

P R O C E E D I N G S

1
2 **MR. HILL:** Excuse me. Good evening. Good
3 evening, ladies and gentlemen, and welcome to Docket
4 Number 140135-WS, the application for Labrador
5 Utilities, Incorporated, increase in rates.

6 (Boos from audience.)

7 **MR. VICKERY:** Please maintain your decorum.

8 **MR. HILL:** I'd like to acknowledge and thank
9 the representatives from the co-op and the homeowners
10 association for attending today, in addition to Labrador
11 Utilities has representatives here. And is OPC here at
12 all? Okay. Thank you. Can everybody hear me all right
13 in the back?

14 **UNIDENTIFIED SPEAKER:** No. No.

15 **MR. HILL:** All right. I'll try not to blow
16 out anybody's ears in the front. Sorry about that. So
17 my name is Adam Hill with the Florida Public Service
18 Commission, Division of Engineering. With me is
19 Mr. Paul Vickery, Ms. Penelope Buys, and, in the back,
20 Dick Durbin.

21 Any contact information I've put on the board
22 will be on page 2 of your Special Report, so you don't
23 have to jot anything down. All the information
24 regarding this case can be found on the website. This
25 link is also on your, page 2 of your Special Report.

1 And if you go to the website, you'll want to go to the
2 tab that says Clerk's Office and click on Dockets and
3 insert the docket number that's shown on the Special
4 Report.

5 This -- on the board right now is the
6 consumer assistance line. If you're not sure who to
7 call to ask any questions after tonight, this phone
8 number will direct you to whoever you need to ask that
9 question.

10 You can also reach out to the Office of
11 Public Counsel. They're created by the Florida
12 Legislature to represent the consumers before the PSC
13 at official PSC events.

14 Tonight's meeting has three parts. First, we
15 have our presentation about Labrador's application in
16 particular, then about our proposed agency -- proposed
17 agency action process in general, and then finally the
18 customer input.

19 Starting off with Labrador's application,
20 Labrador has requested interim and final rates. This
21 is based on their need to recover costs associated with
22 doing business and providing water and wastewater
23 services.

24 The utility has requested and the PSC has
25 approved interim rates. These rates are put into

1 effect so that the utility can begin recovering some of
2 the costs that they have been losing at their current
3 rate schedule. They are -- they're calculated by a
4 formula and the PSC checks their numbers on those
5 formulas on a prima facie case, and these interim rates
6 are collected subject to refund. So if the final rates
7 are lower, then you will be refunded the difference
8 with interest.

9 (Response from audience.)

10 Please save any comment towards the end. I
11 would love to have you guys give your comments, but
12 right now we'd like to get to that part as quickly as
13 possible.

14 In your Special Report, you can see the
15 schedule of the proposed final rates as well as those
16 interim rates which have already gone into effect.

17 Now, moving on to the PSC's role, we follow a
18 proposed agency action process, and as part of that
19 process there's a staff investigation; we hold a
20 customer meeting, the purpose for today; and then we
21 form a PAA recommendation; and we have the Commission
22 conference. And we'll describe all of those a little
23 later.

24 Starting off with the staff investigation, the
25 staff investigation has three main parts. We have the

1 audit staff that reviews the utility's books and
2 records, including all the numbers that they have
3 submitted. The engineering staff reviews the quality of
4 service, the prudence of utility operations, and we
5 calculate the used and useful plant so you're not paying
6 for something that they're not using. And, finally, the
7 accounting and economic staff investigate the accounting
8 and billing practices as well as the rates application.

9 Moving on to the customer meeting, the
10 purpose for tonight. The purpose is to receive
11 customer comments regarding the quality of service,
12 which includes the quality of the products and the
13 utility's interaction with the customers. We are
14 describing the proposed rate increase and we are open
15 to any other concerns or questions you may have.

16 This is the customer's night, not the
17 utility's. They will not be speaking tonight. And the
18 utility and the Office of Public Counsel may attend,
19 which I saw them walk in. Thank you for coming.

20 So moving right along, the staff PAA
21 recommendation Commission Conference, this is an
22 informal process. This process was created to save
23 expense to the customers so that the utility doesn't
24 have to go through with lots of attorney's fees. This
25 costs much less than a formal hearing process, and it

1 must be completed within five months of the official
2 filing date, so it's a little bit quicker.

3 Now, on April 23rd, staff will file its
4 recommendation to approve the utility's rates or to
5 approve with, with modification or to deny those rates.
6 The recommendation is reviewed by the Commissioners at,
7 and voted on at a Commission Conference on May 5th.
8 The customers are encouraged to attend or to view that
9 online. There's a video stream on the website. And at
10 that Commission Conference, customers and utility
11 representatives may speak. If you do plan to attend
12 and you would like to speak, please let us know
13 beforehand so that we can make time for you and
14 acknowledge you at that time.

15 After that Commission Conference, the
16 Commission PAA order is issued within 20 days if the
17 Commission approves it. They can approve it or they
18 can approve it with modifications or they can deny it.
19 After that, after that time, the PAA order is issued
20 and a 21-day protest period then begins where any
21 substantially affected persons may protest the order
22 and request a hearing. If no party files a protest,
23 then the new rates will be effective upon a
24 consummating order. If a party does protest the PAA
25 order, the utility can put the requested rates into

1 effect; however, they will be subject to refund with
2 interest if those rates are overturned.

3 If a timely protest is filed, then the
4 hearing will be held in the service area or as close to
5 it as possible, and the utility and the protesting
6 parties will litigate the issues. There will be
7 cross-examination of anyone who would like to
8 participate. The customers may testify, but, again,
9 the utility will be able to ask questions of the
10 customers as well.

11 So now we come to today, the customer
12 meeting. The purpose is to receive your comments
13 regarding the quality of service -- oh, sorry. This is
14 just a reminder slide because now we're coming to the
15 part where my time is over and your time has begun. So
16 just as a reminder, we're here to talk about the
17 quality of service, the proposed rate increase, and
18 other concerns and questions. The utility will be
19 taking notes; we'll be taking notes so that we can
20 address those. Everything said today will be put in
21 front of the Commissioners so that they can take that
22 into consideration when reviewing our recommendation.

23 If you do not wish to speak today, you may
24 submit your notes in a written form. The last page,
25 you can tear that off and mail it in. You can write

1 your comments, they'll be put in the docket file, and
2 they will be considered just as much as any oral
3 testimony, oral input today. Additionally, if you'd
4 like to file yours electronically, you can get to that
5 on the PSC website.

6 Please remember that tonight's meeting is
7 being recorded, and what I mean by that is if you have
8 something to add, please make sure that you sign up and
9 come say it into the microphone so that it can go into
10 the official docket. Otherwise, the Commissioners
11 might not hear your comments. When it is your time,
12 please come forward to the microphone, state your name,
13 address, and please spell your last name so we can get
14 it correct. Now we have several people who have signed
15 up already. If you would like to sign up during this
16 process, you may. If you find that someone else has
17 said something you would like to have said, you may
18 also come up to acknowledge that and say I agree with
19 what this representative said. Okay?

20 With that, Ms. Beverley Culliford, please
21 come up.

22 **MS. CULLIFORD:** Beverley Culliford. Oops.

23 **MR. HILL:** I think there might be a switch.

24 **MS. CULLIFORD:** Beverley Culliford,
25 C-U-L-L-I-F-O-R-D, 6213 Spring Lake Circle, Zephyrhills,

1 Florida, and our community is Forest Lake Estates.
2 Thank you for the opportunity to express our thoughts
3 and concerns on the proposed water rate increase by
4 Labrador Utilities.

5 Regulatory commissions tend to focus on
6 several issues. One is the appropriate rate of return
7 on the invested capital. The utility is requesting the
8 rate increase because it believes existing rates do not
9 provide sufficient revenues to earn a fair return on
10 the utility's investment. The rate of return requested
11 in this proceeding using the weighted cost of debt and
12 equity is 8.5 percent. I would ask is this a
13 reasonable rate in these economic times when most
14 interest bearing accounts are paying less than 1
15 percent? The Commission has the authority to set the
16 interest to be earned on the investment. That percent
17 may have been achieved or it may have been appropriate
18 several years ago, but it is not an appropriate rate of
19 return in this economic condition.

20 In the community which is made up of seniors
21 who are on fixed incomes and who have not had, received
22 a significant increase in their pensions or Social
23 Security payments over the past five years, the
24 requested increase in cost of water of 35 percent and
25 sewage 70 percent is unconscionable.

1 There are four capital projects which are
2 making up the requested investment of \$1 million. I'd
3 like to comment on two of them.

4 At the last rate increase case, in the
5 settlement the Commission gave Labrador Utilities
6 monies for the upkeep and maintenance of the storage
7 tank at the water treatment plant. These monies have
8 not been completely spent on such maintenance and,
9 therefore, part of the cost has already been collected
10 from the residents. The amount should be used to
11 partially offset the cost.

