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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION FOR INCREASE
IN WATER AND WASTEWATER RATES DOCKET NO. 140060-WU
IN SEMINOLE COUNTY BY SANLANDO
UTILITIES CORPORATION.

_____ /

PROCEEDINGS: CUSTOMER MEETING

COMMISSION STAFF
PARTICIPATING: ROBERT GRAVES
PAUL VICKERY
ADAM HILL
PENELOPE BUYS
DICK DURBIN

DATE: Tuesday, February 10, 2015

TIME: Commenced at 6:07 p.m.
Concluded at 6:24 p.m.

PLACE: Eastmonte Civic Center, Auditorium
830 Magnolia Drive
Altamonte Springs, Florida

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

P R O C E E D I N G S

1
2 **MR. GRAVES:** I have 6:07 and it's
3 February 10th. This is the customer meeting for
4 Docket Number 140060-WS, Sanlando Utilities'
5 petition for a rate increase.

6 My name is Robert Graves. This is Paul
7 Vickery and Adam Hill working with the engineering
8 staff of the Florida Public Service Commission. The
9 gentleman at the door and over here on the camera is
10 Mr. Dick Durbin. He's with the Commission's
11 consumer outreach group.

12 And I was informed that Ms. Peters would
13 be here from Commissioner Constantine's office. I
14 don't see her right now, but she may be showing up.
15 Also, we have staff from the Office of Public
16 Counsel. And those of you who aren't aware, the
17 Office of Public Counsel was formed by the
18 Legislature to represent consumers before the
19 Florida Public Service Commission.

20 **MR. DURBIN:** Robert, if you will, use the
21 microphone.

22 **MR. GRAVES:** Go ahead and switch over?
23 All right. It was worth a try. The information
24 that we have here, the contact information, we have
25 extra copies of that slide that we can give to you

1 to get the information out to you.

2 Okay. Tonight's meeting, we're going to
3 start with a brief presentation regarding the utility's
4 request for an increase, then we're going to kind of
5 move in to what the Commission does to review that
6 petition, and then we'll open it up for live input from
7 you, the customer. And that's ultimately what we're
8 here for tonight, is to receive comments from you
9 regarding the quality of service provided by the
10 company.

11 Sanlando filed their application on July 1st,
12 2014, stating that it needed to increase rates in order
13 to cover operating costs as well as provide a fair rate
14 of return. And a fair rate of return is something
15 that's permitted by the *Florida Statutes*. They also
16 requested interim rates. Those have been approved.
17 Interim rates are formulaic in nature and they're based
18 on a prima facie basis review. And kind of key to
19 these are they're refundable or they're subject to
20 refund, I should say. So if the Commission decides
21 that there's no increase necessary, the additional
22 rates that you paid can be refunded to you.

23 The final rates are summarized in the Special
24 Report that you should have received at the door. It's
25 important to note as you look over the final rates that

1 those have yet to be approved by the Commission, and
2 the staff is still in the fact-finding phase of that
3 review, including your comments which tonight are all
4 going into our consideration of what an appropriate
5 rate should be for the company.

6 Now I'll kind of get into the Commission's
7 role with respect to the utility's rates. We're going
8 to file a proposed agency action process. This is an
9 informal process that the Commission uses that doesn't
10 go to hearing, you don't have sworn or live testimony,
11 and really this is beneficial to the consumer. It
12 reduces the expense for the utility in terms of putting
13 on its rate case, and those expenses can be passed on
14 to the customers. So this is beneficial to the
15 customer as well.

16 We look at this process as having three main
17 components, the first of which I'll start, which is
18 staff's investigation. Our investigation includes an
19 audit in which our audit staff reviews invoices and the
20 books of the utility. We also have engineering,
21 economic, and accounting staff that analyzes the
22 company's files.

23 The second component is the customer meeting,
24 which is what we're here for tonight. I might settle
25 in a little bit on this slide. What we're really

1 looking for is your comments with respect to the
2 quality of service provided by the company, the quality
3 of the product that they give you, and also the
4 responsiveness to any issues that you may have. And
5 while the Department of Environmental Protection is
6 sort of the lead agency with respect to water quality
7 issues, the Commission can take action with respect to
8 the rates that the utility sets based on if they have
9 concerns with respect to the quality of service.

