofold, one to endorse the comments of the prior two speakers. I have a unit at Bayside Villas and I am on the board of directors of Bayside Villas Community Association. I am a semi-retired mechanical engineer. I put in 48 years in the power industry and various elements of it. In listening to the Company's explanation for the reason for the rate increase, it just doesn't match out to my experience to the cost of maintaining the facility. With respect to Captiva in particular, adding a few pumps and cuts and huge changes in valves and such, doesn't amount to a 20% increase this time, nor does it amount to the 20% prior to that, and 50% prior to that. The numbers just don't add up. I encourage Staff and Counsel to examine these costs in detail and come up with a defensible argument, if any, for an increase. In fact I believe it would justify a decrease in cost based on the performance of Aqua Utilities on Captiva. Thank you for allowing me to speak here tonight.

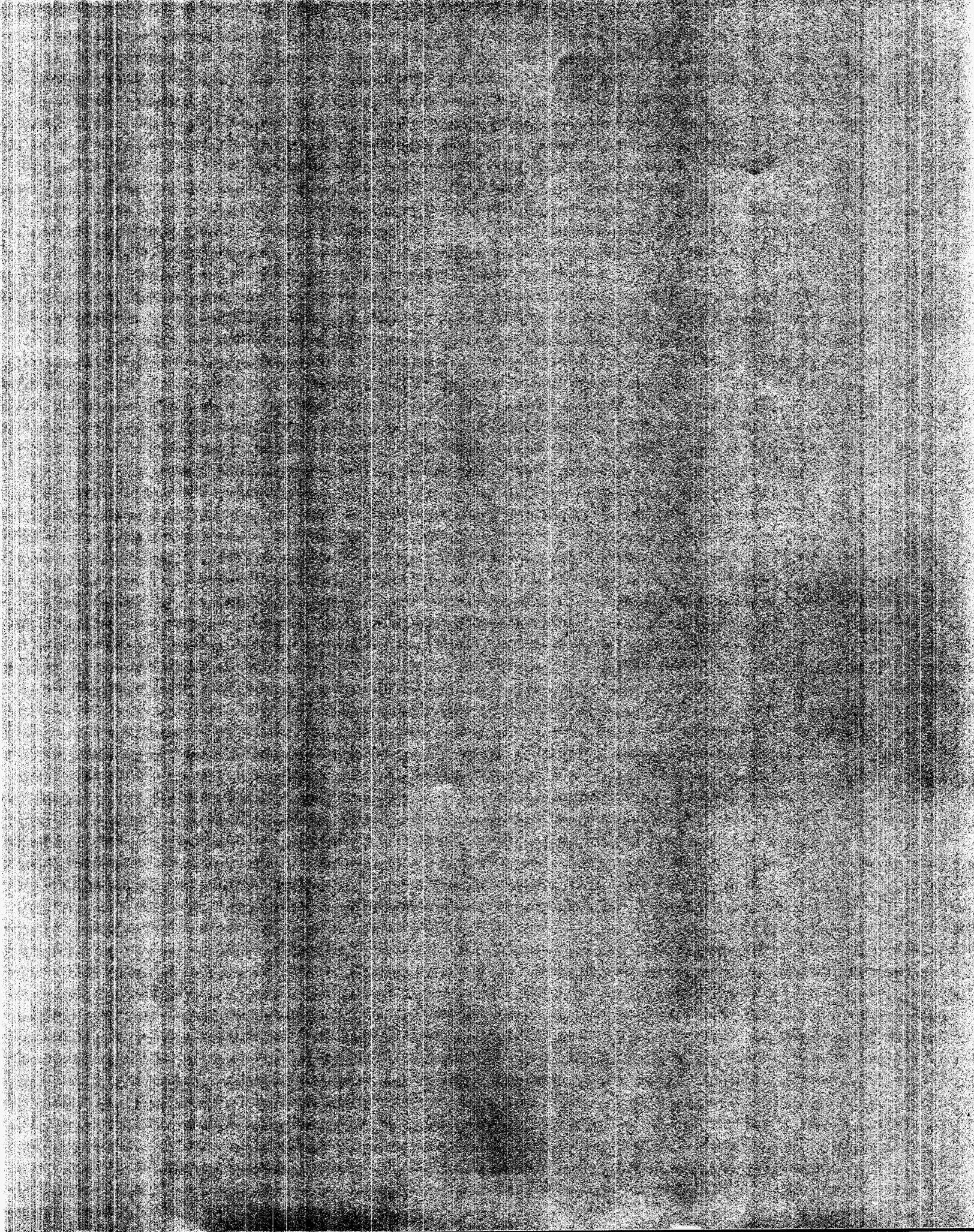
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Mr. Reilly: That concludes those who have signed up. Do we have anyone else who has come in, in the interim? That concludes the customer's presentations.

Mr. Fletcher: Alright. And in seeing that there are no other customers who wish to speak, I would like to conclude the meeting. Commissioner Skop, do you have any additional comments that you would like to make at this time?

Comm. Skop: Thank you Mr. Chair. I just wanted to again, I appreciate the customers coming out tonight. It's important for the Commission to hear what you have to say regarding quality of service and other issues that you brought forward to the attention of the Commission. Thank you.

Mr. Fletcher: I would also like to thank everyone for taking time out of your busy schedule to attend the customer meeting here tonight. And with that, this meeting is adjourned.



ATTACHMENT I

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Andrew Maurey: I'd like to call this customer meeting to order. Staff counsel will you please read the Notice?

Staff Counsel: Yes. By notice, this time and place has been set for a customer meeting, in Docket No. 100330-WS, Petition for increase in rates by Aqua Utilities Florida, Inc.

Andrew Maurey: I'd like to welcome all of you to this morning's customer meeting. My name is Andrew Maurey and with me today to my immediate left is Ralph Jaeger and Dale Buys, to my immediate right Cheryl Banks, Tom Walden and when you entered the auditorium today, you met Dick Durbin and Bev Demello. We are all members of technical staff of the Public Service Commission. We also have the pleasure of having Commissioner Nathan Skop with us today. Commissioner Skop would you like to address the audience?

Commissioner Skop: Yes. Thank you Mr. Chairman. Commissioner Nathan Skop for the Florida Public Service Commission. This morning's customer meeting is a staff lead process, but as a commissioner I am sitting in to listen to your comments. They are very important to me, and I look forward to hearing from each and all of you. Thank you.

Andrew Maurey: Thank you. We'd like to thank you for taking time out of your schedule to be with us this morning. The purpose of this meeting is to receive input from Aqua customers regarding service quality, customer satisfaction, and the proposed rate increase. The Commission is interested in hearing from you and this meeting is being recorded, a digital copy of this recording will be placed in the docket file for public record and can be accessed from the Commission's website. Now I would like to explain how this meeting will proceed. First, we will have a presentation from Aqua Utilities Florida, followed by a presentation by the Office of Public Counsel. After these parties' presentations have been completed, a Staff member will give a brief presentation regarding the process that this docket will follow. Once Staff's presentation has finished, we will receive customer comments. As your name is called, please approach the

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podium and give your name, your address, and please spell your last name. If anyone would like to speak and did not sign up when they entered the auditorium, please see Mr. Dick Durbin in the back of the room and he will include your name on the list. If you would like to submit comments but would not like to speak today, you can submit written comments. When you entered the auditorium, you should have received a copy of this special report. On the final page of this special report is a comment sheet. You can fill that out and hand it to any number of staff that's here today or take it with you and mail it to the Commission at a later date. Also if you have friends and neighbors who were unable to make it this morning, you can take extra copies, we encourage you to take extra copies of this special report with you and hand them out to your friends and neighbors. At this time we would like Aqua Utilities to make a brief presentation.

