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P R O C E E D I N G S

MS. BRUCE: Welcome to our meeting for Little Gasparilla, Docket Number 130265-WU. My name is Sonica Bruce on behalf of Commission staff. I am an Economic Analyst in the Division of Economics. Can you all hear me pretty good? Okay. Also from the Commission we have Shannon Hudson, the Rate Supervisor in the Division of Economics; Cheryl Bulecza-Banks in the Division of Accounting and Finance; Penelope Buys, our Staff Engineer in the Division of Engineering; and last, but not least, we have Dick Durbin, who you all should have met when you walked into the building, and he works in the Office of Public Information.

I will be conducting the meeting this evening and I will describe the rate case process, receive customer comments in the order in which you signed up. And the comments will be recorded to ensure that the Commissioners and other staff members understand your concerns. And the transcript of the recording will be placed in the docket.

Before I begin -- oh, also I'd like to, let you all know that the utility, utility representative is in the audience. However, he will not be speaking. He is just here for listening purposes only.

1 Before I get into the meeting, I want you all
2 to know that this meeting is for you. We want to hear
3 comments that you have regarding quality of service,
4 billing, metering, or any other issues that you may
5 have. During tonight's presentation, I will, I will
6 discuss the staff assistance rate case process,
7 preliminary rates, and what you can do.

8 I'm going to begin this presentation by
9 talking a little bit about Little Gasparilla's history.
10 The utility began operations in 1986. In 2007, the
11 Commission's jurisdiction was rescinded by Charlotte
12 County and the utility certificate was canceled.
13 Charlotte County transferred jurisdiction back to the
14 Commission in 2013, and the utility was granted
15 Certificate Number 661-W. A rate case for this has
16 never been, rate case -- rate base has never been
17 established by this Commission.

18 What is a SARC? A SARC is where staff assists
19 small water and wastewater utilities with rate relief
20 requests, and this eliminates the need to hire
21 accountants and engineers.

22 Now I will talk a little bit about the steps
23 in the Little Gasparilla SARC. Little Gasparilla filed
24 its application on November 4th, 2013. A staff auditor
25 conducted an examination of the utility's books and

1 records. Our staff engineer, Penny, conducted a review
2 of the utility's operations and contacted the Department
3 of Environmental Protection to ensure that the utility
4 was in compliance with its rules and regulations.
5 We, as staff, prepared a Staff Report with staff's
6 preliminary findings and rates. And please understand
7 that these rates are our best estimation of what we know
8 at this time and they can change for the recommendation.

9 Again, this customer meeting is held for
10 customer feedback and to get your perception of the
11 utility. After the customer meeting we will prepare and
12 file a recommendation that will be heard by the
13 Commission. Staff considers customer input and
14 information obtained subsequent to its preliminary staff
15 report for its recommendation to the Commissioners. The
16 rates in the final recommendation may be different from
17 the Staff Report.

18 At agenda the Commissioners may ask questions
19 of staff prior to voting on the recommendation. And
20 because we are not the decision-makers, the Commission
21 may either approve, deny, or modify staff's
22 recommendation.

23 Furthermore, you and the utility may speak at
24 agenda. If you plan to speak at agenda, please contact
25 our staff attorney Charles Murphy to let him know that

1 you plan to speak at agenda. This will ensure that you
2 guys will be heard.

3 Proposed Agency Action: This is an order
4 where the Commission proposes what it's going to do to
5 resolve, to resolve issues at matter. This order is
6 issued within 20 days after agenda. A 21-day protest
7 period then begins where any substantially affected
8 party other than the utility may protest. The utility
9 must agree to accept final rates and charges set by the
10 Commission unless they produce less revenue than the
11 existing rates and charges.

12 If you decide to protest and file a protest in
13 a timely fashion, a hearing would be held in a service
14 territory or as close as possible. The hearing would be
15 before at least three Commissioners. The utility and
16 protesting parties will litigate the issues. Customers
17 can testify before the Commissioners. However, if you
18 decide to file a -- if you decide to testify, you will
19 be responsible for filing the testimony. You will incur
20 expenses. Prudently incurred costs by the utility can
21 be passed on to the customers through rates. This is a
22 timely and very costly -- this is a costly process.

23 Now I'm going to talk a little bit about the
24 Little Gasparilla SARC. This slide you're looking at
25 now indicates the operating income. Based on staff's

1 analysis of the audited books and records, during the
2 test year the utility recorded -- I'm sorry -- the
3 utility had a net income of \$37,818. Based on staff's
4 analysis of the audited books and records for Phase I,
5 the utility -- staff is recommending a net income of
6 \$4,177. For Phase II staff is recommending a \$93,724
7 for the net income.

8 This next slide indicates the utility's
9 current and, current and proposed rates for Phase I and
10 Phase II. Currently you all pay a BFC, base facility
11 charge, of \$49.80 and a gallonage charge of \$4.81 per
12 1,000 gallons for the gallonage charge. On a
13 going-forward basis staff is recommending for Phase I a
14 BFC of \$55.75 and a gallonage charge of \$5.38 per 1,000
15 gallons. Phase II rates, staff is recommending a,
16 recommending a \$93.89 BFC and a \$9.06 gallonage charge.
17 Phase II rates are designed to recover the future costs
18 of the interconnect, the cost of the interconnect.

19 According to the utility, the utility has
20 indicated that these rates may go in effect
21 October/November of 2014 or -- I'm sorry -- the
22 interconnect would be completed by October or November
23 of 2014. Once staff reviews the invoices, the rates
24 could go into effect before the, before the first of the
25 year.

1 This next slide you're looking at indicates
2 the water bill comparison for the current and proposed
3 rates. Based on staff's, based on staff's analysis of
4 the billing analysis, you all's average consumption is
5 1,700 gallons per month. So if you look at the
6 consumption level of 2,000 gallons, meaning you all, if
7 you use 2,000 gallons per month, currently you pay
8 \$59.42. Based on staff's preliminary Phase I rates you
9 would pay \$66.51. For Phase II you would pay \$112.01.
10 Again, these rates are, these rates are the worst-case
11 scenario, and they can change, as I indicated earlier.
12 But, again, this is worst-case scenario.

13 I will give you a few moments just to view
14 this slide. For those of you that may use more than
15 2,000 gallons per month, we have a consumption level at
16 five and eight. I'll give you just a minute.

17 Staff's recommendation for Little Gasparilla
18 is scheduled to be filed on September 22nd, 2014, and is
19 expected to be heard at Agenda Conference on
20 October 2nd, 2014. Again, because we are not the
21 decision-makers, the Commission may either approve,
22 deny, or modify staff's recommendation.

23 As a customer what can you do? Tonight you
24 can provide comments at today's meeting. You may
25 provide written comments, you can obtain a copy of

1 staff's recommendation, or you may monitor the agenda.
2 As you all entered the building tonight, you all should
3 have received a Special Report. And in the Special
4 Report there's a docket number here, and I'll tell you
5 in just a few minutes why that docket number is
6 important.

7 If you will just turn to the back of the page
8 with me, on the back there's a consumer comments
9 section. For those of you that do not wish to speak
10 tonight, you may fill out this consumer comments
11 section, and it carries the same weight as an oral
12 comment. Put a stamp on it and send it back to the
13 Commission.

14 For those of you that wish to obtain a copy of
15 the recommendation, you may go to www.FloridaPSC.com,
16 click on the Clerk's Office, type in that docket number,
17 and everything in the docket will come up and you should
18 see the recommendation.