12 For 14 years complaints were sent to
13 Labrador, Department of Environmental Protection, and
14 the Health Unit of Pasco County about the foul odors
15 which emanated from the sewage plant. Nothing was done
16 and it continued to get worse, sometimes permeating the
17 whole community. Labrador Utilities did do extensive
18 repairs and maintenance on the wastewater system
19 because of the severe odor problem which had been
20 experienced over these past 14 years. What initiated
21 this project was the filing of a lawsuit by Forest Lake
22 Estates Co-op against Labrador because of the
23 persistent odor and unhealthy atmosphere which existed
24 within the community. It should be noted the company,
25 Labrador, will receive these monies back with interest

1 from the residents by increased water rates. Perhaps
2 regular and proper maintenance of the wastewater plant
3 would have made this major project unnecessary and the
4 large cost would not have been borne now by us, the
5 residents.

6 I'm going to leave the description of the
7 water and those problems to the others who I am sure
8 will be making you fully aware of the dissatisfaction
9 with this issue.

10 I would like to refer to the new legislation
11 which went into effect on July 1st, 2014, it's 2014-68,
12 and the requirement with the -- and the requirement of
13 both the utility and the Commission. Along with this
14 law, Statute 367, in particular 367.072 and
15 367.0812 were developed. Statute 367.0812, which is
16 entitled rate fixing, water, quality of water service
17 as criteria states that in fixing rates that are just,
18 reasonable, compensatory, and not unfairly
19 discriminatory, the Commission will consider the extent
20 which the utility provides water service that meet
21 secondary water quality standards as established by the
22 Department of Environmental Protection. The Commission
23 will also consider the testimony and evidence provided
24 by the customers.

25 Statute 36 -- 367.072 states that in the

1 public interest that water service be of good quality
2 and consistent with the standards stated in the
3 statute. It gives the customers an option to petition
4 for removal of the private utility company for service
5 which is not up to par and replacing it with another
6 public company if 65 percent of these customers sign
7 the petition for the removal of the utility. This
8 certainly opens new possibilities for this community in
9 its search to get acceptable water in their homes.

10 The majority of our residents either use
11 bottled water, have water coolers, or spend thousands
12 of dollars to install water filtration systems in their
13 homes. Could I ask how many do that? Just to show --
14 I think I'm representing the majority.

15 We are in close proximity to a public utility
16 which provides excellent water and sewage services to
17 their customers, and cost for our community is a very
18 deciding factor. After doing calculations, it is very
19 apparent that we're being held hostage by a monopoly
20 who is charging an outrageous amount for their par
21 service, par standard service. Using 3,000 gallons as
22 usage per month -- this is following -- the customers'
23 payment would be \$45.53 for the public utility. At the
24 old rate a customer is paying or was paying 195 percent
25 more than with the public utility, and the current

1 rates, we are now paying 192 percent more. Utility
2 interim rates raises that to 238.3 percent more.
3 Utility final rates, if granted, will take it to
4 303 percent, and the staff recommendation, if accepted,
5 would be 228 percent.

6 As seniors, as stated before, disposable
7 income is limited, and we'd like to make the best
8 possible use of it. To repeat, in fixing rates that
9 are just, reasonable, compensatory, and not unfairly
10 discriminatory, the utility -- the Commission shall
11 consider the extent to which the utility provides water
12 service. And I think I can say without any disagreeing
13 that the community, we're not satisfied with the water
14 service, with the water that comes out of our taps that
15 is smelly, and when you get in the shower, you're
16 trying to get clean and you've got a smell coming out
17 of the water, it's really not very pleasant, and
18 there's some other -- we've had incidences of people
19 who have sand in their systems that clog it up. So
20 there's definitely -- it's a great deal of improvement
21 that would have to be made.

22 The request for a raise in rates should be
23 reasonable and fair and also earned. Customers should
24 be satisfied with the service and see the value of the
25 increase, and I'm sure those speaking after will

1 provide you with a complete picture. Thank you.

2 (Applause.)

3 **MR. HILL:** Thank you, Ms. Culliford.

4 Jim Dill.

5 **MR. DILL:** Good evening, everyone. First of
6 all, I want to say that I totally support and agree what
7 Beverly just stated.

8 (Applause.)

9 I want to thank the PSC for coming out
10 tonight to, to listen to our concerns. For those who
11 don't know me, I'm Jim Dill. I live on 56 -- or
12 5903 Jessup Drive. Last name is Dill, like the pickle,
13 D-I-L-L. And I'm the president of Forest Lake Estates
14 Non-shareholders HOA, better known as FLENS.

15 I'm here this evening to talk to you on
16 behalf of the 60 percent of Forest Lake Estate
17 residents who are not shareholders. I've lived in
18 Forest Lake now going on our fifth year. Many of our
19 residents have lived here for five, ten, 15 years or
20 more. They've been putting up with the water and
21 sewage issues for the past ten or so years. It is
22 outrageous that we can't get cleaner water, cheaper
23 service, or better day-to-day service. We have water
24 that many will not drink, some hate to cook with it,
25 and many hate to do outside chores due to cost of both

1 our water and sewage. A lot of us, you're going to
2 hear some redundancy and we never compared notes with
3 our speeches, I think you're going to hear some
4 redundancy between the two, but a lot of us spend extra
5 money on -- every month to, to get fresh water
6 delivered. We get our own at areas like Crystal
7 Springs, or we buy cases of bottled water because we're
8 dissatisfied with the water that we have. In addition,
9 many approach us to install expensive filtration
10 systems or outside filters which have to get replaced
11 every couple months because of ongoing buildup. This
12 is totally unacceptable when we have to pay so much for
13 the water we have.

14 Over the past two years, the FLENS residents
15 who pay monthly rent to the park have been fortunate
16 that our base rent has not increased. Our taxes have
17 gone up about \$5 per month over the past two years, and
18 we understand this. However, what we have saved in
19 base rent will get eaten up rather quickly with the
20 huge rate increases Utilities, Inc. is requesting.

21 I too did an analysis. I did an analysis of
22 what the water and sewage rate increase means to each
23 of us. For my analysis I used 4,000 gallons per month
24 because that's what I use in my house. At the rates --
25 at the time of the filing it cost us 43.58 for water

1 and 59.80 for sewage, for a total bill of \$106.01 per
2 month. Under the proposed Utilities, Inc. final rate
3 increases, it costs us 62.43 for water, \$106.69 for
4 sewage, for a total of \$166.49 or a 62.7 percent
5 increase. You heard me, 62.7 percent increase.

6 As you can see, this 66.48 monthly increase
7 will eat up any rent saving in a couple of months. In
8 addition, the rate we all have to pay while gone during
9 the summer months will increase from 32.81 to 52.57 per
10 month, a 60 percent increase. This is substantial for
11 using no water and getting no service. What is more
12 staggering about this increase is how we compare to
13 what the Zephyrhills residents are paying for sewage
14 and water, plus they have outstanding water they can
15 drink, wash, and cook with.

16 I look at their fiscal year '15 in-city and
17 out-of-city rates for the same 4,000 gallons of water,
18 their water would cost us \$11.06 and sewage, \$31.33,
19 for a total of \$42.39 per month. The Utilities, Inc.
20 proposed rates are 292 percent higher than Zephyrhills.

21 If you look at their out-of-city rates, it
22 would cost us \$53.11 per month, this is 13.78 for
23 water, 39.33 for sewage, or 215 percent higher for
24 Utilities, Inc. As Beverley stated, most of us at
25 Forest Lake Estates are retired and live on fixed

1 incomes. Most of us got just a 1 percent increase this
2 year in Social Security and not much more in our
3 retirements. We cannot and should not have to pay the
4 large proposed Utilities, Inc. increases. We pay more
5 than enough now.

6 In addition, the park's rules and regulations
7 require all residents to wash our homes, sidewalks, and
8 driveways. When we wash outside, all this water goes
9 into the stormwater system, but we still have to pay
10 the sewage cost of this water. In some states you only
11 get charged a percentage of water used to calculate
12 that sewage cost. Utilities, Inc. is charging us
13 100 percent whether it's water in or outside of the
14 house. Unacceptable.

15 Just this week Utilities, Inc. did a water
16 flush down by my house and you can see where they did
17 the flushes. It went into the stormwater system. The
18 sidewalk from the hydrant to the drain is yellow in
19 color. It's yellow from the chemicals that they use to
20 treat the water.

21 One of the other areas of concern is the
22 level of service and response that we're getting. We
23 recently had two very large leaks on Jessup Drive,
24 almost across the street from each other, and it took
25 Utilities, Inc. hours to respond to what we all

1 considered an emergency.

2 In the first case, a concerned resident
3 called in the leak at 6:00 p.m, someone showed up at
4 11:00 p.m, and someone finally came back at 11:00 a.m.
5 the next day to make the repairs. When they left
6 there, just up the street there was mud up and down
7 Jessup that was not even cleaned up until another
8 concerned resident called in. Utilities, Inc. finally
9 came back to clean the street. Is this the type of
10 service we should be getting for what we pay for? Heck
11 no.

12 About a week later there was another leak on
13 the opposite side of the street from the first leak.
14 Again, it was called in at 11:00 p.m, and no one showed
15 up until noon the next day. It took over 12 hours to
16 fix, and we still had the same problem with mud all
17 over the place. A concerned resident had to call in
18 again to get the street cleaned up. This response too
19 was totally unacceptable.