Jack Lihvarcik: Thank you Mr. Maurey. Good morning, my name is Jack Lihvarcik, I'm president of Aqua Utilities Florida. I appreciate the opportunity of offer some opening comments to our customers in Putnam, Volusia, and Lake Counties concerning this rate increase. We have additional Aqua staff available today to answer your questions and to address any concerns you may have after the meeting. They are sitting in the back of the room. We are here today to hear from you, our customers, and we understand that a rate increase is never easy. I'd like to take just a minute to explain to you the improvements we have made to your water and wastewater system that are the reason for our need to file a rate increase. Over the past 2 and half years, Aqua has spent 8.4 million dollars in capital to comply with DEP regulations and improve water and wastewater quality, service and reliability for more than 22,000 customers throughout the state of Florida. In addition to filing this rate case, we will be spending an additional 3.7 million dollars or about 73% which is directly related to infrastructure improvement projects. For the systems in Volusia, Putnam, and Lake County the improvements are the installation of valves, flushing hydrants, and water main replacements or upgrades to improve water quality. In all the systems new meters, water meters were installed, aging meter pits and meter valves were installed also. At the water plants upgrades such as flow pace chemical feed pumps, pumps and motors and hydropneumatic tanks were installed or replaced, all to improve water service and quality to the customer. The wastewater plants and lift station upgrades were improvements to improve the quality of effluent exiting our wastewater treatment plants. At Holiday Haven and Jungle Den reducing storm water infiltration into the storm system; in Palm Terrace and replacing collection lines that were aged and failing. This will reduce operating and maintenance costs in the long term and improve the efficiency of the wastewater treatment plant. In

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Tomoka View the water system was under consent order for TTHM exceedances. In December 2009 the chloramination system was installed and the system has been in compliance since January 2010. The storage tanks of both Tomoka View and Twin Rivers were constructed of concrete blocks. Over the years the block has deteriorated to allow water to begin weeping through the concrete block. These are currently being received to install a waterproof liner to prevent the water from weeping through the block. Aqua also is addressing secondary water quality concerns at Tomoka View by adding a sequestering agent into the water to improve water quality, the installation of critical valves, and a comprehensive water flushing program to address dirty water issues, and a replacement of undersize water mains and installation of new water mains to improve water quality and water pressure. A plan was prepared to systematically flush the distribution system accordance to AWWA standards. In June and again in September we met with the representatives of Tomoka View to discuss water quality improvements we made to the system. We listened to additional issues with water quality and water pressure and prepared a plan to address these concerns. In September the meeting was to discuss the impact to rates the capital improvements would have and the rate structure we would be preparing to file. We look forward to hearing from you today and your comments and will be available after the meeting to answer any questions. Thank you.

Andrew Maurey: Next we will hear from the Office of Public Counsel.

Charlie Beck: Thank you and good morning. Thank you everyone for coming. My name is Charlie Beck and also with me is Steve Reilly we are both with the Office of Public Counsel, let me just describe briefly who we are and what role we play. The Office of Public Counsel was created by the Legislature as an independent office, independent of the Public Service Commission. The Public Service Commission staff and Commissioner Skop are up there, the Public Service Commission is essentially the judge in this case. They have the authority over Aqua and they will decide whether they have warranted the rate increase which they are asking for. Now we sit as an advocate for you in opposition to the Utility Company. Aqua has hired the law firm of Holland and Knight, which is a very large law firm here in Florida. They have the resources you would expect of a major corporation to present their case and to push their request for rate increase. The Legislature created our office to put on the other side of that case.

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And what we are doing, we have a CPA in our office working on it; we have 3 attorneys who will be working on the case we have also hired 3 outside experts who will be able to testify if this case goes to hearing. One of them is a CPA who works for a firm that specializes in regulatory accounting, the second person is an expert in finance of utilities, and the third person is an engineer, works for an engineering firm in Orlando. We are going to do everything we can to oppose this rate increase and try to keep it as little or not at all if we can. Right now we started the process of discovery, it's essentially the same as a lawsuit, before you go to hearing you have the opportunity to look into the evidence that the other side has. We have asked the Company to produce documents and answer some of the questions, they have stalled in doing it, and we have filed a motion with the Commission asking them to order them to do it so we can get behind the details of their case. We are also very concerned about the notice for today's hearings. The notices that went out in the mail only give you the proposed rates filed. It doesn't give you the present rates so that is no way to tell from what you received in the mail what the impact might be on you. Also when you look at that notice, if you look at the gallonage charge, it doesn't tell you it's for a 1000 gallons. So if you look at the notice, it looks like there is a gallonage charge for 0-5 or 6000 gallons. So what we have tried to do is prepare a chart. Of course it doesn't help if you are not here but we prepared a chart that tries to compare the present rates and the proposed rates at various gallonages, and of course there are rate bands, I tried to talk to some of you about that. If you were Palm Port for example, you would be in water band 4 and wastewater band 2 if you are looking at the chart for the impact on you. I want to thank everybody for being here it's important that you testify in front of the Commission and we look forward to hearing from you. Thank you.

Andrew Maurey: Now Commission Staff will provide an overview of the rate case process being used in this docket.

Dale Buys: Good morning. My name is Dale Buys. I am a Regulatory Analyst at the Florida Public Service Commission. This morning I will be going over the rate case process. My presentation will cover the proposed agency action process, also referred to as the PAA process, Staff's review and analysis of Aqua's rate case filing, the customer meeting, and what happens if the Commission's PAA Order is protested. Aqua requested that its rate case be processed using the Proposed Agency Action

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procedures which are allowed by statute. The PAA process is an informal process that costs much less than going to a formal hearing. Under the PAA procedures, the rate case must be completed within 5 months of the official filing date and the PAA can be protested by any substantially affected person. Now let's talk about what the Commission does in the Proposed Agency Action process. In this process the Commission Staff will perform a review and analysis of the utility's rate case filing. The Commission holds customer meetings, as we're doing here this morning, Staff prepares a written recommendation, and finally the Commission will make its decision during the Commission Conference. During Staff's review and analysis, Staff Auditors conduct an audit of Aqua's books and records. Staff engineers will determine the appropriate percentage of used and useful plant, the quality of service provided by the Utility, and the prudence of Aqua's operations. Staff accountants and economists review and analyze any accounting issues, rate issues, and billing issues related to the Utility's rate case filing. In all rate cases the Commission will hold a customer meeting just like we're doing this morning. The purpose of this meeting is to receive customer comments, regarding the quality of service provided, the interaction between Aqua and its customers, the proposed rate increase, and to answer any questions that you have. This is the customers' meeting and we are here to listen to your comments and your concerns. If you would like to make comments or ask questions, we ask that you please sign up on the customer list that is available to you in the front of the room. Customers will be called up to speak in the order in which they are signed up. If you have not signed up but would still like to speak, you will still have an opportunity after the customers who signed up have spoken. For your convenience, as Mr. Maurey has pointed out, we have prepared a special report regarding Aqua's application for rate increase. This report contains pertinent information that should be helpful to you and includes Staff's contact information. Please make sure you have a copy before you leave. On the last page of the report, we have included a self addressed customer comment letter. If you do not wish to speak, you can write your comments on this form and mail it to the Commission. Your letter will be filed in the correspondence side of the docket file and will be given the same weight as if you spoke here tonight, or again you can hand it to one of us before you leave. After the customer meetings are concluded and Staff has completed its review of the Utility's rate case filing, Staff will prepare and file its recommendation. Staff's recommendation is then reviewed by the Commission and voted on at a Commission conference held in Tallahassee. Utility representatives, customers, and the Office of Public Counsel are allowed to speak at this conference. If you would like to also speak at the conference we ask that you please notify a Staff member at least one week prior to the day of the Conference. Again Staff's contact