19 Also on the day of agenda, for those of you
20 that wish to view the agenda, click under Conferences
21 and Meeting Agendas, look for the red button, and the
22 screen will pop up.

23 Office of Public Counsel, they're your
24 advocate before the Commission. If you feel that none
25 of your concerns are being, have been addressed, you may

1 call 1-800-342-0222, or you may contact them at
2 www.FloridaOPC.gov. Also for those of you that may have
3 concerns regarding quality of service, you may contact
4 the PSC hotline 1-800-342-3552.

5 This concludes my slideshow presentation;
6 however, there are a few reminders I want to remind you
7 of. And they are the meeting is being recorded.
8 Customers will be called forward in the order in which
9 they signed up. Come forward to the microphone when
10 your name is called, give your name, address, and please
11 spell your last name.

12 I'm going to call up Kathleen Stokes as our
13 first speaker.

14 **MS. STOKES:** Good afternoon. I'm Kathleen
15 Stokes, S-T-O-K-E-S. I live at 8892 Gulf Street on
16 Little Gasparilla Island. And thank you so much for
17 this opportunity to speak to you. This has come as such
18 a surprise to many, many, many people on the island who
19 have not been connected. We knew nothing of it and then
20 all of the sudden we were told we're going to have to
21 connect to this water. But anyway, thank you for this
22 opportunity to speak.

23 The paperwork sent us to from Mr. Boyer
24 regarding the purpose of this meeting states that it is
25 an opportunity for persons to offer comments to the

1 staff regarding the quality of the service that the
2 utility provides, the recommended rate increases, and to
3 ask questions, as well as other issues. I'm here to do
4 all of that.

5 First, we are not currently connected to
6 Mr. Boyer's privately owned water system. It was not
7 even available us to when we built our home in 1999.
8 We, at our own expense, at approximately \$6,000 back in
9 1999, installed a rainwater cistern system complete with
10 all the bells and whistles. I won't go into everything,
11 but it's the same water system that Zephyrhills Water
12 uses.

13 Our water quality is exceptional, and it's
14 been tested. All we have ever heard from island friends
15 and acquaintances who do belong to this system is that
16 the water quality is inferior, the service unreliable,
17 and the water cost too high. Our friends who are
18 connected have complained to us about the color and the
19 smell and the residue of the water, and they've said
20 they've had to replace water usage appliances due to the
21 poor quality of the water. This made us very thankful
22 that we had not, that the water was not available to us
23 when we built and that we had never even been approached
24 about connecting to the water.

25 This is especially true since my husband has

1 had to go on dialysis twice for a few years due to
2 kidney failure. He's had two kidney transplants, and he
3 is immune compromised due to all the anti-rejection
4 drugs that he must take for the rest of his life.

5 Almost three months ago an island realtor just
6 happened to mention to me that we would be having to
7 connect to Mr. Boyer's privately owned water system. We
8 just laughed until about two weeks later there was a
9 homeowners' meeting. And Mr. Boyer appeared at the
10 meeting, and he was all dirty and discombobulated, and
11 he said he was -- he apologized for his appearance and
12 his demeanor because the system was down. His water
13 system was down again. He even asked the people
14 gathered if anybody had a part that he could use. How's
15 that for maintenance of the system?

16 I then asked him if the many people who, at
17 their own expense, have installed their own system, if
18 they would have to connect, and he said, "Yes." He
19 needed to spread the cost among all island homeowners.

20 I asked on the Little Gasparilla Island forum
21 website if any other property owners were concerned
22 about this mandatory hookup. I got a lot of answers.
23 And then somebody started an online petition against
24 joining this water system. As of now, 211 people have
25 signed it, with more signing handwritten ones.

1 Mr. Boyer came to see me the next morning. He
2 told my husband and I that we could apply for a waiver,
3 a hardship waiver probably because of my husband's
4 health problems. He told us that he lays in bed each
5 night worrying about his liability to his present
6 customers as the water quality is so bad that he
7 wouldn't want anyone to drink it. Can you believe that?
8 I doubt that he's told his present customers that. I
9 told a few that are connected that live on our street,
10 and they said, "What?"

11 Well, since that private meeting with my
12 husband and I he has said there will be no waivers, and
13 then he wants \$4,500 to connect and we need to do that
14 within 30 days. The paperwork he just sent out said, he
15 sent this to everyone, and it talks about the excellent
16 quality of his water and the excellent service he
17 provides. Well, that's completely opposite of what he
18 told us personally about his water quality. What about
19 honesty?

20 When asked about who will be maintaining this
21 new expanded system, he said that he and his family
22 would -- that would be he, his wife, and son -- and that
23 they'll be doing it, not the county. The county is not
24 going to have to be responsible when things break down.
25 This is a real concern to us as the past predicts the

1 future.

2 In addition, we're very frightened, as he says
3 near the end of his paperwork that immune-comprised
4 persons such as those who have undergone organ
5 transplant -- and my husband, remember, has had two
6 kidney transplants -- that they can be particularly at
7 risk from infectious, from infections. He gives a safe
8 water drinking hotline to call to get appropriate
9 guidelines to lessen the risk of this. And there's a
10 long, long word, it's called Cryptosporidium, and other
11 microbiological contaminants that could be in the water
12 that could be dangerous for people that are immune
13 compromised.

14 Well, I did call the hotline, and they said he
15 should be using bottled water. Well, the odd thing
16 about this is our system is the same system that
17 Zephyrhills bottled water uses. But when Mr. Boyer says
18 that he works round the clock to provide top quality
19 water to every tap, this seems to me to be an untruth,
20 as evidenced by what he told me in his not wanting
21 anyone to drink his water.

22 Please, please do not let this force -- do not
23 let this man force us to have the highest water rates in
24 the State of Florida. We presently pay for our filters,
25 our ultraviolet light for our own water system, and that

1 costs us about \$15 a month. And we're being
2 environmentally sensitive, no chemicals, and it's
3 healthy.

4 This is a matter of honesty. It's not just a
5 matter of rate increase. To us it's a matter of healthy
6 living and it's a fight of the common people fighting
7 against injustice. Please, please, again, reconsider
8 this rate increase. And thank you very much for your
9 consideration.

10 **MS. BRUCE:** Thank you so much, Ms. Stokes.

11 Our next speaker is Mr. Phil Phillips.

12 **MR. PHILLIPS:** Hi, I'm Phil Phillips,
13 P-H-I-L-L-I-P-S. I've been on this island since 1989.
14 I came down here to get away from people like Jack
15 Boyer. We didn't want anything like this. This guy has
16 been down here trying to push this on us now for I don't
17 know how many years. We came down here, we set up our
18 own water systems, and my water system is better than
19 anything that he's ever produced since he's been down
20 here. And he's been in a lot of other businesses that
21 he's just let go because he couldn't get support for
22 them. He tried to force a septic business on that
23 island. You know, instead of us having our septic
24 tanks, he tried to get, you know, get the Commission to
25 put something like that in, but we didn't have to do

1 that.