20 In closing, we're here tonight as a group
21 asking the PSC to be fair and reasonable and to deny
22 Utilities, Inc. their requested rate increase. Please
23 scrutinize their spending. Look at their proposed
24 rates and remember the many years we've lived here with
25 a product and service that has been and continues to be

1 unacceptable with dissatisfied service and very
2 expensive when compared to surrounding communities on
3 city and county water. If something's not done now,
4 we'll lose our current residents who cannot afford the
5 higher water and sewage rates, and new buyers will go
6 elsewhere because of the expensive and unacceptable
7 water and sewage, which may lower the value of our
8 property. It is time we are heard and have some
9 justice. Thank you very much for your time this
10 evening.

11 (Applause.)

12 **MR. HILL:** Thank you, Mr. Dill.

13 Mr. David Crotty. And if you do come up,
14 across the front, please be aware of the cords. Thank
15 you.

16 **MR. CROTTY:** Good evening. My name is David
17 Crotty. I live at 5904 Utopia Drive, Zephyrhills,
18 Florida. Basically just to say that I'm not a public
19 speaker nor am I an accountant. I'm a concerned
20 resident.

21 I've taken a look at the bills that we
22 receive at this time, and they were alluded to just
23 recently. Jim, he mentioned the rates of
24 4,000 gallons. Utilities, Inc. says that they want to
25 increase the rates for two reasons. One is repairs,

1 maintenance, and the cost of \$1 million to take care of
2 what they're repairing and trying to maintain. If I
3 take a look at some calculations, and I don't have
4 exact numbers, I'm sure -- or maybe I'm not sure, I'm
5 not sure if Utilities, Inc. can give me those exact
6 numbers because their numbers really aren't always
7 right when I look at some of the rates that they're
8 showing me tonight of 31 something for base rate and
9 33 something when we talk about, they talk about 750 to
10 760 homes that they service when there's 890 homes in
11 this park and probably 870 of them are resident resided
12 in. Take a look at the base rate of 870 homes, and a
13 lot of us are seasonal, and I'll be very low in my
14 calculations, say five months at that 4,000 gallons
15 that was mentioned, that'll give an increase to
16 Utilities of a profit of an extra \$203,000, over
17 \$200,000. Take a look at -- that's a base rate, an
18 extra \$200,000. Take the increase per thousand
19 gallons, 4,000 gallons, five months, 4,000 gallons,
20 you're probably talking another \$175,000 increase.

21 And then I don't know the numbers, if there's
22 150 residents that live here year-round, it's another
23 \$31,000. So you're looking at probably an extra
24 \$400,000 that they're going to recoup by this major
25 increase.

1 Well, the \$1 million looks like it would be
2 paid for in possibly two years because I didn't take
3 into consideration the RV park which is also served by
4 them and what the park pays for watering lawns, pool
5 service, et cetera, et cetera. So it could be easily
6 \$500,000 a year increase to Utilities, Inc. And,
7 again, I'm not an accountant. These are just numbers
8 that I'm looking at with my bill timesing it by
9 everyone in this room. And if those figures are wrong,
10 I'm hoping that they will give us the exact numbers and
11 not numbers that are just out of the air. Mine are
12 sort of out of the air but not completely. Okay? I
13 can tell you that. I'm sure most people in this room
14 will agree those 100 percent increases that
15 are (inaudible).

16 With these repairs of \$1 million, your repair
17 and maintenance bills should be down now. You
18 shouldn't have that repairs and maintenance that you
19 want an increase for because the \$1 million that we are
20 going to pay for in probably two years are looked
21 after. So there's something wrong with this picture
22 and the picture needs to become clearer in my opinion.

23 Other than that, if this rate proposal does
24 go through, what's the other situation? We've paid the
25 bills in two years. What kind of a guarantee do we

1 have after that? Our rates certainly are not going to
2 drop that 200 percent, was it, that we were talking
3 about. No way. Those rates are going to stay. And
4 there's going to be another increase or a request for
5 an increase. So we're being held hostage.

6 Anyway, if this does go through, I think we,
7 after we've paid the bills after two years, these
8 increases, we're definitely going to be sold bad water
9 after, after this. Thank you very much.

10 (Applause.)

11 **MR. HILL:** Thank you, Mr. Crotty.

12 Mr. Kenneth Curtin. And beware of the
13 cables. Thank you. I don't want you to trip.

14 **MR. CURTIN:** I don't want to be the only one
15 to trip on them.

16 Good evening, ladies and gentlemen. My name
17 is Kenneth Curtin. I'm with the law -- I'm a lawyer
18 with the law firm of Adams & Reese, and over the many
19 years I've had the pleasure of representing the Forest
20 Lakes Co-op. Along with my partner, David Bernstein,
21 and my firm we have probably represented this co-op for
22 over a decade, I believe. And one of the most striking
23 things, whenever I come out here to lovely Zephyrhills,
24 other than the nature and the beautiful park you have
25 here, how do we know Zephyrhills? What is Zephyrhills

1 known for?

2 **UNIDENTIFIED SPEAKER:** Water.

3 **MR. CURTIN:** Thank you. You get bottled water
4 sold across the country. People pay 99 cents for a
5 12-ounce bottle of water from Zephyrhills. Is there
6 anybody here, I believe, that would pay 99 cents for a
7 bottle of water coming out of your tap?

8 **UNIDENTIFIED SPEAKER:** We're paying more than
9 that.

10 **MR. CURTIN:** Do we think Labrador -- they
11 deserve a fair and reasonable return on their investment
12 on the work that they put into this park providing you
13 with clean, drinkable, high quality water and wastewater
14 service, and I don't think anybody here would have a
15 problem if Labrador did provide clean, good, drinkable
16 water and good quality wastewater services at a
17 reasonable price. But when you're sitting here in
18 Zephyrhills and you can go down to the CVS and you can
19 go across the country to California and they're selling
20 Zephyrhills water at 99 cents a bottle, and people in
21 this park, as the PSC staff has already heard and will
22 hear, do not drink the water in this park because it
23 tastes bad, it smells, it has a foul odor to it, a foul
24 color to it, that Utilities, Inc./Labrador do not
25 deserve a rate increase based upon the service and --

1 (Applause.)

2 You will hear, and as you already heard, that
3 people have water filters, bottled water, they're going
4 out and buying that 99-cent bottle and bringing it
5 back. They have water coolers (phonetic) because they
6 can't do their laundry without having a water filter
7 system; otherwise, it comes out scaled, dirty, et
8 cetera. You'll hear how the water heaters, the
9 appliances such as coffee makers, they scale up because
10 of the bad quality of the water. That causes leaks
11 inside, and we all know you're responsible for leaks on
12 your side of the pipes. But when you have leaks due to
13 the scaling of the water and things of that nature and
14 you're paying more because of those leaks when your
15 pipes burst because of this bad quality water on your
16 side, then you get billed for that.

17 **UNIDENTIFIED SPEAKER:** Another thousand
18 dollars.

19 **MR. CURTIN:** And that leak, a lot of times, is
20 because of the bad quality of the water coming in.
21 There's an old saying, bad in, bad out. So if you have
22 something bad coming in, you're going to have bad return
23 on the outside. That includes not only the quality but
24 the piping inside the residences.

25 You've already heard how the service has not

1 been good. When you have leaks, which are, by the way,
2 costing you money when the water leaks out there and
3 they leave it for a day because of how that water is
4 being paid for by someone, that they're not out here
5 for over 24 hours. That's something new I've just
6 heard about here today about these leaks. And even
7 after they've repaired the leak, they have to come back
8 and here again they come back to clean up the damage,
9 the mud, et cetera. That is just bad quality service.
10 And when you come -- when it comes down to it, like I
11 said, everybody in this room deserves a profit and a
12 fair return on their investment, but you only get a
13 profit and fair return on your investment if you do a
14 high quality job.

15 You -- the Office of Public Counsel just
16 handed out this sheet here. I'm just looking at this.
17 They say that the reasonableness of the company's
18 requested increase in salaries and benefits by
19 22 percent. These individuals here, like Kim said, are
20 on a fixed income for the most part: Social Security,
21 retirement, pension funds. I would ask anybody to
22 raise their hand who has had a 22 percent increase in
23 their pension fund. It's ridiculous.

24 Going to the new water storage tank, they
25 were already given money for that, money which they

1 apparently have not used for that and now they're
2 asking to replace that. That's money we've already
3 paid. When you pay someone to do something because
4 they request the money, they should do that. They
5 shouldn't just keep your money and keep it interest
6 free and maybe use that to pay their 22 percent
7 increase in their salaries. I don't know what they
8 used it for.

9 At the end of the day here, I believe
10 everybody sitting out here, every resident here
11 believes that Labrador deserves a fair return, but also
12 every resident out here knows the quality of what
13 they've received, and the quality of what they've
14 received has not been up to par. And we ask that
15 because of that, not because of anything these
16 residents did, but because of the fact that the quality
17 is not up to par, that this rate increase either not be
18 given or be substantially reduced. We've had to
19 constantly, as lawyers, had to pull, kicking and
20 screaming, Labrador to do the right thing. We've
21 pulled them kicking and screaming to do the right thing
22 on the odor. Now it's up to the PSC to pull Labrador
23 kicking and screaming to do the right thing on the
24 quality of the water. And the only way to do that,
25 like most things in life, is you hit them where it

1 hurts, hit them in their pocketbook and don't give them
2 this rate increase until and unless they increase the
3 quality of the service provided. Thank you for your
4 time.