10 And lastly, this is staff's recommendation
11 and the Commission -- I'll try to paint a picture for
12 you. We'll take all of our information that we gather
13 during our, you know, our request for information, data
14 request to the company, we'll write a recommendation,
15 and it's presented to the Commissioners. And then at a
16 Commission Conference, which is currently scheduled for
17 April 16th, the Commissioners will vote on that
18 recommendation, and they can deny it or they can
19 approve it or they can modify it. And at that
20 conference, they can ask questions of the staff, they
21 can ask questions of the utility, and also a customer
22 can show up live to voice your concerns directly to the
23 Commissioners. Now this recording tonight will -- or
24 your comments tonight will be received by the
25 Commissioners, as well as any written comments that you

1 make. And they are, the Commissioners are the ultimate
2 decision-makers in this process.

3 After the conference is over, after the
4 Commission votes on a certain set of rates, an order
5 will come out, and that'll start a 21-day protest
6 period. And if there's no protest during that 21-day
7 period, the consummating order will come out and these
8 rates will go into effect in a relatively short amount
9 of time. Hypothetically if there is a protest during
10 that 21-day period, the Commission will move on to a
11 more formal process. They'll take it to hearing;
12 different sides, the utility and then the opposing side
13 will, you know, provide testimony regarding issues in
14 the case. This does, however, as we discussed earlier,
15 this increases expenses to the utility that it can pass
16 along to ratepayers, so it's not something that should
17 be done on a whim.

18 That's pretty much the conclusion of our
19 portion. We'll move into the, your part, providing
20 live input. Also, if you want to provide comments but
21 don't want to speak here tonight, there are forms, I
22 believe, on the last two pages of the Special Report.
23 You can write your comments in and send them in. And
24 also you can provide an email, and that information is
25 on page 2 of the Special Report.

1 So as we move into this portion of the
2 meeting, I just want to remind you that it's being
3 recorded, and what we're going to do is we're going to
4 have the microphone set up. So if the microphone
5 moves, it's going to affect the recording. So it's
6 going to need to stay that way. And then we'll call
7 you up in the order in which you signed up, which I
8 believe is a population of one, and just ask that you
9 state your name, spell your last name, and (inaudible).

10 Alison Cody?

11 **MS. CODY:** Hi. My name is Alison Cody. I
12 come today as a representative of the Civic
13 Association of West Lake Brantley. I do have my
14 comments typed out and will be happy to give them to
15 you. I am vice president as a volunteer for this
16 association, which is in an unincorporated part of
17 Seminole County. Most of our neighbors are not
18 customers of Sanlando Utilities; however, we are
19 neighbors. We have quite a few of our neighbors who
20 back up to the Hunt Club Wekiva facility.

21 And I'm going to present to you some
22 documentation you can review. First, this is a
23 warning letter from the Florida DEP to Patrick Flynn
24 of Sanlando Utilities citing unauthorized discharges
25 of untreated wastewater on November 23rd and 29th of

1 last year. Close to 2 million gallons of water as
2 cited in this letter, was drained into our community
3 and into the Sweetwater Creek, which flows into the
4 Wekiva River.

5 When Sanlando Utilities was originally
6 contacted by residents, they adamantly denied that
7 it came from their facility, which is the Hunt Club
8 Wastewater Treatment Facility. They even told one
9 homeowner that the flooding of water was because of
10 the rose bushes that she planted.

11 The committee can see on my next piece of
12 documentation -- actually it's a Facebook
13 conversation. However, the view of that is it time
14 stamps as our residents are trying to figure out
15 what's going on and why they're having flooding on
16 their property, it time stamps the conversations as
17 we're trying to resolve the mystery and get it all
18 figured out, and it helped our residents come
19 together so that they also could pursue the state
20 and local DEP.

21 Finally, because of input from different
22 neighbors, they were able to get the DEP back out to
23 inspect these homes that had been flooded. The
24 local DEP came out and, after they inspected these
25 homes, they then went to inspect the facility, which

1 is why that warning letter I passed out earlier was
2 created. It was after that inspection after our
3 residents got in touch with the DEP.

4 Sanlando repeatedly says that this water
5 is treated. However, anyone who saw or smelled the
6 flooding knows differently.