2 And I'd just like to ask a question. I'm
3 standing alone here. I'm over 70 years old. And all of
4 the sudden I get something in the mail that tells me
5 that I'm going to have to increase my payments, my
6 utility payments by 100 percent. My electric bill right
7 now is like \$100 a month, and now they're coming up here
8 and telling me that my -- that I'm going to have to pay
9 like \$100 a month meter fee and stuff like that. Well,
10 if I'm not mistaken, I think I could call right now
11 Florida Power & Light and ask them to turn off my power
12 and that I could run my house on a gas generator, and I
13 wouldn't have to pay them anything but maybe a nominal
14 fee of \$5, \$10 a month for a meter that they got hooked
15 up over there that I don't even use. And now you're
16 telling me that I'm going to have to pay this guy who
17 doesn't have any money. He's wanting to use our money
18 to put this thing in, and then he's going to turn around
19 and sell it to the Charlotte County Public Utilities and
20 he's going to walk off with a bunch of money in the
21 sunset. This guy has been trying to do this ever since
22 he's been on that island and everybody knows it. I
23 mean, he's a nice guy. He might be a heck of a nice
24 guy. But what if you, if any of you ladies up there
25 wake up tomorrow morning and somebody tell you you're

1 going to have to start paying another \$1,000, \$1,200 out
2 of your pocket? I'm on a fixed income. I'm retired and
3 I don't have that kind of money.

4 I invested like \$7,000 in my cistern, and my
5 water is good and I'm satisfied with it. So that's
6 about all I got to say for now.

7 **MS. BRUCE:** Thank you, Mr. Phillips.

8 Our next speaker is Mr. William Kirberg.

9 And I would like you all to know that the
10 meeting -- you all are not timed. However, we have
11 about 12 speakers, and we just want to make sure
12 everyone gets a chance to speak.

13 **MR. KIRBERG:** Thank you, ladies.

14 **MS. BRUCE:** Thank you.

15 **MR. KIRBERG:** My name is William Kirberg, and
16 I am the inheriter of 770 Kings Street, Little
17 Gasparilla Island. And that was my father that was
18 speaking. And I have several concerns because I am
19 shortly going to acquire the house, and I have two young
20 children that have a future there and a lifetime of
21 looking for -- enjoying everything that I had as I've
22 grown up and as he has.

23 And like he said, you mentioned quality of
24 service. It's very concerning that we don't know
25 exactly what the EPA or whatever came up with, do we,

1 when you investigated into his water systems and
2 everything?

3 **MS. BUYS:** What is it you're (inaudible).

4 **MR. KIRBERG:** Excuse me?

5 **MS. BUYS:** Can you repeat your question?

6 **MR. KIRBERG:** I'm just wondering where the
7 statistics are for all the information that you got for
8 the, when you investigated his water purification
9 system.

10 **MS. BUYS:** We're still working on that.

11 **MR. KIRBERG:** Still working on it?

12 **MS. BUYS:** Yes.

13 **MR. KIRBERG:** Okay. Also when it comes to
14 honesty, like they said, integrity of the business, he
15 goes as far back as 1995, Seaside, Little Gasparilla
16 Utilities, what happened to that? I don't know. Was it
17 Little Gasparilla Utility, Incorporated? This was in
18 '96. What happened to that? I don't know. It seems
19 that every time he tries to do something and it doesn't
20 work, he just gives up and the business goes inactive.
21 Island Environmental Utility, same thing; he tried to
22 bring utilities to the island. And what happened?
23 Inactive. A lot of other companies that he owned in the
24 past, (inaudible) Properties, CVB (phonetic), what are
25 all these things that he comes up with and, if they

1 don't work, they just go inactive? That's what I'm
2 worried about with this water company that we're going
3 to have to deal with. If this doesn't work, all he's
4 going to do is walk away from it. It's inactive, we're
5 stuck, and that's my big concern.

6 Thank you very much.

7 **MS. BRUCE:** Thank you so much, Mr. Kirberg.

8 Our next speaker is Mr. Gene Thompson.

9 **MR. THOMPSON:** Good evening. My name is Gene
10 Thompson, T-H-O-M-P-S-O-N. Thank you for letting me
11 speak.

12 I'm here to object to any requirement for me
13 to disable my present water system and connect on
14 another water system in the future and then pay an
15 unusually high rate for that water. I hope to raise
16 some questions in your mind with my talk.

17 I live in Port Charlotte, and I am the second
18 generation to own the fourth house built on Little
19 Gasparilla Island. It was built in 1956 by my parents,
20 my brother, and I. We have been using the water out
21 there since that time, and it's been good, it's been
22 serving us well. We've had no problem with it. Over
23 the years we have improved it. And according to a
24 recent Home Depot water test thing that they offered
25 about three months ago, our water quality tested very

1 high.

2 First, about disabling my system. That would
3 be very unreasonable. I have a well at my home in Port
4 Charlotte. The well was installed with a county permit
5 after I had been there several years and on county
6 water. I'm allowed to use that well for any reason I
7 want to. I can water my yard, wash my car, fill my
8 pool, take a bath, or even drink it. It makes no
9 difference. The county doesn't object to it.

10 In 1985 I used that well to keep a woods fire
11 from crossing over my property. I could not use the
12 county water because everybody else was having their
13 faucet on with hoses and there was no pressure. But my
14 well gave me the pressure and I was able to keep that
15 fire from crossing into my yard.

16 At my home in Port Charlotte the current
17 Charlotte planning (phonetic) utility bill is a one-time
18 deposit of \$120. You're probably aware of all these
19 figures, but they may not be. And my base facility
20 charge or monthly rate is \$18.27, and it's \$4.67 per
21 6,000 gallons of water on the first 6,000 gallons.

22 According to what I read tonight, the Phase II
23 proposed rates for Little Gasparilla Island, which, if
24 I'm required to connect up to, would be a monthly rate
25 of \$82.65 for a meter fee and \$139.19 for 1,000 gallons

1 of water. Now to me that is just usury because at that
2 rate that would be 4.5 times higher than my monthly rate
3 at home, which is \$18.27, and that would be 36 times
4 higher than my monthly water bill for 1,000 -- 6,000
5 gallons versus his 1,000 gallons. Roughly that breaks
6 out to 139.19. That breaks up to 35 gallons per dollar
7 underneath Phase II, 4.5 times higher and 36 times
8 higher, and all from the same water coming from the same
9 county source in this county. What can justify that?

10 The rough estimate of 4,000 to 4,500 per unit
11 for a connection fee is really us paying to complete a
12 system, the individual people paying to complete this
13 system. If we're going to pay for this system, we
14 should own it. We should get 1/750th of a share of that
15 system, and we should be allowed to enjoy the profits
16 made from the monthly meter, if there's going to be a
17 monthly meter fee, and profits from the water after the
18 county gets their payment for their bulk water.

19 And during Phase I who would get paid? Who
20 would the money go to? We're talking about \$4,000 to
21 \$4,500. Who does that go to? And during Phase II who
22 would get the money? These are a lot of questions that
23 I don't know the answers to. Maybe other people have
24 already heard these answers. I haven't.

25 In the 58 years that my place has been on

1 Little Gasparilla Island it has never had one person get
2 sick from using, washing, bathing, or drinking the
3 water. What benefit will I receive from another water
4 system that I do not already enjoy with my own water
5 system? If I must have a water system, I firmly object
6 to any rates that are greater than those already in
7 effect in Charlotte County with the Charlotte County
8 utilities.