5 (Applause.)

6 **MR. HILL:** Thank you, Mr. Curtin.

7 Ms. Wendy Coache. I hope I'm pronouncing
8 that right.

9 **MS. COACHE:** That's correct. Yeah. That's
10 good.

11 Hi. My name is Wendy Coache. I had no
12 intention of speaking tonight, but I was asked to. I
13 live at 6214 Forest Lake Drive. My last name is
14 C-O-A-C-H-E.

15 I am a seasonal resident. We come down every
16 year in October. We have a little dog who gets sick
17 every year when she gets here. Other people have
18 little dogs who get sick every year when they get here.
19 The vets have told us, don't give your dogs that water.
20 We give our dog this water, \$35 a month in addition to
21 the water we pay here.

22 Improvements. I live in New England. We had
23 a huge snowstorm three or four years ago where the
24 electrical wires all came down and needed to be
25 repaired. The electric company asked for an increase.

1 They were told, what have you been doing with the money
2 these people have been paying? You should have been
3 improving all of your services with that money. You
4 can't ask them to pay more now. We didn't pay more.

5 In addition to a water bill every month, we
6 go three times a week to fill four one-gallon water
7 jugs that we use for coffee, cooking, dishes, because I
8 won't drink the water that comes out of my faucet. I
9 have a hard time showering with it. Unfortunately
10 there's not much alternative.

11 We did install a filter. The water coming
12 out of my shower now does not have the odor it did, but
13 it costs me \$88 to buy the filters, another \$100 to
14 install it, and it's going to cost me \$60 every three
15 months to put filters in those.

16 We've had water outages. One night we were
17 on Facebook. I heard a knock on my door. It was my
18 neighbor, do you have water? No, I have no water.
19 Says my sister, do you have water? No. Called
20 Labrador. They'll let you know if you don't have any
21 water. I'm telling you I have no water. Never got a
22 call, no message on my answering machine, no response
23 that it's been fixed. Two nights later, same deal.
24 Good thing we have Facebook and friends and neighbors
25 who knock on your door.

1 I have a relative who lives in town. She has
2 two people in her household. She pays on the average
3 \$35 a month for her water and she can drink her water.
4 We've asked about this; we've complained about it.
5 We've been told that we're comparing apples to oranges.
6 In my book, we're comparing expensive water that I
7 can't really drink or use to affordable water that
8 people can drink and use, and I think the residents
9 here in this park need to get a break at some point.
10 We're -- our increase is what we spend monthly on this
11 and those gallon jugs. Thank you.

12 (Applause.)

13 **MR. HILL:** Thank you, Ms. Coache.

14 Ms. Dianne -- help me out here.

15 **MS. HAWRYSZKO:** Hawryszko.

16 **MR. HILL:** Hawryszko. Thank you.

17 **MS. HARLOW:** My name is Dianne Hawryszko,
18 spelled H-A-W-R-Y-S-Z-K-O. I live at 6309 Forest Lake
19 Drive. I also had no intention on speaking today, so I
20 have no prepared speech. But it's, it's important, I
21 think, that we really let everyone know how badly we're
22 treated with our water.

23 My husband just changed our filter. Would
24 you drink this water? Because that's what comes out of
25 our filter. It's, it's ridiculous. That was after six

1 weeks, only six weeks of water, and there's -- it's
2 awful.

3 I have a -- I bought a new kettle this week.
4 I've used it for about four or five days. Already the
5 bottom is covered with scale.

6 It's -- the amount of money we pay now is, is
7 so exuberant in relation to what other people -- and
8 not just in town, but I've spoken to people from other
9 parks. They pay nowhere near what we pay for our
10 water and they have nowhere near the number of
11 complaints.

12 I just, I just feel so strongly that we are
13 not, we're not being treated fairly, we're not, we're
14 not being given any value for our money, and to ask for
15 this amount of increase is, is totally ridiculous. We
16 -- I see that they're saying that they spent, you know,
17 hundreds of thousands of dollars on, on repairing and
18 upgrading. I see no difference than I did a year ago
19 or two years ago or five years ago. We've lived here
20 nine years. It is just as bad now as it was then, no
21 difference. And I don't think that until something
22 brings the utility company to the table that there is
23 going to be any change. And I think with an increase,
24 if they get the increase this time, we're not going to
25 see any difference, as we have not seen in the last few

1 years, and I really feel that, that we are not being
2 treated fairly, so.

3 (Applause.)

4 **MR. HILL:** Thank you, Ms. Hawryszko.

5 **MS. HAWRYSZKO:** You can have this water. You
6 can have it. You can have a drink of it.

7 **UNIDENTIFIED SPEAKER:** Drink it. Drink it.

8 (Applause.)

9 **MR. HILL:** Marion LaPanne.

10 **MS. LAPANNE:** Hello. My name is Marion
11 LaPanne. I live at 6033 Presidential Circle, and I have
12 no speech or anything. I've just got a couple of notes
13 because they told us we should all speak up about how
14 bad our water is, the smell.

15 I personally have two filters only in my
16 house, but if I didn't use them, I couldn't drink any
17 of the water. I also have bottled water.

18 Price. I'm on a fixed income. This price
19 increase does not help me either.

20 Years ago I had a bad leak. I called and the
21 person that they sent out told me not to worry, that it
22 wasn't on my side of the pipeline, and but the next day
23 when the others, they sent others out, all of the
24 sudden it was all on my side and I, and it cost me over
25 \$400 for this leak. So they weren't very helpful at

1 all.

2 And I think the price increase is terrible,
3 and I think everybody should get up and say exactly the
4 same thing if that's how they feel. Thank you.

5 (Applause.)

6 **MR. HILL:** Thank you, Ms. LaPanne.

7 That's all that I have signed up. If there's
8 anyone else who would like to speak. Yes.

9 Sir, could I get your name real quick?

10 **MR. GOLDSTEIN:** Sure. The name is Ed
11 Goldstein.

12 **MR. HILL:** Goldstein?

13 **MR. GOLDSTEIN:** Goldstein, G-O-L-D-S-T-E-I-N.

14 **MR. HILL:** And I'll get your address when you

15 --

16 **MR. GOLDSTEIN:** Sure.

17 **MR. HILL:** Thank you.

18 **MR. GOLDSTEIN:** Good evening. My name is Ed
19 Goldstein. You know, I'd just like to say, before
20 everybody boos me, what a great company this is,
21 Labrador. That's why in the paper, they put an article
22 in the paper that they say that Labrador's water stinks,
23 and this was done by a county commissioner, and said
24 they got to get rid of Labrador Utilities. Utilities,
25 Inc. is part of the problem. And they're trying right

1 now, New Port Richey is trying right now, if they didn't
2 already do that, getting rid of Labrador. So all they
3 do is come down here, make a quick buck, they think they
4 can make a quick buck. And I thank and I praise
5 everybody in here for standing up to these companies.
6 Thank you.

7 (Applause.)

8 **MR. HILL:** Can I get you -- sir, sir, can I
9 get your address for the record, please?

10 **MR. GOLDSTEIN:** Sure. 6202 Forest Lake Drive.

11 **MR. HILL:** And the zip code? I'll get that
12 off --

13 **MR. GOLDSTEIN:** 33540, and I spent \$1,500 on
14 the water.

15 **MR. HILL:** Okay. Thank you.

16 **MS. DILKS:** You want my name?

17 **MR. HILL:** Yes.

18 **MS. DILKS:** Carolyn Dilks, C-A-R-O-L-Y-N
19 D-I-L-K-S.

20 **MR. HILL:** Great. Can you speak your address
21 for the record? Thank you, ma'am.

22 Thank you, Mr. Goldstein.

23 **MS. DILKS:** Hi, there. I join the others who
24 came tonight unprepared to speak, but speak we need to
25 do. And my story is pretty similar to probably a number

1 of other people in this park.

2 My husband and I came to Forest Lake Estates
3 a little over 11 years ago. We fell in love with the
4 committee -- or, I'm sorry, the community to the point
5 that we decided that when one of us would pass away,
6 the other would like to stay here because in this
7 community, even if you don't have a mate, you can still
8 have a life. And so my husband passed away a little
9 better than five months ago, but what I'm finding is I
10 don't know whether it is possible to continue to stay
11 here with the kind of rates that we're expected to pay
12 for our water.

13 As everyone has already noted, our Social
14 Security has not gone up so much. And a fair price we
15 all would agree to. But the fact that there would be
16 people making obscene amounts of money on the backs of
17 people who can't afford it, I think we need to take a
18 look at that personal aspect here because it all comes
19 down to how it impacts each of us on a personal basis.
20 And so I would like to ask the Commission to take a
21 really hard look at this.