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information can be found in the Special Report. Also if you would like to receive a written copy of Staff's PAA recommendation, please see Dick Durbin or myself after the meeting so that you can provide us with your mailing address. If you would like to stay up to date with the progress of the rate case, you can track the status of the docket on the PSC website. The web address is www.floridapsc.com. On our website you can review official documents filed in the case. We also have a link for streaming live video and audio so you can watch and listen to the Commission Conference as it happens. Staff's PAA recommendation is tentatively scheduled to be filed in February of next year. The Commission Conference is held 12 days after filing the recommendation. At the Commission Conference the Commissioners may decide to either approve, deny, or modify Staff's recommendation. After the vote at the Commission Conference, the Commission will issue a PAA Order within 20 days. Once the PAA Order is issued, a 21 day protest period begins where any substantially affected person may protest the Order and request a hearing. If no party files a protest, the new rates will be effective upon issuance of a consummating Order which usually occurs 3 to 5 days after the expiration of the protest period. If a party other than the Utility protests the PAA order, the Utility can put the new approved rates into effect. However, the amount collected from new rates will be subject to refund with interest. If the PAA Order is timely protested, a formal hearing process begins which must be completed in 8 months. During this process, customer hearings will be held, a technical hearing will also be held in Tallahassee. Aqua and protesting parties will then litigate the issues and customers will also have the opportunity to testify before the Commissioners. During the hearing process, each party is responsible for and bears the expense of filing testimony, putting on witnesses, preparing cross examination, conducting depositions, and attending the prehearing conference and the hearing in Tallahassee. After the hearing, Staff prepares another recommendation based on evidence presented at the hearing. The Commissioners will address Staff's recommendation at a post hearing Commission Conference but participation at the post hearing Commission Conference is limited to Commissioners and Staff. The final Order is issued within 20 days of the Commission's vote and a party may appeal a Commission's decision to the First District Court of Appeals. This concludes staff's presentation of the PAA process. Thank you for listening and now I believe it's your turn to speak. So please keep in mind that this meeting is being recorded. If you have signed up to speak, please come forward to the microphone when your name is called and state your name, address, and please spell your last name for the record. Thank you.

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Andrew Maurey: Thank you. And now we will begin to take customer comments. Mr. Beck, would you please call the first customer.

Mr. Beck: Thank you. The first customer to address the Commission is Larry Mathews.

Larry Mathews: Larry Mathews, M A T H E W S, one "T", live at 124 Palm Trail, Palm Port, East Palatka, Florida. I was, not in this room but we had a meeting in here a couple of years ago, it was in a much smaller room, and it was standing room only. It seems like a lot of the issues we're here today to talk about were the same ones back then. I wish there were more people here from Palm Port, along my street, I know the majority of them, they buy bottled water, they just don't drink the water, they bathe in it and cook with it possibly but the quality of the water um just isn't there. I understand that there were new meters put in because there was a question at the last meeting about how were the meters being read. And I have been informed here today that they have the new electronic meters where they can read them from the road. I am thrilled that they were able to do that and it makes their job easier but it didn't make my water taste any better. One of the other things that was brought up at a prior meeting a couple of years ago was how often when the power went out or the pumps went down and I have a pump station 2 houses down from me, they would come and hang door hangers on our door to inform us that we had to boil all of our water. And the complaint was, sometimes that lasted for a week to 10 days. After that was brought up, I haven't had a door hanger on my door. I know the pumps have gone down, we've been without power. The pump house used to have an alarm that would go off and a red light on top of it which I don't see any more or do not hear. But I am just curious if we still have water issues and we are just were not notified about them because we had complained about how long it would take for them to get the water back up. Again, the quality of the water, the gentlemen from Aqua mentioned Palm Terrace, some improvements. Was that in Palm Port? Okay. If it was Palm Trail, I haven't seen any improvements on our street. Thank you.

Mr. Maurey: Thank you.

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Mr. Beck: The next customer is William Jordan.

William Jordan: Good morning. My name is William Jordan, I live at 104 Orange Drive, East Palatka. And I read in the paper this morning that Florida Water had not had an increase since 08. I have a paper prepared by my neighbor, Jon Platt showing the increases that have happened the last 32 months. And I do want to enter it in his name as part of the program this morning. He says they have had 41.4% in base water rates in the last 32 months. 45.5% in usage charge per gallon. Anyway I won't talk about that but I will want it entered into the meeting this morning. But I do want to talk about our neighbor. Ah, I don't remember the gentlemen's name but Mr. President you are a bad neighbor. I've got evidence to talk about this morning. I've got pictures of your property, the neighbor's property. We have all kept our seawalls, built them up and kept our waterfront, waterfront. But you have allowed your property to, every time it rains it, washes down into the canal. Can y'all see that picture? That's grass growing in the canal in front of the water company property. This picture was taken after myself and some of the neighbors decided the water company wasn't going to do anything about keeping their property up so we went out and bought bags of Sakrete, for lack of a better term, and started building their seawall up. Only to be told to get off the property, by water company personnel. If you really look, you can see a catch basin up, inside, above a berm, which has washed out now, and the catch basin was exposed even from where I took the picture. That's a little better picture of the stuff growing in what is now a mud hole in front of their property. They rendered the neighbors' property useless as far as the waterfront property is concerned. That's a picture of normal high tide; if you look, the water is over their sea wall. Their original sea wall is here, this is where we started adding bags and were stopped. The water on normal high tide went over the seawall two times a day. I did place a call to the president about 4 months ago, I didn't get a return call, instead about a week later, a young man showed up at my door and said "Mr. Jordan, what's your problem and I took him out back and showed him the situation; and he looked at it and agreed with everything that I said but he left and I never heard anything from anybody. So, what we would like, as neighbors, that you maintain your property similar to what we maintain ours. Thank you.

Mr. Maurey: Mr. Jordan. You said 4 months ago, are you talking about June or July of this year when you contacted?

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Mr. Jordan: Yes

Mr. Beck: Thank you Mr. Jordan. The next customer is Charles Davis.

Charles Davis: My name is Charles Davis. I live at 102 Orange Drive, East Palatka, Florida, Palm Port. You spell it D-A-V-I-S. Mr. President of American Incorporated, you are a sorry neighbor. My property joins your property. I don't know if you noticed but when Mr. Jordan walked up here, he did it with a limp. He and his wife dug your dirt out of that canal. It takes a sorry company to allow elderly people to maintain their property. But that's not what I am here to talk about and my property joins your property. And you are such sorry neighbors I tried to buy it at one time and maintain it myself, and you wouldn't sell it to me. But anyway, let's, you come up here and you talk to the people about how much money that you've spent to maintain property and the other things your company is doing. Not one word about how many millions of dollars you give to stock holders. It's easy to research through Merrill Lynch. You say in the newspaper you haven't had a pay raise or increase since 08, that's very misleading and untruthful, you've had 2 pay raises per year since 08 and I can show it to you on my water bill, my water bill, and you will say well it's the usage, that's typical of your company and how you respond to things. My water bill this month was \$118.93, and when I moved into Palm Port I was paying \$42 a month. That's ridiculous; your water bill is more than my electric bill. But Utility companies, Mr. Commissioner, I hold you responsible to allow them to get those pay raises twice a year. That's unreal and we elect you to stop this. So you are at fault just as bad as he is. Ever since 08 you've gotten 2, then you tell the paper you haven't had one since 08 and we have a copy of the newspaper article. I would like ah...you told me how I could get a copy of this procedure? Correct? Of the hearing and everything. Because it is evident I cannot sell my property, my property is on the market to be sold, I have had people come look at my property and refuse to buy it because they are buying canal front property and they cannot buy with the way they maintain their property because of the water level. They will not maintain it correctly so the only recourse I've got that I am looking at with the other neighbors on the other side and some others is after this hearing, I'll get it off the internet, that's where I gotta get it but the only other, my commissioner is not doing his job, the president of the company is not doing his job, you guys are not doing your job so I am going to have to hire my

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own attorney. It's a shame you let 70 year old people come out and do what they did for your company. And I am going to turn all of this over to the newspaper. This is not going to go away. Thank you.

Charlie Beck: Thank you Mr. Davis. The next customer is Victor Gustin.