9 Oh, one last point. Some years ago the water
10 system at the south end of the island broke down. I
11 don't know who it was, but I presume it was the owner,
12 contacted the EPA and the DNR and got permission from
13 them to run an inch-and-a-quarter or an inch-and-a-half
14 pipeline from the north end across properties at the
15 south end so he could provide his customers with water.
16 They crossed my property with their pipe, and they did
17 it in a fashion that prevented me from using parts of my
18 beach because I have beachfront property. The pipe went
19 across my property, went through a little tiki hut that
20 we had, and then down the beach side. We couldn't use
21 the tiki hut because the pipe stood about a foot and a
22 half off the ground laying right down the middle of it,
23 crossing it. No one asked permission. And I, you know,
24 when I questioned it with Charlotte County, they tell me
25 that the DNR and the EPA gave them permission to cross

1 my property and everybody else's property as well. Most
2 of the pipeline did run down the beach side where the
3 sea oats and the beach began. But in my case, they come
4 up off the beach, crossed through my tiki hut, went
5 underneath my neighbor's walkway, and then on down the
6 beach. Thank you very much.

7 **MS. BRUCE:** Thank you so much, Mr. Thompson.

8 Our next speaker is William Lee Roberts.

9 **MR. ROBERTS:** Hello, my name is William
10 Roberts. I am 8302 Little Gasparilla.

11 What I'm going to quote to you a lot from is a
12 presentation that was made by Charlotte County Water
13 directed to the Board of County Commissioners -- and
14 you're welcome to pull that up -- because there are some
15 rates in here that will offset a lot of what's been
16 talked about. When you look at the rates that are being
17 talked about, the highest in the area is all of Collier
18 County at 48.60 on their base water charge. 49.45 right
19 now is already higher than what Collier County is. And
20 if you look at current rate for Charlotte County, it's
21 40.45. Already higher than Charlotte County's rates.

22 And it concerns me because this rate plan was
23 looked at by the Charlotte County Commission and the
24 rate plan was approved by them in 2000 -- excuse me --
25 2006, incorporated projected water and wastewater demand

1 through 2011 based on growth estimates. In September of
2 2010, the rate increase that would have taken effect in
3 October of 2010 was repealed. The Board of County
4 Commissioners determined that the revenues based upon
5 the 2009 rates would be adequate to meet the needs of
6 current and future customers. There were no rate
7 increases in fiscal year 2013.

8 When you start looking at what the average
9 cost for water that Charlotte County was giving was
10 \$16.17, our rate is a lot higher than that if we look at
11 what the rates are going to be on Little Gasparilla.
12 It's exorbitant and I can't understand why, if it's
13 \$16.17 to purchase water, why they want to make our
14 rates so much higher.

15 When you look out at across the counties down
16 here, Charlotte County is about number eight in the
17 region, and they're number eight in the region but they
18 are not even the highest as far as just -- and that's
19 across the bill, wastewater and waste. Number one being
20 Collier County, but even Collier County's water piece
21 providing 4,000 gallons is coming in looking at about
22 \$50. We're nowhere near that. We're talking over
23 100 for this, for this ridiculous increase.

24 And I think that what we have to look at is
25 the conclusions that Charlotte County Water came up to

1 is there would be no rate increase projected through
2 2014 based on these numbers. They adopted county rates
3 that -- they thought the adopted rates were anticipated
4 to produce sufficient revenues to pay operating
5 expenses, to pay the debt service, to fund ongoing
6 capital projects, to fully fund the anticipated
7 transfers, to meet minimum debt service coverage
8 requirements of the bond resolution, and to maintain
9 sufficient cash reserves. If Charlotte County can come
10 to that conclusion, I think we need to come to the
11 conclusion -- and I'm not a current customer of it, but
12 I'm being twisted and forced into it because of this
13 resolution that I think the county should give
14 variances.

15 I also had a cistern system in place that cost
16 us years ago. This home has been in my family's
17 possession for, probably since 1985. And we put in back
18 then a cistern system and had all the bells and whistles
19 to clean it up and make it fine. I don't think that
20 it's appropriate that we should be required to hook up
21 to this system, and I know that's not your problem. But
22 I do believe that if I have to hook up to it, I am very
23 agitated about the rates that I'm looking at when I'm
24 hearing everything that I've heard tonight. And I'm
25 looking at area and what is predominant or prevailing in

1 the surrounding area. These rates for Little Gasparilla
2 are way higher than what I'm looking at. Thank you.

3 **MS. BRUCE:** Thank you so much, Mr. Roberts.

4 Our next speaker is Mr. Gary Oden.

5 **MR. ODEN:** My name is Gary Oden. I live in
6 Wauchula, Florida, 1688 Oden Road. I'm really not -- I
7 don't have enough information to even know what to ask.
8 Could I ask you to start with, is it going to be
9 mandatory hookup? Did y'all know that?

10 **MS. BRUCE:** No, sir.

11 **MR. ODEN:** Okay.

12 **MS. BRUCE:** We --

13 **MR. ODEN:** Okay. Do you --

14 **COMMISSION STAFF:** (Inaudible).

15 **MS. HUDSON:** Oh, no, sir. No. I was going to
16 explain that we are aware of the mandatory hookup from
17 the county. However, it is out of our jurisdiction.
18 Our legal team is looking into it to try to figure out
19 what we can do about it or if there is anything we can
20 do.

21 **MR. ODEN:** So no one knows at this point if
22 it's going to be mandatory?

23 **MS. HUDSON:** That would be with the county.
24 Again, we're just, our legal team is looking into it.
25 It's out of our jurisdiction.

1 **MR. ODEN:** Okay. Phase II, when you're
2 talking about Phase II and it going to the almost \$100,
3 what are we actually talking about Phase II?

4 **MS. HUDSON:** Phase II represents the future
5 costs of the interconnection.

6 **MR. ODEN:** Well, as the gentleman just before
7 me stated, you know, a normal rate for, for the meter --
8 I certainly don't know anything about Jack, I haven't
9 had any problem with him at all. I hooked up to the
10 system and I haven't even got my first bill and it's
11 doubling, which I thought was a little strange, or could
12 be doubling. I really don't know because nobody seems
13 to have any of those answers.

14 But before we talk about this kind of
15 increase, there should be some answers that we can look
16 at and see what we're talking about instead of it may go
17 to this and it may go to that. You know, that's not a
18 really good plan.

19 At any rate, I'm certainly opposed, like most
20 people are, I would think, to pay such a, such a big
21 increase. And I don't know enough about the water
22 business to address that, but I do know that, you know,
23 we are part of Charlotte County. You'd think the
24 elected officials would at least remember we're part of
25 their county too. And if the utility companies can

1 furnish water to their customers for this kind of price,
2 I don't know why ours would be allowed to be three times
3 that. And, yes, I object to that. And the main thing
4 is on the money, I won't do it. I'll say it just like
5 that there, I won't do it. Thank you.

6 **MS. BRUCE:** Thank you so much, Mr. Oden.

7 Our next speaker is Mr. Bernie L. Thompson.

8 **MR. THOMPSON:** Good evening. I'm Bernie
9 Thompson, T-H-O-M-P-S-O-N. I'm the third generation on
10 the island. My uncle spoke earlier. My grandfather
11 built it, my uncle helped, and my dad helped. My dad is
12 no longer with us. He'd be rolling over in his grave
13 having to hook up to some kind of water system that
14 doesn't really sound like it's very good. We've been on
15 ours since '56. I'm 54 years old, been drinking the
16 water, have no problem. I don't see that there's any
17 reason. I mean, some people out here might want to hook
18 to it, but it seems very expensive.

19 And the cost of other counties and
20 municipalities, the ratio is just too far off. And I
21 haven't been keeping up with it like I should and I know
22 this meeting is not on the mandatory hookup, but I do
23 not want any part of the hookup. And if we do have to,
24 the rates are just ridiculous.