7 I have a news article from the Central
8 Florida News 13 which gives you an idea, just a real
9 brief idea of what the residents were dealing with.
10 Some residents have reason to believe that this
11 flooding has also created structural damage to their
12 homes. We do have residents who have contacted
13 attorneys. It is definitely an uphill battle
14 because Sanlando has not been honest, they have not
15 offered to help any of these residents. They did
16 send a letter once to DEP, figured out what was
17 going on, and apologized; however, they referred to
18 the breach as treated water. We know it is not.

19 And the last documentation I'll present is
20 just from the Sludge Report, which repeats much of
21 what I have said above. It also notates that the
22 Sweetwater Creek, which runs through our
23 neighborhood, does indeed flow into the Wekiva
24 River. So basically close to 2 million gallons of
25 untreated water has gone through our neighborhood,

1 into the Sweetwater Creek, and into the Wekiva
2 River.

3 We don't believe that Sanlando Utilities
4 Corporation has been acting as a good neighbor and
5 unfortunately they are doing harm to our community.
6 We don't believe at this time until this is further
7 investigated a rate increase should exist until they
8 remedy this current situation, which they have not.
9 Can you imagine how overwhelming it would be if your
10 home was flooded with sewage and no one was there to
11 offer -- imagine one of our neighbors, an
12 85-year-old woman who lives alone, she has flood
13 damage in her back sunroom. Another neighbor with
14 two small kids, their driveway is cracked and the
15 doorframes are caving in. Still Sanlando does not
16 want to face it and has not even been over to see
17 what was going on to act in a forward manner to help
18 these people. They have been hiding behind letters
19 that haven't been honest either.

20 We also think that they should have to
21 account for the pollution they're responsible for in
22 the Wekiva River. And thank you for your time.

23 **MR. GRAVES:** Thank you. That is all the
24 people that we have signed up to speak. Is there
25 anybody else that would like to speak? Yes, sir.

1 And if you could, just state your name, spell your
2 last name, and give your address.

3 **MR. HOLMES:** My name is Brian Holmes.
4 That's H-O-L-M-E-S. Address, 2371 West Wood Drive,
5 Longwood, Florida 32779. Also a neighbor of the
6 community on West Lake Brantley there. And I've
7 been in conversations with Andrea Samson. She is
8 the person who is behind the Sludge Report. One of
9 the main concerns going forward here, especially
10 with the main (phonetic) one that has passed, is the
11 level of nitrogen that's being introduced into the
12 waterways, especially in the springs area like
13 Wekiva Springs. She's very concerned about the
14 level of 2 million gallons of this kind of water
15 that was flowing into Wekiva.

16 Homeowners who have septic systems are
17 under the gun, and we may be forced to replace our
18 septic systems because the unscientific assumption
19 is the septic systems are what's causing the
20 nitrogen increase in the water. So this just adds
21 to the whole level of nitrogen that the homeowners
22 may be burdened with because of incidents like this.

23 I would certainly like to see Sanlando
24 Utilities step up to the plate, make sure they clean
25 up their act. Let's not add anymore nitrogen than

1 what we're already fighting against here. It's just
2 going to place more burden upon the residents who
3 are on septic systems. And for us, we don't have
4 any option to go on sewer. None of our neighborhood
5 is available -- sewer isn't available to us. I am a
6 customer of Sanlando Utilities for water only. We
7 ran a pipe to our house so we could have water and
8 not be on the well anymore. So that's the end of my
9 comments, but I want to kind of put that before the
10 Commission.

11 **MR. GRAVES:** Thank you, sir.

12 **MR. DURBIN:** I just wanted to take a
13 moment to acknowledge the -- that County
14 Commissioner Lee Constantine is here. Commissioner,
15 is there anything you would like to add?

16 (Inaudible response. Not on microphone.)

17 **MR. GRAVES:** Is there anybody else that
18 would like to make comments? Did anybody else want
19 to make comments? If not, I will note that the time
20 is 6:24. This will conclude our meeting for
21 Sanlando Utilities' petition for a rate increase.
22 Thank you all.

23 **MR. VICKERY:** Thank you for coming out.

24 (Customer Meeting concluded at 6:24 p.m.)
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