Victor Gustin: Good morning. My name is Victor Gustin, G-U-S-T-I-N, I reside at 1633 Yellow Brick Road, Astor Florida. I'm here to represent many of the Astor Florida residents. We, I've done an analysis like you had passed out to me a few minutes ago which I'll be curious to look at it. I'm a residential customer so I am not familiar with how you package your rates and districts and what have you. But I'd like to, I don't know who I can give this to you but I ran an analysis of your proposed rates with ah rates of city of Deland, St. John's County, City of Plant City, City of Winter Park, Florida and then Orlando, Florida. I tried to do a spectrum from a big city down to some smaller municipalities not knowing how you again package your rates, which I'll leave a copy of this for you. But in my analysis, I mean, people need to run their companies efficiently. I'm a consultant engineer, I know budgets, I know maintenance, ah, I'm familiar with the operation side of utility type things. Ah, my analysis shows that what they are asking for is anywhere from 2 to 4 times what other utilities companies are running their companies. Both on base rates and/or gallon usage rates, which to me is really either poor management or just asking for more money, they need to look within their company to try to better run the company. I was appreciative to know that there's a third party involvement here that I'm sure with what you mentioned before there's people you have on staff that they will wash out a lot of this stuff and the rates, the gallon usage rates and what have you. To be on the fair side, so, I'll submit this to the group to review. Next item is ah, you mentioned we would talk about service quality. Aqua Utilities does do a pretty poor job of managing their pump stations and what have you. I know the area that I live in, we have a lot of retirees and young vibrant people in their mid 40's and what have you, that we are involved, we are professionals, we come from all walks of life and we get involved with our community. We have similar problems like you people that either they don't maintain it or we get a finger pointing, I believe someone mentioned that one of the cost of Aqua Utilities is additional storm water drainage into their system. We have had a severe problem in Astor with the same problem. What happens is we get the County, Volusia County, in our case that says

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storm water interference isn't their problem and they won't come out and re-dig ditches they won't maintain the storm water running off. So we as customer and individuals will go out and dig ditches, clear ditches, divert water ourselves so we manage the water to keep it from going into Aqua Utilities. And we found severe water runoff problems in our whole entire area and it's always an issue. We've mentioned to Aqua Utilities service people all our pump stations have little indicator lights alarms that go off whenever there is a high water problem usually due to drainage. But they don't fix the lights, so you hear this alarm going off and which one is it type thing and they don't ever fix the lights. Ah, let's see, I'd like to see those items again from Aqua Utilities which, I'll like to get a copy of the minutes here. But some of the things I was hearing was, a lot of the items that they are replacing, the pumps, valves and what have you, to me sounds like maintenance items that you carry in a annual budget. If you are replacing things that are new requirements by the state or by some environmental agency or mandated type of thing, that's one thing that you can't foresee as a company. But normal maintenance items should be carried in a budget. And they should be a budget from year to year. And why they would ask for new money to maintain existing equipment when they already supposedly got a budget for it, I don't know, that doesn't sound right. Expansion and upgrades, I believe was also another item ya'll talked about, and in a lot of the construction that I deal with, a lot of the expansion work or cost is passed on to the developers, developer projects. Why they would ask for more money up front for us to pay for that on a state wide, because this is a state wide request I believe for just a overall blanket cost increase, so every county, every resident is going to be picking up a tab for other people's problems. And I am not sure that should be the way it should be done. Maybe a more localized, if there's a problem Maybe a more localized pricing structure maybe set up or something. As you have described, this process that you all go through; I know our country is in a phenomenal financial crisis and this sounds like a really expensive process of you going through from start to finish on this request for a price increase. I mean it sounds like you've got a quite elaborate process here and it sounds very expensive and there must be, probably a cheaper way to request a pay increase than go through all this, I mean I'm hearing legal dollars, representing dollars, meeting dollars, your time, our time. Everybody is trying to cut cost and I'm going, this sounds like you are wasting a lot of money. To try to get to an end result; do you get it or do you not get the money, I don't know. And my last comment is, I just don't think this kind of rate increase is justified and that you say you are incurring an increase in cost. I just built a home in Astor less than a year ago and I have beat my contractors up to where I've gotten prices that people are working cheaper, materials are cheaper, operating costs should be cheaper. I don't see where the costs are increasing. I can

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manage ah, in competitive bidding, I can get things down a whole lot cheaper than just going off to your top three guys and say all right give me a price. Today is a very competitive market and there are people there that will work cheap if you do your homework. Thank you for your time and I look forward to getting a copy of the minutes and reading them.

Mr. Beck: Thank you Mr. Gustin. The next customer is John Delzell.

Jonh Delzell: Thank you and my name is John Delzell, D-e-l-z-e-l-l and I live at 266 River Drive in East Palatka. That's in the River Grove area of the water department. I go way back with the water system over there and I also go way back with the Florida Public Service Commission, and I can remember when you people were elected. Now to me, that's a pity that to me you are not still elected because I would not know your names unless I read them off of your card. It always amazes me that when a public utility has additional cost, they pass them along to their customers. I've managed quite a large company and when our costs increased, we had to find another way to make expenses or make more money from what we were doing, not just increase our rates and that seems to be the case in most utilities, they just increase the rates. It's an old saying, and you may have not have heard it, that "if you want a business that can't fail, get one that's regulated by the Public Service commission because no matter how poorly it's operated, they will let you make a profit. Since Aqua bought our system over there, about 100 customers, they have not improved it to my knowledge and I live half a block from their plant. I can appreciate the money they have spent in Volusia and Lake County but that does nothing for us and we shouldn't have to be paying for their improvements in Lake and Volusia County that's the cost of doing business surely they knew that when they bought the company. The only thing I see wrong is our rates have increased about three times since Aqua has purchased it. I noticed in the literature that I get from them and this latest one announcing this meeting, that there's a bracket creep If you look at it, bracket one use to be from one to five thousand now it from one to six thousand and so forth. I just think that this rate increase has tripled in three years or since they bought it, with no improvements what's so ever in service. The only thing they have done is for their own good is develop a system that, they don't have to read the meters anymore they can do it from the road somehow or other, I don't know how that works and I don't know how accurate that is, but we have to accept it. I just wanted

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to go on record as stating for the people in River Grove that we oppose this increase in rates. Thank you.

Mr. Maurey: Thank you.

Mr. Beck: The next customer is Roger Ooten

Roger Ooten: Good morning ladies and gentlemen. My name is Roger Ooten, O-o-t-e-n. I live at 328 North Broward Avenue, Pomona Park, Florida. I'll have to agree with the gentlemen that just spoke. Does anyone here remember me from the meeting 2 years ago from the Staff or the Public? There's not that many people here this time.

Voice: Are you the one the car was parked over?

Mr. Ooten: That's me. (voices) Well I'm back again. Same reason. I don't know any of you people. I don't remember you. A couple of you remember me. I parked a car over my water meter for 3 months back in 2008 and prior to that because my water rate kept going up and up and up and up. I called, no one came out. Finally I came to this meeting. Your staff actually told me they read the meters every month. I said that's funny, you'd have to be a mighty small person or snake to get under that car. Now since that period in 2008, I have moved my mother from Cleveland, Ohio to live with me. Now, at that time you were saying I was using 3,100 gallons of water a month. I'm a divorced male, never home, hardly, at this time you say I use 84 gallons a day. Well I ran an automotive repair business and I was never home. During the nearly two years my mom was with me, it didn't change, now my mother is in Palatka health care because she has Alzheimer's, the only thing that has changed is my water bill keeps going up. So, my question is how come if my last bill is 2700 gallons and since 1996, January the 22nd when I purchased this home in Pomona Park, my water bill was \$17 a month for 3100 gallons of water. That hasn't changed really that much since up to now. Up until this bill recently 2700 gallons, but the prices have. What you charged me has definitely changed. So I wonder if I got 2 bathrooms, 2 showers, and 2 toilets in house in a 4