25 We use -- my grandfather built that place to

1 get away from Englewood Beach, Anna Maria Island, Fort
2 Myers Beach, to get back to the way it used to be. Use
3 it on weekends, long summer vacations. We probably
4 average 300, 400 gallons a weekend, and let's say we're
5 going to have to pay \$93 every month whether we use it
6 or not or 82, whatever. We've seen conflicting numbers
7 there. \$4,000 to hook up to it. To me that's no good.
8 I mean, some people might need the water since they live
9 down there full-time. But we've been down there a long
10 time, I don't think we need it, and it's definitely too
11 expensive. And the taxes we pay down there, property
12 tax wise with Charlotte County, you know, it's
13 ridiculous also, but they ought to be jumping in here
14 and seeing these rates are very high.

15 It's a private entity that's doing it, I know
16 the costs incurred of building and all that, but it
17 shouldn't happen the way it is. And I'm totally against
18 it and that's the way I think about it. Like I said,
19 I'm third generation down there and we don't need it.
20 Thank you very much.

21 **MS. BRUCE:** Thank you so much, Mr. Thompson.

22 Our next speaker is Mr. Brian Lambert.

23 **MR. LAMBERT:** Brian Lambert, L-A-M-B-E-R-T.

24 I'm not sure of the island address, but 1842 Oden Road,
25 Wauchula, Florida.

1 Is there any basis at all for this \$90 fee? I
2 mean, what, what are we talking about there? Why are
3 we, why are we increasing that much above what we're
4 already paying, plus five times what the Charlotte
5 County rate is? Is there -- I mean, one of you is an
6 analyst or something to figure out the business plan, I
7 guess.

8 **MS. HUDSON:** Are you referring to the Phase II
9 rates?

10 **MR. LAMBERT:** Yes, that's what I'm more
11 concerned about. I think everybody here probably has
12 the most concern about it.

13 **MS. HUDSON:** The Phase II rates (inaudible),
14 as Ms. Bruce mentioned, once the interconnection takes,
15 all the aspects of the interconnection takes place, it's
16 the cost associated with that particular project. Once
17 we verify that it's been done, the invoices have been
18 reviewed, those would be the rates that will go into
19 effect at that time.

20 **MR. LAMBERT:** Are we talking about the
21 pipeline installation?

22 **MS. HUDSON:** The pipeline to Charlotte County,
23 whatever the things, the upgrades.

24 **MR. LAMBERT:** So is the information that I
25 received incorrect, that it was an \$800,000 project?

1 **MS. HUDSON:** I'm not exactly sure. I'm not
2 the accountant on the case, but that number sounds
3 relatively close to what the preliminary numbers look
4 like. And, again, those are all estimates.

5 Right now our numbers are based on estimates,
6 which (inaudible). Once we get closer to filing our
7 final recommendation, we should be able to update that
8 number at that time. But that's, I think we have
9 \$739,000 right now as the estimated costs.

10 **MR. LAMBERT:** Well, you can, you can pay off
11 an \$800,000 loan pretty quick with 25,000 additional
12 dollars a month, so I don't really understand why
13 there's that much increase. I mean, I understand
14 there's costs associated with doing things and I don't
15 want to, you know, keep the man from making a profit or
16 making a living, but that seems quite high.

17 **MS. HUDSON:** I'm sorry.

18 **MR. LAMBERT:** I mean, do we -- is there any
19 way to get that information to know what we're even
20 talking about, I mean, as far as the project cost? I
21 guess it's been projected.

22 **MS. HUDSON:** The records are public records
23 and you can request copies of invoices. And they should
24 be filed in the docket file, like Ms. Bruce mentioned
25 before. Any documents that we use to base our decision

1 on are filed in the docket file, so those numbers are
2 there for your review.

3 **MR. LAMBERT:** Okay. Well, most of the folks
4 here are against it. I am too. And I don't understand
5 the considerable increase that we're talking about. I
6 don't think anybody else does. So thank you.

7 **MS. BRUCE:** Our next speaker is Mr. Dan
8 Butler.

9 **MR. BUTLER:** Good evening. You say I'm not
10 time limited?

11 **MS. BRUCE:** Your time is not limited, but we
12 want to be considerate of others who maybe want to
13 speak.

14 **MR. BUTLER:** I understand. My name is Dan
15 Butler, B-U-T-L-E-R. I reside at 6026 Waterwood Trail
16 in Bartow, Florida. And I have owned a weekend vacation
17 home on Little Gasparilla Island for 31 years. It's
18 served by a well. And for 31 years I have transported
19 drinking water by container to the island, and I can
20 still do that for another 31 years if I'm lucky enough
21 to live that long.

22 I have never connected to Little Gasparilla's
23 water utility for various reasons. Number one, it's
24 only become available in my area of the island recently.
25 Number two, I've never really heard anything good about

1 the quality of the product. Three, the connect fee at
2 \$4,500 is too high, and the \$49.80 a month before I use
3 the first drop of water is ludicrous.

4 I note in the charts on pages three and
5 four of this mail-out that we got recently, there's some
6 mention at the bottom of the charts down here to a
7 typical residential comparison. Could any of you tell
8 me what or where these comparisons were made or how they
9 were made?

10 **MS. BRUCE:** Are you looking at the staff
11 report?

12 **MR. BUTLER:** No. I'm talking about the
13 mail-out that y'all --

14 **MS. BRUCE:** The Special Report. I'm sorry.
15 Are you talking about the Phase I, Phase II, or you just
16 want to understand?

17 **MR. BUTLER:** Well, maybe it's about the same
18 thing in this thing you've got tonight. But are you
19 familiar with the mail-out?

20 **MS. BRUCE:** Can you speak into the microphone
21 so I can hear you?

22 **MR. BUTLER:** Are you familiar with this
23 mail-out that we got?

24 **MS. BRUCE:** Yes, we are.

25 **MR. BUTLER:** Do you have a copy of it?

1 **MS. BRUCE:** I think it's the same information
2 that's in the Special Report. Are you, are you talking
3 about the typical bill, typical residential bills?

4 **MR. BUTLER:** Yes.

5 **MS. BRUCE:** Okay. I think it's the same
6 information.

7 **MR. BUTLER:** Can you tell me where these
8 comparisons, how they were made for your staff report?

9 **MS. BRUCE:** Sure. What this is, the typical
10 bills are -- for instance, if you use their -- they're
11 just bills at various levels of consumption. Again, as
12 I mentioned in my, during my presentation, you all use
13 an average of about 1,700 gallons a month. What this
14 indicates, if you use 2,000 gallons a month, based on
15 our preliminary analysis, you will pay, for Phase I,
16 \$66.51. That's if you use 2,000 gallons a month. And
17 once the interconnect is complete, you will pay \$112.01.

18 **MR. BUTLER:** Okay. I misunderstood your, I
19 misunderstood your chart.

20 **MS. BRUCE:** You misunderstood the chart.

21 **MR. BUTLER:** The information as to what that
22 was.

23 **MS. BRUCE:** You misunderstood the chart? Yes,
24 these are just, again, just various levels of
25 consumption and what the bill would be.

1 **MR. BUTLER:** Okay. I thought you were trying
2 to make a comparison of rates somewhere else.

3 **MS. BRUCE:** Oh, no, sir.

4 **MR. BUTLER:** Okay. All right. I made some
5 comparisons of my own like some of these other people
6 have done and explained earlier, and that is some rates
7 locally for water and hookup fees and meter fees. And
8 none of these places that I've compared to come anywhere
9 close to what we're talking about in these
10 recommendations, staff recommendations in here.