22 Others have spoken to the condition of the
23 water. I have what I'm told is the most expensive
24 softener and filter you can buy, so I can shower with
25 my water. But guess what? In spite of the equipment

1 that I have, I still buy bottled water every single
2 week. I wouldn't even consider drinking it. Thank
3 you.

4 (Applause.)

5 **MR. HILL:** Ms. Dilks, can you please give me
6 your address real quick? Thank you.

7 **MS. DILKS:** 6460 Presidential.

8 **MR. HILL:** And 33540?

9 **MS. DILKS:** 40, yeah.

10 **MR. HILL:** Got it.

11 **MS. DILKS:** Presidential Circle.

12 **MR. HILL:** Yes, sir.

13 **MR. DEANER:** My name is Kurt, K-U-R-T, Deaner,
14 D-E-A-N-E-R.

15 **MR. HILL:** Great. And your address?

16 **MR. DEANER:** 5714 Viau Way, Z-hills. I'm a
17 year-round resident.

18 **MR. HILL:** And the zip code, please?

19 **MR. DEANER:** Pardon?

20 **MR. HILL:** Zip code, please. Is it the 33540?

21 **MR. DEANER:** That's it.

22 **MR. HILL:** Okay. Great. Thank you.

23 **MR. DEANER:** My name is Kurt Deaner, and I
24 live at 5714 Viau Way. I'm a year-round resident. It
25 doesn't make any difference when you birds are all here

1 or whether you're all gone, the water still stinks.

2 (Applause.)

3 The water comes into my water softener and
4 that goes into our refrigerator. I can drink the water
5 if I put ice cubes in it and a nice bit of scotch. I'm
6 telling you that I was part of the group that went to
7 Tallahassee to the Commission the last time this came
8 around, and it was a done deal when we walked in. We
9 had a busload. Our famous state commission did us
10 zilch.

11 And here we are back, and hang on to your
12 wallets or your behind because they're going to pour it
13 to us even though 60 percent of us say, you know, it's
14 bad, which it is. Like it was said, we're, most of us,
15 on a fixed income. And, my God, I don't want to have
16 to go broke before I die just because of the nasty
17 water.

18 Now, Labrador said that they've spent a whole
19 pile of money, \$600,000 one of workers told me, on an
20 outfit to try and curb the smell. Let me tell you,
21 this morning the smell was there. Day before yesterday
22 the smell was there. And I live a long -- (Applause.)

23 Thank you.

24 **MR. HILL:** Thank you, Mr. Deaner.

25 Is there anyone else? Yes.

1 **MR. MACMAHAN:** Dick MacMahan, M-A-C, capital
2 M-A-H-A-N, 5826 Naples Drive.

3 **MR. HILL:** And it's the same, 33540?

4 **MR. MACMAHAN:** Yeah.

5 **MR. HILL:** Thank you, Mr. Deaner.

6 **MR. MACMAHAN:** Oh, I'm not Mr. Deaner.

7 **MR. HILL:** Oh, no. I'm thanking the previous
8 --

9 **MR. MACMAHAN:** I look like him but I'm not
10 him.

11 **MR. HILL:** I'm thanking the previous speaker,
12 and then I'll --

13 **MR. MACMAHAN:** My name is Dick MacMahan, and
14 what I'd like to say is any honest business in this
15 country, which are very few, would go back to their
16 board and say, I'm ashamed to work for this company.
17 I'm ashamed at what we're doing to these people. I'm
18 ashamed of just being greedy, which is a sin.

19 So what I'm saying to you board members up
20 there, I hope you're ashamed hearing all these
21 complaints.

22 (Applause.)

23 **MR. HILL:** Thank you, Mr. MacMahan.

24 **MR. MACMAHAN:** MacMahan. You got that wrong.

25 **MR. HILL:** MacMahan. Thank you.

1 Is there anyone else that would like to
2 speak?

3 **MR. WOODROW:** Yeah, I have a question.

4 **MR. HILL:** Oh, if you would please. Sir, can
5 I get your name real quick before you begin?

6 **MR. WOODROW:** What was that?

7 **MR. HILL:** Can I get your name real quick
8 before you begin?

9 **MR. WOODROW:** My name is Ed Woodrow.

10 **MR. HILL:** How do you spell Woodrow?

11 **MR. WOODROW:** D-R-O-W, and I live on 6015
12 Presidential Circle.

13 **MR. HILL:** Thank you, sir.

14 **MR. WOODROW:** Yeah. Good evening. Like I
15 just said, my name is Ed Woodrow. I live on
16 6015 Presidential Circle. And while I'm sitting here
17 listening to a lot of the complaints of the, of the rate
18 increases and so on, a lot of complaints about the very
19 poor quality of the water, and I watch our Commissioners
20 up there writing furiously and I'm wondering, it looks
21 like this is the first time they've heard some of these
22 complaints. But what really, the question I really have
23 is if you've heard, if you've heard about this dirty
24 water, because I've been here now in my place six years
25 and I've come here three or four years with other

1 people, you know, in all that period of time we couldn't
2 drink the water. And I'm like everybody else, buying
3 bottled water that's costing me a fortune, you know. So
4 why in the name of God haven't you done something about,
5 about the poor taste of the water if that's been ongoing
6 all this time and you guys have heard about it, you
7 know? That's my question.

8 (Applause.)

9 **MR. HILL:** If you'd like, we can -- if you'd
10 like, we can certainly speak afterwards. We're here to
11 collect your comments for the Commissioners.
12 Unfortunately, we, we are not here on the purpose of
13 answering questions for the group. However, if you
14 would like to stay afterwards or call those numbers that
15 are on the Special Report --

16 (Boos from audience.)

17 Hey, we would love to respect everyone's
18 time, and anyone who does not wish to have those
19 conversations may go. Anyone who would like to stay
20 and ask questions, we would love to help answer those.
21 Thank you.

22 **MR. WOODROW:** Well, I'll hang around. Thank
23 you.

24 **MR. HILL:** Thank you, Mr. Woodrow.

25 (Applause.)

1 **MR. GOLDSTEIN:** You got my name and
2 everything.

3 **MR. HILL:** Oh, yes. Yes. Yes.

4 **MR. GOLDSTEIN:** I've got a big mouth. Let me
5 ask you this question. What I had said to you before
6 about the other company, okay, did you hear anything
7 about that?

8 **MR. HILL:** The other company, could you
9 refresh my memory?

10 **UNIDENTIFIED SPEAKER:** Summertree.

11 **MR. HILL:** Oh, the attempt to -- pardon me.

12 **MR. GOLDSTEIN:** No. That the Commissioner
13 said they had dirty, stinking water.

14 **MR. VICKERY:** Yes, we did. Yes, we've heard.
15 We were there. I was at that meeting and listened to
16 the commissioner and everything.

17 **MR. GOLDSTEIN:** And what did you think?

18 **MR. VICKERY:** That the water was not up to
19 quality. It did smell.

20 **MR. GOLDSTEIN:** Did they get a raise?

21 **MR. VICKERY:** They got a rate increase with a
22 determination of -- what we do is we give them -- reduce
23 their base rate of return based on the service quality
24 was not up to par. It was unsatisfactory. So they did
25 not get their full rate of return.

1 **MR. GOLDSTEIN:** But they did get a raise
2 though --

3 **MR. VICKERY:** They got some.

4 **MR. GOLDSTEIN:** How could they get -- let me
5 ask you this question. I'm not trying to have an
6 argument with you, believe me. Okay? I'm an old person
7 and I'm retired, so I don't want to argue. But the
8 whole thing is, the whole thing is, no, really, the
9 whole thing is you sit up here -- in fact, I think I
10 remember you before when we had the last increase.

11 **MR. HILL:** No, sir, I've never been here
12 before.

13 **MR. GOLDSTEIN:** Oh, okay. Well, see, that's
14 what happens when you're old. But I want you to know
15 seriously, is if you sit up here and this is a proven
16 thing and you know about this thing here because you sat
17 on the meeting, when a commissioner will tell you that
18 the water is dirty and stinking, okay, and that New Port
19 Richey is trying to buy this out and get rid of them,
20 and you sit here and with all these people here trying
21 to talk and say something to you, you're going to go
22 back and you still give them a raise.

23 **MR. HILL:** I would like to reiterate, please,
24 just to address your concern --

25 **MR. GOLDSTEIN:** Sure.

1 **MR. HILL:** -- that it is our duty to prepare
2 the recommendation and then the Commissioners will then
3 take your comments into consideration when considering
4 our recommendation. As Mr. Vickery addressed, we're --

5 **MR. GOLDSTEIN:** But these are not comments.
6 These are actual fact.

7 **MR. HILL:** Oh, yes, sir. And what we are --
8 the way that we incorporate your feedback is in our
9 recommendation we are able to recommend certain levels
10 of quality of service, and that is our role in taking
11 your comments into consideration. Once we've made that,
12 that recommendation, it is up to the Commissioners to
13 consider everything in order to, to come to their
14 consideration whether they approve or approve a
15 modification or deny it.

16 **MR. GOLDSTEIN:** Thank you very much.

17 **MR. HILL:** Yes, sir. Please come up.