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bedroom home, my mother was living in it for almost 2 years and my water bill stays the same over that period of time that she resides with me and now she is not there, she has been in the institution now for 9 months. I'm using less gallons, 2700 gallons instead of 3100 gallons and being charged more for it. I don't get how you are doing this. You can't be reading these meters, because there is no way that a single guy like me, and I'm not that big, could use 84 gallons of water a day to take a shower. I eat out most of the time. I've had this argument with you and there were a lot more folks here before argued the same point. Now my question will be directed at you on this one. Have you heard of local area formation Commission? Anybody know what it is? Okay, it's part of your government. There're 12 states involved, do you know what their job is? If you may bear with me, I'll tell you their job. Their job is to control water and sewage development, water and sewage rates, any taxes, increases decreases or otherwise, they control, now you have 12 states. I could name the state but for time, I won't do it. And since 2008, the presidential elections, they are trying to pass a law to make it 50 states wide, which means every state will be going through what we are going through now. We are talking about Kansas, Oklahoma, people out west that have wells. There's another issue for you. I've heard rumors that they are thinking about putting meters on wells, okay? Peoples' wells. I don't know what your agenda is but, it's not going to work. Because the money is not there anymore. I had a business in this county. I run a repair business in Palatka, downtown Palatka, the zoning board killed me, put me out of business. I go to the City and talk to the people that run the City of Palatka; they told me if I was willing to pay \$55,000 that they would hook me up to city water and sewage. And I asked them, I said well, am I not paying tax now, property taxes, why should I not have that anyway? Now the property that has my commercial property has a well on it. Do you know that the county said that I cannot use that well on C2 property? So you are looking at a man that's broke because of what you guys are doing and what our government is doing. I don't know if any of you vote but I vote. You guys were appointed, well it's time to get you elected or get you out. Just like these people in Washington, one way or another, you are going to go. Because the money is not there, these people are retired here, most of them I would say are, you can't keep sucking money out of them because it isn't there. And you can't get it out of me anymore because all my properties are up for sale. Because your county, your commissions, your governments have drove me bankrupt, everything I own is for sale. I had a very lucrative business making money and you killed it. You can't collect taxes from me anymore because I don't have any money for you to get. And you are not going to collect water bills anymore because I won't be here. Take a look around you, around Georgetown, Palatka. Look at all the property for sale. When it's all gone, you are going

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to have dry holes, empty houses. The bills you send them, there won't be anybody to pay them cause they'll be gone. Now think about that. Thank you.

Mr. Beck: The next customer is Douglas Burgner.

Douglas Burgner: Good morning, may it please the Commission; my name is Carl Douglas Burgner. B as in boy-u-r-g-n-e-r. I live at 108 Orange Drive, in east Palatka, which is the Palm Port area. My wife and I moved here a little over a year ago, to this residence and this will be the second time if this proposal goes through within a year that our rates will have been raised if you so approve. And listening to the various speakers it seems to be a history twice a year whether we like it or not rates go up. Ah, I was not going to speak when I walked in because the old adage is if you don't know really what the problem is, why are you talking about it. I decided to speak early on after the president gave his presentation and I have a few questions about that. Ah, as I gather from his presentation, this is for a lot of replacement of valves and gears and this and that. Ah, he did not say quite where this was going to take place, he did not say how many gears and or valves were going to be replaced. What is the number? I don't know. Maybe ya'll can find out for us. I did listen to his presentation about his concrete structure that was now having leakage of water and he was going to install an impervious thing in there to keep the water from flowing in. Well when this concrete structure was built or assumed by the utility, well why didn't that happen. Now we have got to pay for something that has been going on for two years and all of a sudden, we just discovered this. Now we're going to spend some money to fix it. Again listening to another speaker, should that not have been in their budget? Ah, going back to William and Charles' presentation of Palm Port, one of the things I would like to add to that is that I saw Charles one time several months ago go out to their lawn mowing crew and tell them to stop mowing and putting the weeds and grass clipping into the canal, that's what they were doing they were mowing and all the grass clippings went into the canal. Now we know basically why there is such a growth there and dirt there. They are replanting the canal side or something, I don't know, ah how does this raise with replacing etc, deal with wastewater? I've heard how they are going to improve pumping stations etc. How does this deal with wastewater, what are they doing? What expenses do they have for wastewater increase, that's included in this thing. Ah, if they are replacing valves and gears, etc. whatever the presentation was, I'd like to know in

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addition to how many valves and gears they are going to replace, how many failures there were that required replacement and if there were failures, were these gears and valves etc and gaskets or whatever they are going to replace, were they of an inferior quality. Were they purchased not as top of the line quality that would last longer or did they just purchase these to the lowest cost to save money and then they wear out. Ah, the other question I have, I have no statistics; the other question I have is ah, do they use subcontractors, and if they use subcontractors, how do they get subcontractors, is this a bidding situation or a no bid situation. No bids usually are no brainers for "geez we used them before, we are going to use them again" we are not going to get any improvements, we're not going to hire anybody else that may be better, so how many subcontractors if they used subcontractors, how many are they; where are they; what do they do and are they very closely monitored; are their results checked; are their results examined; and if there are deficiencies there do they recommend and enforce the deficiencies to be corrected, we have no information on that. So, I am just a curious person. Like I said I had no reason to speak until the President gave his presentation and then I had a lot of questions. I thank you for your time.

Mr. Beck: Is there anyone else who has come who would like to speak? If you would, give your name.

Patricia Davis: My name is Patricia Davis, I live at 102 Orange Drive, East Palatka. Um I just have a comment. When we moved into Palm Port, we noticed that the property was not being maintained next to us. We kept thinking that any day, they are going to come and cut the grass. They did not come, so when the grass was knee high next door, my husband began to call. I noticed that one of the things that you are considering is the communication between the customers and the company. So, my husband called at least three times. Finally someone returned the call and they said well the person living at 102 Orange Drive is the one that's cutting the grass. I found that quite amazing because that's our address. So, I don't know how long it had been that that property was not maintained by the company. But, they went on to share with us that in exchange for cutting the grass they had allowed a neighbor to park a boat on it. Well you know the neighbor didn't live there no more and it certainly was not our responsibility. So for years and years, this property has been neglected. Um, all of the neighbors have noticed when there's a technician at the water company plant and we

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have attempted at different times to communicate our needs and concerns to this person and sometimes they are polite and they say you know I'll report it; someone will get back to you. Um, I'll see what I can do. But there have been others just as um, the comment was made before about us trying to even do it ourselves that, they were rude. Um, you know, they are going to report you for trying to improve or keep the water flowing to the proper place. Mr. President, I want to ask you how long do you think it would take some elderly person to climb down in that canal with a shovel and dig it out? Would you do it? Your Neighbors have done it. Thank you.

Mr. Maurey: Mrs. Davis

Patricia Davis: Yes:

Mr. Maurey: When you say your husband called the company several times it took a while to response do you recall when that exchange occurred?

Patricia Davis: Do you know it's been quite a while. They do have mowing done there now and as someone else stated it's haphazard and the trash is put in the canal often times.

Mr. Davis: That was around 2007.

Mr. Maurey: Thank you. Are there anyone else that would like to ...

Victor Gustin: Just a quick one, Victor Gustin again. In response to communication between Aqua Utilities and residents, I know in Astor the only way that you can contact Aqua Utilities is via internet, got to send them an email. And they may or may not get back with you. So it may take several attempts. If you call the I believe it's an 800 number, you will end up getting hold of Aqua Utilities in New Jersey, I believe. And they may or may not get back with you. So it usually takes several times to contact them. So

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the communication in my eyes on the utility company is very poor responses to any questions, of any sort. Again, I built a home last year and it was like an act of congress to get them information on the utilities, the connection fees, our island was developed by a private development company and the utility stub was sitting on my property, yet I paid \$1600 for a connection fee, it's like well what did you do? Oh we are supposed, we made a road crossing, no you did not. It took numerous conversations and emails back and forth on trying to coordinate with these people and I still paid the money. They said the PSC said we are allowed to charge you for that so, here is the charge, and it was some thousands of dollars as usual but the coordination between the Public and the Utility Company is very poor. There's got to be a quicker response and turn around when people have questions or problems or water problems or sewage problems. Thank you.