11 For instance, Charlotte County, a base rate of
12 \$17. And we're talking about something, \$55 a month,
13 you know. I don't understand the justification why
14 there's such a great difference between the two.

15 Where I live, my primary residence is, the
16 base rate is \$9 a month, and we're expected to pay \$55 a
17 month in Phase I and a bunch more in Phase II. That
18 doesn't make much sense to me. And I really didn't
19 quite understand, if you would, tell me a little bit
20 about the difference between Phase I and Phase II.

21 **MS. BRUCE:** Mr. Butler, the Phase I rates are
22 rates in which the utility is allowed to earn a fair
23 rate of return on their investments plus recovering
24 prudently incurred costs, and Phase II again are the
25 rates that will take place once the interconnect is

1 complete, the interconnect and I think there's some
2 other planned additions that may be done. Okay. Along
3 with the interconnect there's some construction of
4 utility buildings and remote read meters.

5 **MR. BUTLER:** What?

6 **MS. BRUCE:** So they're going to add more
7 meters. It's not just the interconnect, but there will
8 be construction of the utility building along with the
9 remote read meters.

10 **MR. BUTLER:** Remote read meters.

11 **MS. BRUCE:** That's correct.

12 **MR. BUTLER:** So they don't have a meter guy
13 running around reading the meters.

14 **MS. BRUCE:** I can't quite hear you. I'm
15 sorry.

16 **MR. BUTLER:** So you don't have a meter guy
17 going around reading the meters, is that what you're
18 talking about?

19 **MS. BRUCE:** Exactly.

20 **MR. BUTLER:** Okay. I just, I really have a
21 problem with the justification of these rate increases.

22 First of all, Little Gasparilla Water Utility
23 is going to mothball its production facility, take it
24 out of service, offline, and there will be no more, and
25 it would seem to me that that would be a pretty large

1 expense, an annual operating expense of a water utility.
2 So if they're going to take this operation out of
3 service, offline, we cut our expenses by quite a bit, it
4 would seem to me. So right now it seems to be the worst
5 time to ask for a revenue increase whenever you're
6 cutting your expenses by taking your plant out of
7 commission.

8 I simply see no justification for a rate
9 increase (inaudible) rate increase and if it's within
10 your purview to reduce all of these rates to a more
11 reasonable level to what we normally pay anywhere else
12 in Florida. Thank you.

13 **MS. BRUCE:** Thank you so much.

14 Our next speaker is Mr. Thomas McCoy.

15 **MR. McCOY:** My name is Thomas McCoy. That's
16 M-C capital C-O-Y. I reside at 9720 Little Gasparilla
17 Island. I'm a full-time resident along with my spouse,
18 Judy.

19 I am not a current customer of the water
20 utility on the island. I am one of the 135 Little
21 Gasparilla Island homeowners who will be forced by
22 Charlotte County to become customers of Jack Boyer's
23 Little Gasparilla Water Utility at the outset of what
24 the PSC is calling Phase II. So I am here to address
25 the rates that are currently proposed for Phase II.

1 My basic point is that those proposed Phase II
2 rates are grossly overinflated, and they are
3 overinflated for two very specific reasons. First of
4 all, the amount of the capital investment is seriously
5 overstated. And secondly, the rate of the return of the
6 capital investment is seriously understated.

7 So first, the question of the extent of the
8 capital investment. As has already been mentioned, the
9 total capital investment of approximately \$1,100,000
10 includes a, quote, utility building, a cost of \$374,000.
11 As I understand it, that utility building is a simple
12 structure to house a few pieces of equipment, and it
13 will be constructed on a lot that is already owned by
14 the utility. It is inconceivable that a simple
15 equipment shelter would cost more than \$175,000, much
16 less \$375,000. Taking the rough number of \$200,000 as
17 an overstatement, you have the capital investment
18 basically inflated by 20 or 25 percent. So that is my
19 first problem with the basis for the rates, an excessive
20 estimate of the capital investment.

21 My second problem with those rates is that the
22 PSC, in computing those rates, has failed to take
23 account of the fact that it is a legal certainty that
24 within one year after the beginning of Phase II there
25 will be 135 new customers forced to connect to LGWU.

1 And the effect of those 135 forced new
2 customers is very substantial. It comes in two flavors.
3 The first is the connection fees that those 135
4 customers, new customers, new forced customers will
5 provide within the first year, because that is the
6 amount of time they have under the county ordinance to
7 connect.

8 Within one year of the initiation of Phase II
9 those 135 forced new customers will provide \$607,000 in
10 connection fees at \$4,500 per person, per connection.
11 That is the current connection fee. And in a
12 conversation I had with a staff member of the PSC, the
13 estimate was that the connection fee in Phase II would
14 be approximately the same as what it is now. So at
15 \$4,500 each, 135 forced new customers will provide
16 \$607,000 in capital.

17 Now one has to look a little more carefully at
18 that. As I understand it, Mr. Boyer is estimating that
19 of the 135 approximately 35 will connect before the
20 beginning of Phase II. So the utility will keep the
21 entire \$4,500 for each one of those. The remaining 100
22 will probably connect during the one year of Phase II
23 that they had to connect. And during that period of
24 time, \$1,700 of each \$4,500 connection fee will be
25 remitted by LGWU to Charlotte County. So you have to

1 deduct \$170,000, that's the 100 connections where
2 Mr. Boyer will have to transmit his \$1,700 each to the
3 county, you subtract \$170,000 from the \$607,000, and at
4 the end of the first year of Phase II, LGWU will have in
5 its pocket \$437,000, which is not figured into the PSC
6 calculations. That's the effect of the hookup or
7 connection fees.

8 The second effect of these 135 new customers
9 is in the base rates. Beginning no later than the end
10 of the first year of Phase II when all 135 would be
11 connected, those 135 new forced customers will be paying
12 base rates of \$93 a month or \$1,116 a year without using
13 any water. It is pure return of capital.

14 Within two years after the start of Phase II,
15 so all 135 will have been connected for the entire
16 second year if they signed up at various times during
17 the first year, but during the second year they're all
18 connected and they're all paying their \$1,116 a year,
19 they will be paying to LGWU per year \$150,000, which
20 also is not figured into the PSC calculations. So by
21 the end of the first year of, excuse me, the end of the
22 second year of Phase II, that is the first full year
23 when all 135 will be, will have connected, LGWU will
24 have collected a total of at least a \$587,000 from those
25 135 new customers. And that is \$587,000 in addition to

1 the rate of return that the PSC's recommended rates are
2 designed to produce.

3 I urge you, I suggest to you that it is
4 absolutely essential that the PSC limit the Phase II
5 rates to no more than one year of Phase II. And at the
6 end of Phase II, there needs to be a set of Phase III
7 rates which take account of the legal certainty that
8 there will be 135 new customers, and that those 135 new
9 customers will be paying substantial sums of money in
10 both connection fees and base rates, and that that will
11 produce a massive reduction in what I would classify as
12 the Phase III rates.

13 My fear is that without a Phase III set of
14 rates scheduled to take effect no later than one year
15 after the beginning of Phase II, the Phase II rates will
16 continue and will produce hundreds of thousands of
17 dollars a year in windfall for this utility.

18 I understand that the PSC does not have
19 jurisdiction over this mandatory connection that many of
20 the people here tonight have complained about. That is,
21 in fact, a requirement of Charlotte County and all those
22 complaints about that mandatory connection have to go to
23 Charlotte County. But the PSC, I believe, does have a
24 legal obligation to take account of the legal certainty
25 that those 135 customers are going to unwillingly become

1 customers of LGWU.