18 Can we have your name?

19 **MS. HAMM:** Sure. My name is Sharon Hamm,
20 spelled H-A-M-M. I live at 6418 Jessup Drive. And the
21 last question answered to me a very tragic situation.
22 I've lived through this 40 years ago in the State of
23 Ohio, lived in a subdivision held captive by a man who
24 owned the utilities. And the PUCO, that's the Public
25 Utilities Commission of Ohio, gave him increases so that

1 he could improve the quality of the water and the
2 service. Well, it sounds like they did the same thing
3 that Florida does, and that is they give the rate
4 increase but they don't demand the service.

5 It was a very a long, drawn out affair. The
6 man at that time was getting \$178 a month in 1970 for
7 his water service -- or water and sewer service. It
8 didn't work. Ultimately, after all of these
9 increases -- I don't know what he did with the money,
10 but he couldn't pump the water any longer, and so now
11 the PUCO steps in and shuts him down. He sued us, he
12 sued the Governor, he sued the Public Utilities
13 Commission of Ohio to finally get the thing resolved.

14 Now is Florida going to do the same thing? I
15 mean, where do you draw the line at giving rate
16 increases to someone who doesn't fix anything? That's
17 all I have to say.

18 (Applause.)

19 **MR. HILL:** Thank you, Ms. Hamm.

20 Is there anyone else who would like to
21 provide comments tonight? Excellent. Well, then I
22 would like to -- oh, oh.

23 **MR. WRIGHT:** My name is Neil Wright, N-E-I-L
24 W-R-I-G-H-T.

25 **MR. HILL:** Yes, sir.

1 **MR. WRIGHT:** 6065 Utopia Drive.

2 **MR. HILL:** Thank you, sir.

3 **MR. WRIGHT:** Good evening. I'd also like to
4 reiterate the comments of a lot of people thanking you
5 for your time to come here tonight and listen to our
6 concerns.

7 You know, you said initially that if you'd
8 put your name down, you want to come up and if someone
9 has already made your point, just say ditto. Well, you
10 can put a ditto behind everybody's name because
11 basically we all share the same concerns. Do I have
12 filters on my water supply? The answer is yes. Do I
13 have problems with my water supply? The answer is
14 definitely yes. Do I buy bottled water? The answer is
15 yes. Do I pay more than I think I should for the
16 services that are rendered here in this park? The
17 answer is yes.

18 You might ask why do you want to stay here?
19 The reason is, is this is a fantastic community. It's
20 been commented on by a couple of other folks and it is
21 a great place to spend your time. And that's why we're
22 here, and that's why we're here trying to keep our
23 patience in finding a doable solution to this problem.

24 We all recognize the fact that Labrador is in
25 business to make a buck. That's fine. But let's,

1 let's keep it reasonable, folks. That's what we're
2 trying to do here is keep this whole thing reasonable.

3 Have we considered other alternatives? Yes,
4 we have. If this rate goes through, I would suggest to
5 you that our boards will probably seriously consider it
6 again, and perhaps, you know, this will be the time
7 that we, that we make a move. I would certainly
8 support that without a doubt.

9 Again, as you've heard on and on again
10 tonight, this isn't a one-time thing with Labrador
11 Utilities. This has gone on for years and years. The
12 same problems keep, keep reoccurring, whether it's odor
13 problems, whether it's leak problems, whether it's, you
14 know, color problems, illness problems. A gentleman I
15 talked to that I don't see here tonight but was telling
16 me a story not long ago where when he first came down
17 here, he experienced a problem with a rash that he
18 hadn't had before. You know, he, he suffered through
19 it for the three months that he was down here that
20 year, and, low and behold, shortly after he got back to
21 his home, the rash cleared up. You know, you've heard
22 about problems with some pets. I've heard of those
23 problems here before as well. It's recurring.

24 You know, we were told a couple of years ago,
25 when you have a problem, call Labrador Utilities,

1 here's the number. We called Labrador Utilities.
2 Nothing ever happened. You know, it seems as though
3 while the lawsuit was on they did absolutely nothing in
4 here. Now that the lawsuit has been resolved, now
5 they, they come and they do some work, bring it up to
6 more or less standard, their standard, I guess, for the
7 equipment, certainly not for the end product, but now
8 they want to get paid for that over and above
9 everything that's happened for all those years. All
10 those years that we were in litigation, they were -- I
11 don't know how it went, but it was my understanding
12 they were, they were paying the board a certain amount
13 or the park a certain amount for rent on that
14 equipment. Where did all that money go? I don't know.

15 You know, there seems to be a whole pile of
16 money somewhere that nobody knows anything about
17 anymore. It's, it's just getting to the point where,
18 you know, it's extremely frustrating, extremely
19 frustrating. And it makes -- probably every homeowner
20 in this park, you know, asks themselves the question
21 again, is it worthwhile still living here? So far the
22 answer is yes, but, you know, at some point that
23 balance is going to dip. Hopefully it's not through
24 this one. Thank you.

25 (Applause.)

1 **MR. HILL:** Thank you, Mr. Wright.

2 Is there anyone else who would you like to
3 provide comments? Yes.

4 **UNIDENTIFIED SPEAKER:** I'd just like to get
5 Brett's opinion about this whole situation since he's
6 here.

7 (Applause.)

8 **MR. SCHRODER:** Brett Schroder, two Ts.

9 **MR. HILL:** Something like that?

10 **MR. SCHRODER:** S-C-H-R-O-D-E-R.

11 **MR. HILL:** Yeah.

12 **MR. SCHRODER:** Okay.

13 **MR. HILL:** And then your address, sir?

14 **MR. SCHRODER:** My address?

15 **MR. HILL:** Yes, please.

16 **MR. SCHRODER:** 19012 Huckaballe Road.

17 **MR. HILL:** Hucko --

18 **MR. SCHRODER:** Hucka, H-U-C-K-A-B-A-L-L-E,
19 Odessa.

20 **MR. HILL:** And a zip code?

21 **MR. SCHRODER:** 33556.

22 **MR. HILL:** Thank you, sir.

23 **MR. SCHRODER:** Good evening, everyone. I hear
24 your pain. I think the real message here needs to be do
25 you feel punished paying a rate for lousy water? If you

1 were paying Zephyrhills water at a competitive rate,
2 say, \$35 a month for 3,000 gallons of water, you would
3 still be saying the water is brown, the water smells, I
4 can't buy it to taste it, to drink it, or use in my
5 coffee or cook it. Would you be saying that?

6 **UNIDENTIFIED SPEAKER:** No.

7 **MR. SCHRODER:** You wouldn't? So your -- did
8 you understand what I just said? Let's try again.

9 If you were paying \$35 a month for your
10 water, you'd still be complaining about dirty water --

11 **UNIDENTIFIED SPEAKER:** Oh, yes. Yes. Yes.

12 **MR. SCHRODER:** -- smell, taste, buying bottled
13 water. So the issue is less about the rate, it's more
14 about the poor quality of water, not getting a value for
15 your dollar. I agree that it's expensive, it's
16 overpriced.

17 (Inaudible responses from audience.)

18 Okay. You're getting ahead of me. I'm
19 trying to lead you down the path. You're getting ahead
20 of me. Let's back up. We all agree the quality of the
21 water is bad. Yes?

22 **UNIDENTIFIED SPEAKER:** Yes.

23 **MR. SCHRODER:** It smells bad.

24 **UNIDENTIFIED SPEAKER:** Yes.

25 **MR. SCHRODER:** It looks bad.

1 **UNIDENTIFIED SPEAKER:** Yes.

2 **MR. SCHRODER:** It tastes bad.

3 **UNIDENTIFIED SPEAKER:** Yes.

4 **MR. SCHRODER:** And it's too damn much money.

5 **UNIDENTIFIED SPEAKER:** Yes.

6 **MR. SCHRODER:** So we all agree on that.

7 **UNIDENTIFIED SPEAKER:** Yes.

8 **MR. SCHRODER:** Okay. I agree with you too.

9 From an operational standpoint here's the problem we all
10 face, especially the co-op. Their rates go up, it's too
11 much to live here. It's not worth what you're paying
12 for. So the operation suffers at the expense of a
13 profit-making company. That's not a win-win.

14 A win-win is a fair rate for a quality
15 product with customer service that matches. That's
16 what you're asking for.

17 **UNIDENTIFIED SPEAKER:** Yes.

18 **MR. SCHRODER:** Okay. So we're back on the
19 same page. Anybody been smelling odors other than who's
20 already mentioned it, please raise your hand. So we
21 don't need to be spending \$600,000 reimbursing them.

22 **UNIDENTIFIED SPEAKER:** No.

23 **MR. SCHRODER:** Because it's not fixed.

24 **UNIDENTIFIED SPEAKER:** Right. Correct.

25 **MR. SCHRODER:** I need you to come up to the

1 office every single time and register that. Please do
2 it. It's really valuable that we have the record show
3 what the lack of results are. So the time you go out to
4 dinner, you got out to lunch, whatever you do, come by
5 the office and please fill out a quick report. We'll
6 have a list in the office that says, I smelled odor, put
7 your name, put your date. Will you please do that?

8 **UNIDENTIFIED SPEAKER:** Yes.