Andrew Maurey: Is there anyone else who would like, yes Ma'm, please come forward?

Patricia Thomas: Yes. My name is Patricia Thomas, T-H-O-M-A-S and I live at 103 Magnolia Drive, Palm Port. I also wanted to state that, vote no on this please and our neighbors, the Davises and the ones that live next to them, they all saw, there was a bunch of pine trees on their property, they would not do anything about them, just dumping all the trash into the canal, they would clean it up so they paid out their own pocket because they would not do anything about the trees. They paid out of their own pockets to have those trees cut down and cleaned up, so I think you all need to know that too. Thank you.

Andrew Maurey: Is there anyone else?

Douglas Burgner: This is Doug Burgner again commenting. And my comments are strictly with customer service. When we moved in a little over a year ago, I called, I found an 800 number for the utility company, I have no idea where they were, what state they were in etc. All I wanted to do is have them turn my water on and tell me the basis on how I am going to do this. The telephone operator ah, I asked the question and they answered with the utility company corporate headquarters. GREAT, got right to the

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horses' mouth. Then I asked the question on how we do this or what I do and the telephone switchboard person said you will have to take that up with corporate. My reply is, you are corporate, I'm talking to corporate. Ah, do I get switched to somebody? You'll have to take that up with corporate, so what I am saying Mr. President is, your receptionist or telephone operators or whatever you have going on there, they either need to be retrained as far as working for customer service or you need to terminate them. Because my impression of your company after I got the runaround, it took four days, finally I got my water turned on. My impression of your company left a really bad taste in my mouth which is continuing today. You really need to improve your image sir. I'm asking you to do that, I'm not telling you, I can't tell you to do anything, but you really need to improve your image and you really need to improve customer service toward the customers then you would get less complaints and you would get more answers readily. Thank you very much.

Andrew Maurey: Mr. Burgner, when did the exchange occur with the customer service representative? That you were referring to?

Mr. Burgner: Sir?

Mr. Maurey: When did you talk to customer service?

Voices in background.

Douglas Burgner: June of last year. I'm sorry, June of 2009.

Mr. Maurey: Thank you.

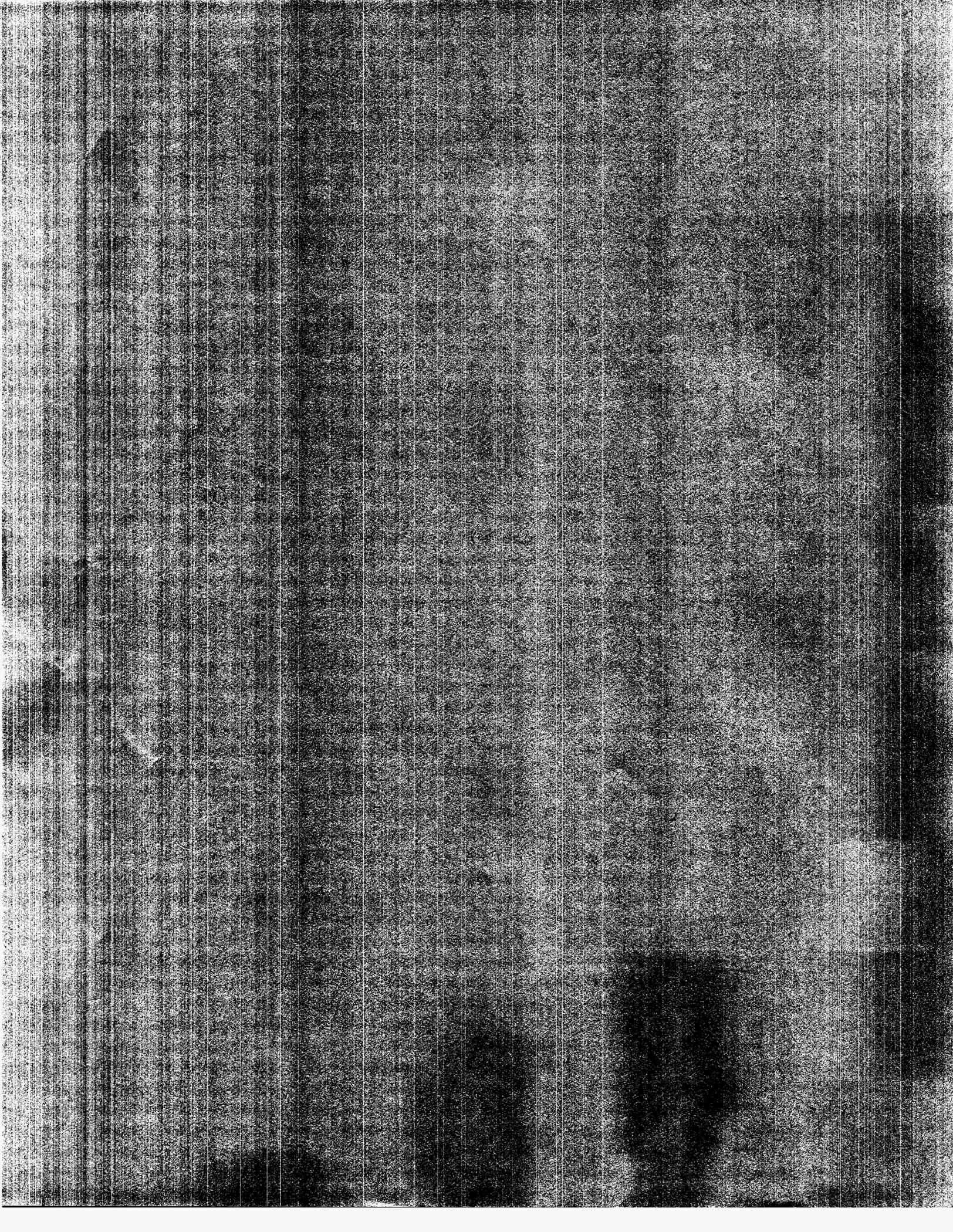
Mr. Burgner: Thank you.

Office of Public Counsel's
Unofficial Transcript of Aqua Utilities Florida
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Andrew Maurey: Anyone else? Seeing no other customers wishing to speak, I'd like to conclude this meeting. Commissioner Skop did you have any closing remarks at this time?

Commissioner Skop: Thank you Mr. Chairman, I just wanted to thank all the customers for coming out. I appreciate hearing your concerns and thank you again for your thoughts you shared. Thank you.

Andrew Maurey: Thank you again for taking the time out of your busy schedules to come to this meeting this morning. I would encourage you to submit comments in writing, talk to your neighbors, fellow customers encourage them to submit comments. If you do not use the form on the back of the special report, you can still write by referring to the docket number in this case which is on the form, 100330-WS. If you have concerns regarding the quality of the water, we encourage you to contact the Department of Environmental Protection. The DEP has several regional offices and you can choose the office nearest you from their website. Let me give you that website as well. This meeting is now adjourned. Thank you.