2 **MS. BRUCE:** Thank you so much, Mr. McCoy.

3 Our next speaker Mr. Charles O'Hara.

4 **MR. O'HARA:** 88.5 percent. Charles O'Hara,
5 O apostrophe H-A-R-A, 9762 Little Gasparilla Island.

6 We have been on the island for 28 years, the
7 last 11 years on a full-time basis, and we have
8 collected our rainwater like so many other people who
9 have expressed their desire to continue with the
10 rainwater and the cistern system.

11 I also understand that it's Charlotte County
12 that's requiring this, not the PSC. But you aren't
13 totally not at fault because without your astronomical
14 88.5 percent increase in existing rates the utility
15 cannot afford to bring that water line over from the
16 mainland. So you do bear some responsibility.

17 Also in 1990, which I'm sure all of you
18 remember, the state Legislature passed a rigorous
19 (phonetic) barrier island act which requires all
20 residential properties being one acre. So for any new
21 development, every home lot would have to be an acre.
22 We have many lots on the island which have 50x75 and
23 they're too small for development without potable water.

24 The other thing I'd like -- a number of things
25 I'm going to touch on, but, for instance, to the north,

1 Don Pedro and Palm Island just brought water over from
2 Englewood Utility. It cost them, as I am told, up to a
3 million dollars to do that. I also understand they are
4 not going to ask for a rate increase. You know, how in
5 the world can they spend that kind of money and not ask
6 for a rate increase? Well, they're fortunate. They're
7 just the second highest rate in the state. We have the
8 highest. I guess we all get a gold star for that. We
9 have the highest, way over all the others other than the
10 folks up on Don Pedro, Palm Island. So I think all that
11 has a little bit to do with our concern of what's
12 happening here.

13 I think some of the people who are so
14 adamantly against it, they would be willing possibly to
15 hook up if the rates weren't so out of line. I think,
16 already pointed out in Mr. McCoy's discussion, your
17 Staff Report, which I reviewed online, is really flawed.
18 And even the staff, whoever wrote that report, admits
19 that because they say that some of the numbers aren't
20 what they should be because of the lack of information
21 because certain files were lost. And I thought you lost
22 files only in Washington, but I guess it happens here
23 too.

24 So files are lost, so they didn't have all the
25 backup. So they had, I guess they being you, had to

1 come up with answers, guestimates I call them, for areas
2 where you didn't have good, sufficient data to work
3 with. So we don't know if that data is right or if that
4 data is wrong. I'm sure you've had a lot of experience
5 at this, but still we don't have the official records
6 that you based your decisions on.

7 Also, you know, just little things like you
8 say we're primarily vacation rentals. That is far, far
9 from the truth. Most people on that island are
10 homeowners, some of us live there full-time, others are
11 vacation homes, and some rent. They rent to pay the
12 high taxes we pay to Charlotte County or other reasons,
13 but very few are renters. We're primarily homes and
14 vacation homes.

15 You talk about the distribution system. And
16 I'm sure -- do we have an engineer here today? You've
17 seen the layout and very limited 6-inch lines. Most of
18 our distribution lines are 4-inch and 3-inch and then
19 they go down to 2-inch, and I know on the south end of
20 the island all the service lines through various
21 subdivisions are 2-inch. We don't have fire flow. We
22 do have 14 fire hydrants on the island, I understand,
23 but about half of those are in the condominium units
24 which are fed from the pond and the pump at that pond.
25 So maybe we have six, seven, or eight fire hydrants

1 that's on the utility system, but the fire flow in them
2 is only like 250 to 300 gallons or 200 to 250. Ideally
3 it should be 750 to 1,000. So they're not really useful
4 and that's why we have pumps that we put in the bay to
5 pump water out for fire protection. But, you know, you
6 say in the report the distribution system seems
7 appropriate. Well, I don't really think that's the
8 case. Where do you have a public water system and not
9 have fire flow?

10 As Mr. McCoy mentioned, I looked at the
11 budget, 374,000, as I recall, for a utility building. I
12 have no idea what that is. Is that going to give us a
13 resident engineer onsite 24/7? You know, what is the
14 purpose of that?

15 I think the biggest thing that Mr. McCoy
16 brought up is the 371 which is going to go to like 507
17 users within a year if Charlotte County maintains the
18 requirement that those on the existing system have to
19 hook up, and that is going to reduce that 88.5 percent.
20 In your report you said how much that it was going to
21 increase from the existing, the Phase I, which I think
22 it was 11.9, but you failed to mention it's going to be
23 88.5 to go to Phase II. I mean, that's shocking. Where
24 have you had taxes or anything else to go up 88 percent
25 in one year? But if you take the 507 customers to

1 generate the same amount of revenue that you get with
2 the 371, you could reduce the base rate to 68.70 and you
3 could reduce the usage rate to \$6.47. Now we're down to
4 a 36.8 percent increase, and this is based on using
5 5,000 gallons because that's what the example in your
6 report was.

7 And, you know, let's not forget the hookup
8 fees, and no place in the report are they addressed. I
9 don't know what they're going to be or are there going
10 to be any? But based on the 4,500, it generates over
11 \$600,000. That's just for the existing homes. We still
12 have two hundred and, I think, sixty-two vacant lots.
13 As those come online you're going to get additional
14 hookup fees. You add that up, you're over, well over a
15 million dollars. So there's a lot of dollars hanging
16 out there that I don't think have been incorporated into
17 your work.

18 Unlike Mr. McCoy's proposal, I don't think the
19 Phase III rates should go into effect until all of the
20 improvements are done and, as you say, the canceled
21 checks and the invoices are in, and the initial
22 calculation should be the 507 because they're going to
23 have to all join in.

24 I'm sure you've enjoyed your evening. We
25 appreciate you coming. Thank you.

1 **MS. BRUCE:** Thank you so much, Mr. O'Hara.

2 Our next speaker Mr. George Paskert.

3 **MR. PASKERT:** Good evening. George Paskert,
4 P-A-S-K-E-R-T. I've been on the island 26 years plus,
5 been drinking and enjoying -- well, drinking Jack's
6 water for 26 years. We've had compromised immune
7 systems and bone marrow transplants and we have
8 survived. Thanks, Jack.

9 And I -- basically Jack got the attention of
10 half the island when he came out with this thing about
11 everybody is going to have to sign up that wasn't signed
12 up. He got the attention of the other half of the
13 island when he sent out the letter which showed the rate
14 increases. 88.5 percent increase is ridiculous. It
15 doesn't make sense. It has no feel in the gut and you
16 know something's wrong, wrong. That's 35 times the
17 2.5 percent inflation rate, 35 times. (Inaudible) a
18 basic commodity would increase by 88 percent, how would
19 you feel?

20 Some comments that Mr. McCoy said relative to
21 the facility cost and basis. I agree with that. I
22 don't know who approved that kind of money for a
23 building. But going further back in the history of the
24 thing, I don't think the beginning numbers -- if you
25 look at the audit report, the auditors threw out

1 significant dollars of cost and related accumulated
2 depreciation. Those reductions don't seem to have been
3 included or factored in the staff's recommendation for
4 the rate base on plant investment.

5 I understand that a new system is supposed to
6 be, like, more efficient and more, require less
7 involvement, you don't have to do the pumping and some
8 of the other things that have to go on on the island.
9 So hopefully that would be improved. But I don't think
10 again that it should require that kind of facility
11 structure to house what needs to be on the island to
12 support the water operation.