9 **MR. SCHRODER:** Okay. We haven't raised your
10 rent for the last two years primarily because the water
11 rates are ridiculous and we understand that. And we
12 want to maintain occupancy, we want to maintain harmony
13 in the community, so it's important to us that our
14 message be heard that the quality of the water is not
15 what we pay for. We buy bottled water because we can't
16 get the water we need here. Correct?

17 **UNIDENTIFIED SPEAKER:** Correct.

18 **MR. SCHRODER:** Thank you. Sorry I confused
19 you.

20 (Applause.)

21 **UNIDENTIFIED SPEAKER:** You're the property
22 manager; right?

23 **MR. SCHRODER:** Right.

24 **UNIDENTIFIED SPEAKER:** Why are these people
25 still here?

1 **MR. SCHRODER:** Are you talking about Labrador?

2 **UNIDENTIFIED SPEAKER:** Yeah. Why is the
3 company still here?

4 **MR. SCHRODER:** Honestly, that's probably a
5 better question answered by one of our attorneys so they
6 can explain to you the process and why they are
7 protected and what things we have to go through.

8 **UNIDENTIFIED SPEAKER:** Why as a park can't we
9 vote to have them out of here? Get them out of here.

10 **MR. SCHRODER:** Good question for Ken. Why
11 don't you come up and help with that one. I think if we
12 could have a vote and it was that simple, we'd have
13 already done it. Yeah. But let's explain why that
14 hasn't happened and what would need to occur.

15 **MR. CURTIN:** It's a good question. Probably
16 not the proper question for this forum because this
17 forum with the PSC is about the quality of the water.
18 Because Labrador, Labrador unfortunately has a protected
19 alleged property interest in their utility here, and the
20 way to get Labrador to do what they need to do is
21 exactly what we're doing here, showing the bad quality
22 of their service, the bad quality of their water. That
23 is the only way to get rid of their alleged property
24 right to run this water and wastewater facility. They
25 have that right as long as they do it in a reasonable,

1 fair, just manner and give you a quality product. If
2 they don't do that, then they could lose that right. So
3 that's what we, that's, that's --

4 (Inaudible comments from audience.)

5 And that is, that is something the
6 Legislature is going to have to handle. But these
7 Commissioners -- well, these are not the
8 Commissioners -- but the staff here made the
9 recommendation to the Commissioners. So when you're
10 speaking into that camera there, eventually you're
11 speaking to the Commissioners on the PSC. You need to
12 make that known that in the past year that the quality
13 of the service, the quality of the water is not up to
14 par, and what you're paying for that poor quality, that
15 poor service is so outrageous, that it's downright
16 criminal.

17 (Applause.)

18 **UNIDENTIFIED SPEAKER:** We want everybody to go
19 up there one by one and talk to the camera so they can
20 see that every one of us are not happy with the water.

21 **MR. CURTIN:** Absolutely. If anybody has not
22 spoken, give your name to this gentleman right here and
23 say your piece right now into that camera, and that
24 camera is going to go from the staff who are going to
25 make their recommendation to the --

1 **MR. HILL:** I would like to -- thank you, sir.
2 I would like to remind everybody that, yes, you may come
3 up, you may give your name and all that. Also, if you
4 have someone that you would like to submit, you can take
5 some extra Special Reports. There's the letter. They
6 read those as well.

7 **MR. CURTIN:** Let me show you. Y'all see this
8 green sheet? You see this last page? What I would like
9 everybody to do is put their name down there, their
10 comment, their complaints. You hand it to Brett at the
11 office and Brett will collect all these and I will make
12 sure they all get to the staff. So everybody, whether
13 you spoke here tonight or not, everybody in this room
14 should fill out their complaint here, bring it to Brett
15 in the office tomorrow. Brett will get me all these,
16 and I will get them to the PSC staff in one lump sum so
17 they have everybody here's complaints up there. So
18 fill, please fill these out.

19 **MR. HILL:** Sir, sir, if you would like, please
20 come up and use the microphone. Thank you.

21 **MR. GOLDSTEIN:** This is my question. If they
22 are granted a raise, will they pay me back the \$1,400
23 for my water filter?

24 **MR. HILL:** Once more, sir, we're here to
25 collect comments. I will answer your question; however,

1 that's not for this forum. I will answer your question
2 afterwards.

3 **MR. GOLDSTEIN:** I mean, because I'm sure that
4 they're going to be granted some type of raise, but I
5 would like to get my money back if they're going to do
6 their job.

7 **MR. HILL:** Again, sir, I will -- I would love
8 to help. That's --

9 **MR. GOLDSTEIN:** Okay.

10 **MR. HILL:** -- an individual issue I would like
11 to help afterwards.

12 **MR. CURTIN:** And we will be here after -- I
13 will also be here after, after this meeting. So anybody
14 right now who has comments, I urge you to come, give
15 your name and give your comments.

16 **MR. HILL:** Thank you, sir.

17 **MS. TRUVY:** My name is Donna Truvy. I live at
18 5931 Utopia. I'm the smallest one in the park with the
19 biggest smile. My dog hates the water. I hate the
20 water. It smells like chlorine. It come out brown the
21 other day. My laundry is yellow instead of white and I
22 wash my whites twice. I think that you guys do not
23 deserve a penny from us. I'm a, I'm a widow and I can't
24 afford these water rates by myself, and there's a lot of
25 widows in this park that cannot afford the rates. We

1 don't get as much money as these other people do. They
2 got two incomes. The widows got one. That's it. And
3 we can't afford -- I can't afford a \$200 water bill. I
4 can't afford a \$100 water bill. You got to do
5 something. I can't even wash my car, water my plants,
6 because my plants even said the water sucks.

7 (Applause.)

8 **MR. HILL:** Thank you, Ms. Truvy. Anyone else
9 who would like to provide oral comments this evening?

10 Seeing no one, thank you -- oh, yes.

11 (inaudible).

12 **UNIDENTIFIED SPEAKER:** Can I just make one
13 comment? I'm not going up there. I want to remind the
14 residents on Tuesday, February 24th at 1:00 p.m. there
15 is a resident meeting, and you can be sure that this
16 topic will be on it. There is a process now in place
17 that is possible to make some changes.

18 (Applause.)

19 **MR. HILL:** Thank you. With that, I would like
20 to thank everyone for attending, and we will be here to
21 answer any questions. This has been the case, Docket
22 140135, Labrador application for request to increase
23 water rates. Thank you very much.

24 (Proceeding concluded at approximately 7:25
25 p.m.)

1 STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
 2 COUNTY OF LEON)

3
 4 I, LINDA BOLES, CRR, RPR, Official Commission
 5 Hearings Reporter, Hearing Reporter Services Section,
 6 Office of Commission Clerk, do hereby certify that the
 foregoing proceedings were transcribed from digital
 recording to the best of my ability.

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

10 DATED this 27th day of February, 2015.

11
 12
 13
 14 *Linda Boles*

15 LINDA BOLES, CRR, RPR
 16 Official FPSC Hearings Reporter
 17 (850) 413-6734
 18
 19
 20
 21
 22
 23
 24
 25

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: February 12, 2015
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Penelope D. Buys, Engineering Specialist III, Division of Engineering *AOB*
RE: Docket No. 140135-WS - Application for increase in water/wastewater rates in Pasco County by Labrador Utilities, Inc.

Please place the following documents handed to staff during the customer meeting in the docket file.

Notes from Beverley Culliford

Thank you for the opportunity to express our thoughts and concerns on the proposed water rate increase by Labrador Utilities.

Regulatory commissions tend to focus on several issues. One is the appropriate rate of return on the invested capital. The Utility is requesting the rate increase because it believes the existing rates do not provide sufficient revenues to earn a fair return on the Utility's investment. The rate of return requested in this proceeding using the weighted cost of debt and equity is 8.50%. I would ask, Is this a reasonable rate in these economic times when most interest bearing accounts are paying less than one percent ? The Commission has the authority to set the interest to be earned on the investment. That percent may have been achieved several years ago but is not appropriate in the economic climate of the present time. Using a lesser percentage would make the rate increase request more reasonable and decrease the impact on the customers who are the residents of Forest Lake Estates.

In this community which is made up of seniors who are on fixed incomes and who have not received a significant increase in their pensions or Social Security payments over the past five years the requested increase in cost of water at 35% and sewage at 70% is unconscionable .

There are four capital projects which are making up the requested investment of \$1 million. I would like to comment on two of them.

At the last rate case in the settlement the Commission gave Labrador Utilities monies for the upkeep and maintenance of the storage tank at the water treatment plant. These monies were not completely spent on such maintenance and therefore part of this cost has already been collected from our residents. The amount should be used to partially set off this cost.

For fourteen years, complaints were sent to Labrador, Department of Environmental Protection and the Health Unit of Pasco County about the foul odors which emanated from the sewage plant. Nothing was done and it continued to get worse, sometimes permeating the whole community

Labrador Utilities did do extensive repair and maintenance on the wastewater system because of the severe odor problems which had been experienced over these past fourteen years. What initiated this project was the filing of a lawsuit by the Forest Lake Estates Co-op against Labrador because of the persistent odor and unhealthy atmosphere which existed within the community. It should be noted the company will receive these monies back with interest from the residents by increased water rates. Perhaps regular and proper

maintenance of the wastewater plant would have made this major project unnecessary and the large cost would not have to be borne now by us.