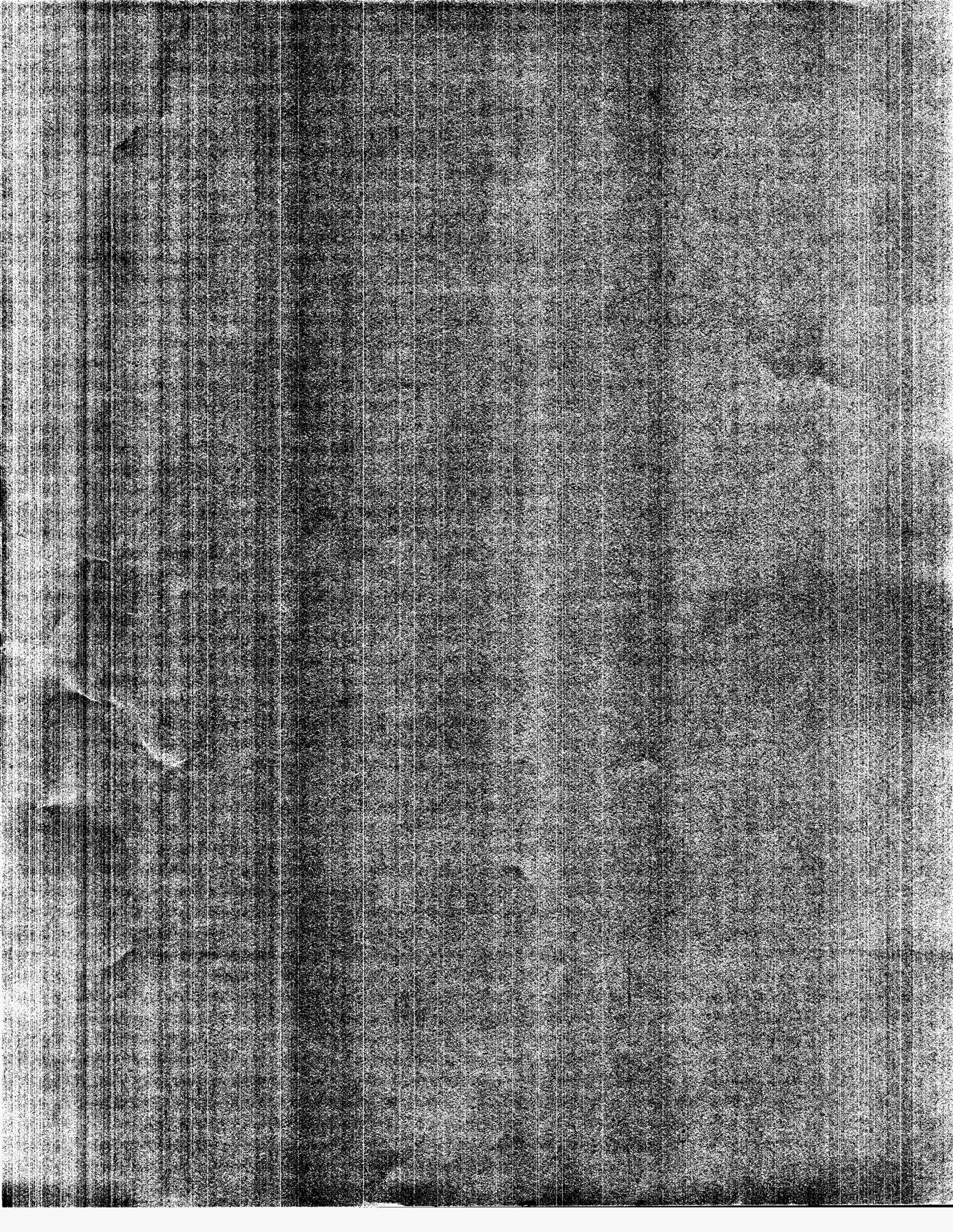
ATTACHMENT J

Aqua Utilities Florida, Inc
Docket No. 100330-WS
Matrix of Customer Complaints at Customer Meetings

Complaints on Overall Service Quality

	<u>Number of Speakers</u>	<u>Number of Complaints</u>	<u>Water Quality</u>	<u>Customer Service</u>	<u>Billing</u>	<u>Plant Issues</u>	<u>Boil Water Noticing</u>	<u>Customer Notice for Rate Increase</u>	<u>Slow Response to Emergency Calls</u>	<u>Insufficient Line Flushing</u>	<u>Other</u>
Sunny Hills	8	7	3	2	0	0	0	1	1	0	0
New Port Richey	38	82	22	15	6	19	6	2	6	0	6
Gainesville	7	14	6	1	2	2	2	0	1	0	0
Palatka	9	13	1	4	1	6	1	0	0	0	0
Sebring	21	49	20	10	11	1	4	1	2	0	0
Lakeland	36	33	6	8	3	7	1	3	3	1	1
Eustis	24	28	3	5	5	4	0	6	0	2	3
Greenacres	10	10	0	4	4	1	0	1	0	0	0
Ft. Myers	3	7	1	1	2	2	0	0	1	0	0
Totals	156	243	62	50	34	42	14	14	14	3	10

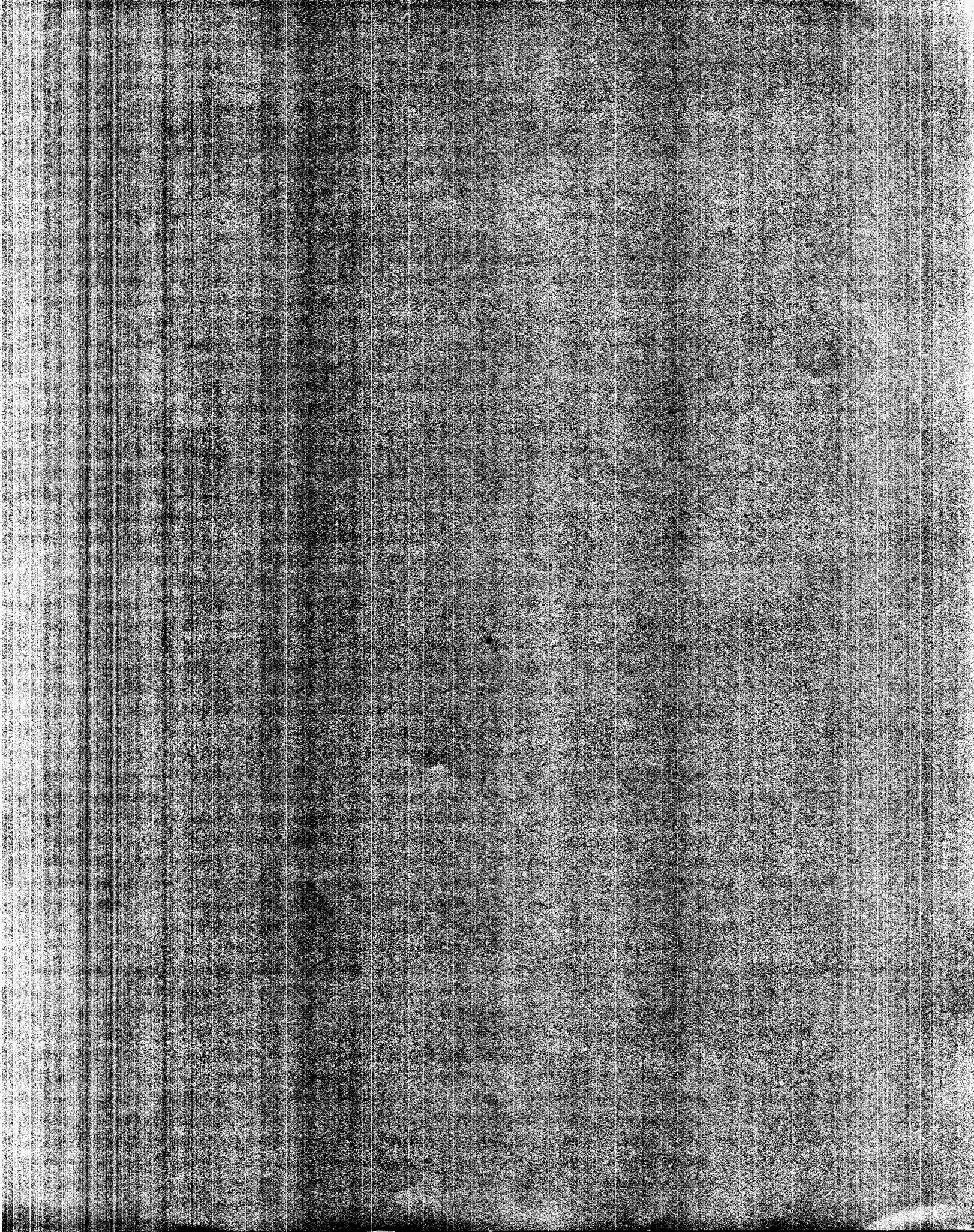
Other	
No vacation rate	5
Mail out of state takes longer	1
Phone and credit card fee	2
Can't pay on Internet	2