13 I live in Tampa, Florida, and on Little
14 Gasparilla Island. My utility bill for water in Tampa
15 runs 100, a little over a month maybe. I get water,
16 sewer, trash pickup, solid waste pickup, and recyclable
17 water for the irrigation for that number. So this seems
18 ridiculous. It just doesn't make sense. What do we
19 need if we throw our trash bags out on the street?

20 **UNIDENTIFIED SPEAKER:** I'll pick it up.

21 **MR. PASKERT:** Okay. The Charlotte County
22 Water, the agreement indicates that, and some people
23 have made reference to the facts of the situation -- I
24 don't know the technicalities of that -- but it
25 specifically says in that agreement that they do not

1 provide fire flow. Well, if we're going to do some
2 major sort of improvement in supply and quantity of
3 water, it seems to me we need to start by handling fire
4 flow at the same time.

5 Additionally, it says in there that point of
6 sale of the water from the county to Jack is the meter
7 on the mainland. They make no responsibility or take no
8 responsibility for anything after it leaves that meter.
9 Why then is Charlotte County entitled to 1,800 bucks
10 every time somebody signs up? Anybody know? I don't.

11 The application fee, the application form, I
12 think, I think that utility was purchased for \$100,000
13 in 1991, and ten years later or some period later they
14 showed a plant basis or a cost of 1.3 million, somewhere
15 in that area. I don't remember anything of that
16 substance happening during that interim period. I
17 think, you know, somebody needs to chase through those
18 records. I think the plant, the cost bases are probably
19 on target and then the proposal is not. Thank you very
20 much.

21 **MS. BRUCE:** Thank you so much, Mr. Paskert.

22 Our next speaker is Mr. Frank Shields.

23 **MR. SHIELDS:** Good evening. My name is Frank
24 Shields. I've maybe come from a different perspective
25 than everybody else before me because, unlike all of you

1 who've lived here for 20, 30 years, I've lived here for
2 a whole month and a half. We purchased a home, a condo
3 on the island and we're loving it at this point. We
4 don't know a whole lot. But let me share a little bit
5 with you from my perspective.

6 We retired here after having wonderful careers
7 in Oregon. My career there, and I hesitate to say this
8 in public, was that I was a state senator and I was used
9 to sitting on your side of the desk. I was used to
10 listening to hearings and sometimes long into the night,
11 and for that reason I'm very careful about not speaking
12 too long.

13 My perspective is if you really have to have
14 the decision-makers themselves hear the pain of the
15 people -- I understand Florida is a lot bigger than the
16 State of Oregon, a lot more people, but I hope that the
17 Commissioners themselves hear the frustrations and the
18 pain of the people that they have been appointed or
19 elected to serve, hear the questions and respond
20 concretely to the issues that are raised.

21 I'm used to getting testimony like this and
22 reports like this. But I noticed a lot of
23 inconsistencies and a lot of holes and a lot of details
24 that are missing. We need those details.

25 Excuse me. I didn't know if I made that noise

1 or somebody else.

2 When I heard the discussion tonight and at
3 another meeting that I was at about the cost of the
4 pipeline, my first question was "Really? Why is that?"
5 Give us the details; we need them. And I hope that the
6 Commissioners themselves will -- I know maybe only one
7 or two of them can be at a meeting because there's so
8 much to this state and so many hearings to go to, but we
9 hope somebody will come and listen to the pain of the
10 people, the frustration of the people who are often not
11 heard. Thank you.

12 **MS. BRUCE:** Thank you so much, Mr. Shields.

13 Our last speaker is Mr. Robert Mitchell.

14 **MR. MITCHELL:** Good evening. My name is
15 Robert Mitchell, M-I-T-C-H-E-L-L. My wife and I have a
16 residence at 8304 Little Gasparilla Island. We've had
17 it for 14 years. And I am one of the petition signers
18 that do not have the water utility now, nor do I desire
19 it in the future. That's another issue and another
20 fight for another time.

21 But I do take offense to, for my friends and
22 fellow neighbors who are connected to the utility and
23 we're soon to see a huge increase of, what I see in your
24 paper, 68 percent in just your meter, base meter fees.
25 And those base meter fees compared to the rest of the

1 state are astronomical. I understand private utilities
2 are different than public. But having said that, when I
3 did a quick check today amongst just four counties,
4 Sarasota County's base meter fee, excuse me, is \$14.23;
5 Lee County, \$17.02; Dade is \$3.20; and Monroe County
6 Aqueduct Authority, which has no water, they buy all
7 their water, my understanding, is \$13.57. When I see
8 adjustments of this nature, I have to step back. And
9 I'm just totally incredulous that the Commission could
10 even support something this high.

11 Mr. McCoy's statements are quite profound in
12 the fact that the amortization of an expense of this
13 nature, it doesn't take long to sunset it. I've done
14 development and construction my whole life, so I know
15 what it takes to amortize debt. This doesn't make any
16 financial sense to me.

17 Having said that, I haven't seen all the
18 financials, but it's hard to understand how you could
19 have a continuation of these rates on a long-term basis
20 when the debt is sun-setted in a short period of time
21 with all these new, perspective new 135 of us that
22 might be forced to connect.

23 In addition to that, the system development
24 charges that are currently in place at \$4,500, comparing
25 it to Lee County at 2,440 and Florida Keys Aqueduct is

1 at 3,750 in their own right, if you're going to increase
2 those \$1, they're already out of line with the other
3 utilities.

4 I've done a lot of meters, set a lot of
5 backflow preventers and a lot of utility work, and I
6 know what costs are in these things. This is a private
7 enterprise, I get that, but there's got to be some
8 fairness and some resolution to this. It's got to be
9 transparent.

10 Having said that, I think that's all I have to
11 say. All the speakers covered everything else. Thank
12 you.

13 **MS. BRUCE:** Thank you so much. I would like
14 to thank each and every one of you for your -- sir?

15 **MR. THOMPSON:** Can we ask a follow-up
16 question?

17 **MS. BRUCE:** Sure. Can you sign up, please, so
18 that we can --

19 **MR. THOMPSON:** I did sign up.

20 **MS. BRUCE:** You're already signed up. I'm
21 sorry.

22 **MR. THOMPSON:** Gene Thompson.

23 **MS. BRUCE:** Gene Thompson. I'm sorry.

24 **MR. THOMPSON:** This won't take, this won't
25 take but just a moment.

1 If they're going to expand this privately
2 owned system, obviously they got to cross properties.
3 My question is are they being granted eminent domain by
4 the county and the state, or are they going to pay to
5 cross it? And do we have a right to say, no, you can't
6 cross our property with your water line? I would like
7 for you, if you can, engineer, somebody to answer that
8 question.

9 **MS. BUYS:** (Inaudible.)

10 **MR. THOMPSON:** You don't know.

11 **MS. BUYS:** But I'll check.

12 **MR. THOMPSON:** Okay. Thank you.

13 **MS. BANKS:** The staff will be here for as long
14 as you would like to discuss, within a reasonable amount
15 of time, we'll stay here and we can ask and clarify,
16 perhaps answer some of your questions maybe that you
17 haven't asked. But we'll stay around for a little
18 while, if anybody wants to, to talk to you one on one.

19 **MS. BRUCE:** Again, thank you all so much for
20 your concerns and comments. Thank you.

21 (Customer meeting adjourned at 7:30 p.m.)
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25

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