ATTACHMENT K

Company Name: Aqua Utilities Florida, Inc.
Complaints to PSC 2007 - 2010

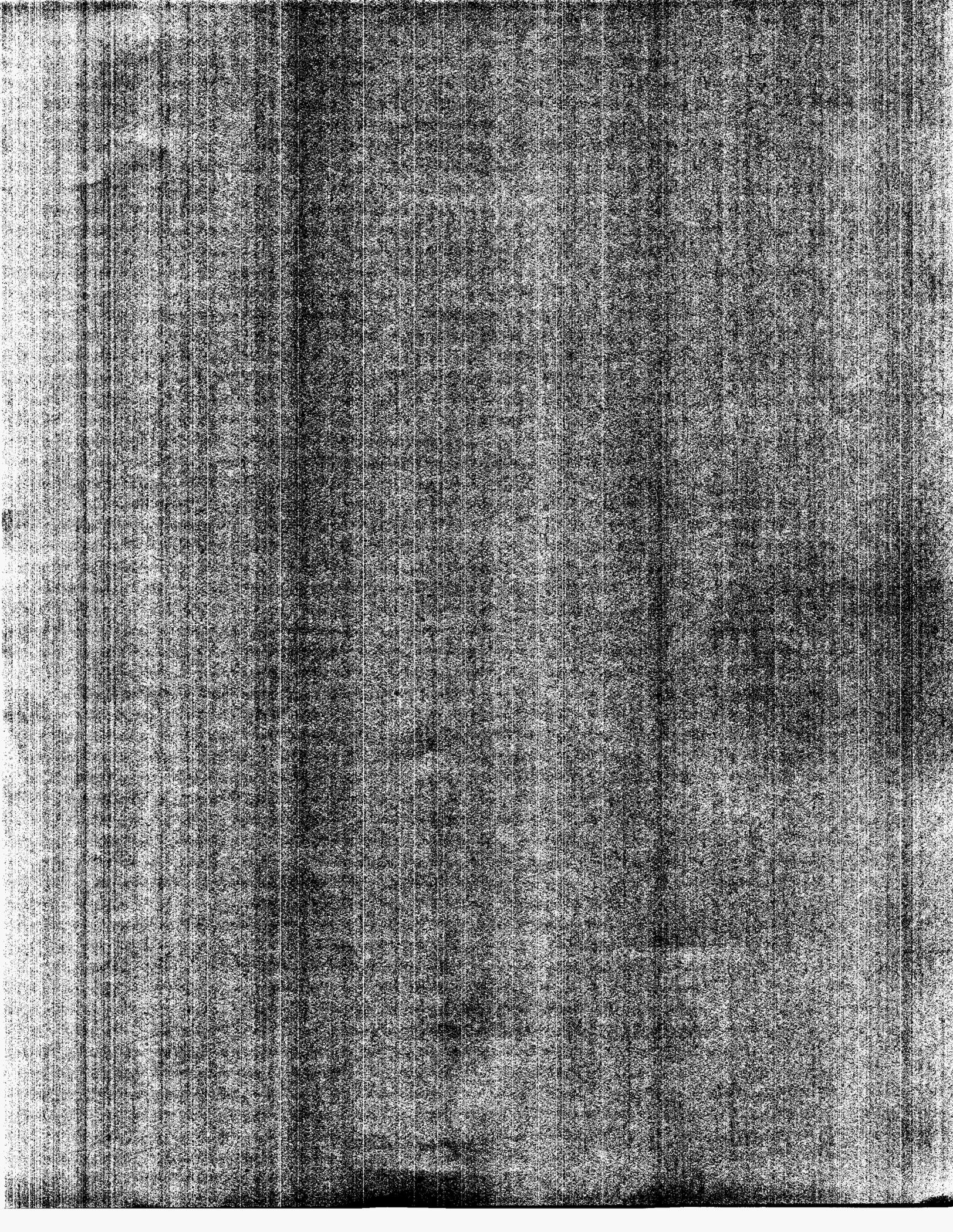
<u>Year</u>	<u>Service</u>	<u>Billing</u>	<u>Total</u>	<u>Percent Change Year to Year</u>	<u>Percent Change Year to Date</u>
2007	60	126	186		
2008	50	116	166	-11%	-11%
2009	46	130	176	6%	-5%
2010	49	93	142	-19%	-24%



ATTACHMENT L

Aqua Utilities Florida, Inc.
Quality of Service Phase II Monitoring Plan
Docket No. 080121-WS

Score Card Customer Service	Target	May-10 Actual	Jun-10 Actual	Jul-10 Actual	Aug-10 Actual	Sep-10 Actual	Oct-10 Actual	Nov-10 Actual	Dec-10 Actual
Read Rate of Metered Accounts	99.00%	99.30%	98.90%	99.30%	99.20%	99.20%	99.30%	99.20%	99.30%
% of Cycles Completed on Scheduled Date (+ or - 1 day)	100.00%	100.00%	99.10%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Overall Estimate Rate	0.80%	0.30%	0.50%	0.30%	0.20%	0.10%	0.20%	0.20%	0.10%
Accounts Estimated > 90 days	0.15%	0.12%	0.10%	0.16%	0.10%	0.07%	0.11%	0.11%	0.05%
Percentage of Active Accounts Not Billed	0.06%	0.04%	0.03%	0.13%	0.06%	0.07%	0.19%	0.26%	0.04%



ATTACHMENT M

Aqua Utilities Florida, Inc.
Quality of Service Phase II Monitoring Plan
Docket No. 080121-WS

	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Billing Issues									
Bill crctn	9	12	18	12	14	16	17	11	109
Bill disp	46	57	46	53	54	54	45	45	400
Collection	13	11	6	9	7	8	11	9	74
Dupl bill	9	18	13	17	9	15	13	18	112
Est bill	5	1	3	5	4	1	4	0	23
Final bill	5	2	6	2	1	0	0	2	18
High bill	107	120	131	177	112	119	93	118	977
Lost pymt	4	4	6	4	12	5	4	4	43
Misap pymt	16	10	14	18	19	10	12	8	107
No bill	19	17	14	16	27	23	19	10	145
Rates	7	9	5	3	6	25	11	13	79
Rate compl	0	1	2	0	1	1	0	0	5
Zero use	3	6	12	10	4	10	7	3	55
Total Bill Issues	243	268	276	326	270	287	236	241	2,147
Quality Issues									
Color	22	20	23	15	21	20	19	22	162
No water	214	123	102	60	262	75	602	113	1,551
Other wt q	48	41	19	26	44	28	119	28	353
Pressure	82	15	54	33	40	19	48	28	319
Taste odor	31	21	93	23	15	17	7	4	211
Total Qual Issues	397	220	291	157	382	159	795	195	2,596
Maintenance Issues									
Claims	6	5	2	4	1	2	9	6	35
Leak adj	55	39	46	55	49	50	49	47	390
Main break	6	5	4	5	14	12	25	4	75
Meter exch	1	2	1	2	2	0	4	2	14
Meter prob	36	34	31	31	45	20	23	25	245
Serv leak	60	61	46	52	62	58	70	69	478
Sewer	18	14	18	12	16	16	28	22	144
Total Maint Issues	182	160	148	161	189	158	208	175	1,381
Cust Svc and Other									
Curbbox m	19	17	14	24	11	21	14	9	129
Supv callb	1	4	2	13	7	3	9	4	43
Penty adj	0	2	1	2	0	1	2	5	13
Zipck prob	2	2	3	4	1	2	5	5	24
Total Cust Svc and Othe	22	25	20	43	19	27	30	23	209
Total Complaints	844	673	735	687	860	631	1,269	634	6,333



ATTACHMENT N

Aqua Utilities Florida, Inc.
 Quality of Service Phase II Monitoring Plan
 Docket No. 080121-WS

	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Total Bill Issues	243	268	276	326	270	287	236	241	2,147
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