I am going to leave the description of the water and those problems to the others who I am sure will make you fully aware of the dissatisfaction with this issue.

I would like to refer to the new legislation which went into effect on July 2, 2014. Chapter 2014-68. and the requirement of both the Utility and the Commission.

Along with this law Statutes 367 in particular 367.072 and 367.0812 were developed.

Statute 367.0812, which is entitled Rate Fixing: quality of water service as criterion, states that in fixing rates that are just, reasonable, compensatory, and not unfairly discriminatory , the commission shall consider the extent which the utility provides water service that meets secondary water quality standards as established by the Department of Environmental Protection. The commission will also consider the testimony and evidence provided by the customers.

Statute 367.072 states that in the public interest that water service be of good quality and consistent with the standard stated within the statute. It gives the customers an option to petition for removal of the private utility company for service which is not up to par and replacing it with another public company if 65% of these customers sign the petition for the removal of the utility. This certainly opens new possibilities for this community in its search to get acceptable water into their homes. A majority of our residents either use bottled water, have water coolers or spend thousands of dollars to install a water filtration system in their homes.

We are in close proximity to a public utility which provides excellent water and sewage services to their customers. Cost for our community is a very deciding factor. After doing calculations it is very apparent that we are being held hostage by a monopoly who is charging an outrageous amount for their par standard services. Using 3000 gallons as usage for a month, the following was discovered

customer's payment would be (as an out of city customer) \$45.53 with the public utility at the old rates a customer was paying 195% more than if with the public utility

at current rates is paying 192%

Utility interim rates are 238.3\$

Utility final rates if granted 303%

Staff recommendation 228%

As seniors as stated before disposable income is limited and needs to be spent wisely.

To repeat In fixing rates that are just, reasonable, compensatory and not unfairly discriminatory, the commission shall consider the extent to which the utility provides water service.

The request for a raise in rates should be reasonable and fair and also earned. Customers should be satisfied with the service and see the value in the increase.

I am sure those speaking after will provide you with a complete picture.

Notes from Jim Dill

***STATEMENT TO PUBLIC SERVICE
COMMISSION (PSC)***

February 11, 2015

**GOOD EVENING EVERYONE. FIRST I WANT
TO SAY I TOTALLY AGREE WITH THE
STATEMENT FROM BEVERLY, THE COOP
PRESIDENT. I WANT TO THANK THE PUBLIC
SERVICE COMMISSION FOR SENDING A
REPRESENTATIVE OUT TONIGHT TO LISTEN
TO OUR CONCERNS. FOR THOSE WHO DO
NOT KNOW ME, MY NAME IS JIM DILL. I LIVE
AT 5903 JESSUP DRIVE AND I AM THE
PRESIDENT OF FOREST LAKE ESTATES NON-**

SHAREHOLDERS, BETTER KNOWN AS FLENS.

I AM HERE THIS EVENING TO TALK TO YOU

ON BEHALF OF THE 60% OF FOREST LAKE

ESTATES RESIDENTS WHO ARE NON-

SHAREHOLDERS.

I HAVE LIVED IN FOREST LAKE NOW GOING

ON OUR FIFTH YEAR. MANY OF OUR

RESIDENTS HAVE LIVED HERE FOR 5, 10, and

15 YEARS OR MORE. THEY HAVE BEEN

PUTTING UP WITH THE WATER AND SEWAGE

ISSUES FOR THE PAST 10 OR SO YEARS. IT IS

OUTRAGEOUS THAT WE CANNOT GET

CLEANER WATER, CHEAPER SEWAGE, OR

**BETTER DAY-TO-DAY SERVICE. WE HAVE
WATER MANY WILL NOT DRINK, SOME HATE
TO COOK WITH IT, AND MANY HATE TO DO
OUTSIDE CHORES DUE TO THE COST OF BOTH
THE WATER AND THE SEWAGE. A LOT OF US
SPEND EXTRA MONEY EVERY MONTH TO
EITHER GET FRESH WATER DELIVERED, GET
OUR OWN AT AREAS LIKE CRYSTAL SPRINGS,
OR BUY CASES OF BOTTLED WATER. IN
ADDITION, MANY HAVE PURCHASED AND
INSTALLED EXPENSIVE FILTRATION SYSTEMS
OR OUTSIDE FILTERS WHICH HAVE TO GET
REPLACED EVERY COUPLE MONTHS BECAUSE**

OF UNWANTED BUILD UP. THIS IS TOTALLY UNACCEPTABLE WHEN WE HAVE TO PAY SO MUCH FOR THE TERRIBLE WATER WE HAVE.

OVER THE PAST TWO YEARS, THE FLENS RESIDENTS, WHO PAY MONTHLY RENT TO THE PARK, HAVE BEEN FORTUNATE THAT OUR BASE RENT HAS NOT INCREASED. OUR TAXES HAVE GONE UP ABOUT \$5 PER MONTH OVER THE PAST TWO YEARS AND WE UNDERSTAND THIS. HOWEVER, WHAT WE HAVE SAVED IN BASE RENT WILL GET EATEN UP RATHER QUICKLY WITH THE HUGE RATE INCREASES UTILITIES INC. ARE REQUESTING.

I DID AN ANALYSIS OF WHAT THE WATER AND SEWAGE RATE INCREASE MEANS TO EACH OF US. FOR MY ANALYSIS, I USED 4,000 GALLONS PER MONTH AS AN AVERAGE. AT THE RATES AT THE TIME OF FILING, IT COST US \$43.58 FOR WATER AND \$59.80 FOR SEWAGE, FOR A TOTAL BILL OF \$106.01 PER MONTH. UNDER THE PROPOSED UTILITIES INC. FINAL RATE INCREASES, IT WOULD COST US \$62.43 FOR WATER AND \$106.69 FOR SEWAGE, FOR A TOTAL OF \$166.49 OR A 62.7% INCREASE...YOU HEARD ME RIGHT...62.7% INCREASE! AS YOU CAN SEE,

THIS \$66.48 MONTHLY INCREASE WILL EAT UP ANY RENT SAVINGS IN A COUPLE MONTHS. IN ADDITION, THE RATE WE WILL HAVE TO PAY WHILE GONE DURING THE SUMMER MONTHS WILL INCREASE FROM \$32.81 TO \$52.57 PER MONTH...A 60% INCREASE...THIS IS SUBSTANTIAL FOR USING NO WATER AND GETTING NO SERVICE.

WHAT IS MORE STAGGERING ABOUT THIS INCREASE IS HOW WE COMPARE TO WHAT THE ZEPHYRHILLS RESIDENTS ARE PAYING FOR SEWAGE AND WATER...PLUS THEY HAVE OUTSTANDING WATER THEY CAN DRINK,

**WASH, AND COOK WITH. I LOOKED AT THEIR
FY15 IN-CITY AND OUT-OF-CITY RATES FOR
THE SAME 4,000 GALLONS OF WATER. THEIR
WATER WOULD COST \$11.06 AND \$31.33 FOR
SEWAGE, FOR A TOTAL OF \$42.39 PER
MONTH. THE UTILITIES INC. PROPOSED
RATES ARE 292% HIGHER THAN
ZEPHYRHILLS. IF YOU LOOK AT THEIR OUT-
OF-CITY RATES, IT WOULD COST US \$53.11
PER MONTH (\$13.78 FOR WATER AND \$39.33
FOR SEWAGE) OR 215% HIGHER FOR
UTILITIES INC.**

**MOST OF US AT FOREST LAKE ESTATES ARE
RETIRED AND LIVE ON A FIXED INCOME.**

**MOST OF US GOT JUST A 1% INCREASE THIS
YEAR IN SOCIAL SECURITY. WE CANNOT AND
SHOULD NOT HAVE TO PAY THE LARGE,
PROPOSED UTILITIES INC. INCREASES. WE
PAY MORE THAN ENOUGH NOW!**

**IN ADDITION, THE PARK'S RULES AND
REGULATIONS REQUIRE ALL RESIDENTS TO
WASH OUR HOMES, SIDEWALKS, AND
DRIVEWAYS. WHEN WE WASH OUTSIDE, ALL
THIS WATER GOES INTO THE STORM WATER
SYSTEM WHICH FEEDS INTO THE LAKE. BUT,**

**WE STILL HAVE TO PAY THE SEWAGE COST
OF THIS WATER. IN MANY STATES, YOU ONLY
GET CHARGED A % OF WATER USED TO
CALCULATE THE SEWAGE COSTS. UTILITIES
INC. CHARGES US 100% WHETHER IT IS
WATER IN OR OUTSIDE THE
HOUSE....UNACCEPTABLE! JUST THIS WEEK
UTILITIES INC. DID A WATER FLUSH AND YOU
CAN SEE WHERE THEY DID THE FLUSH AS IT
WENT INTO THE STORM WATER SYSTEM. THE
SIDEWALK FROM THE HYDRANT TO THE
DRAIN IS YELLOW IN COLOR FROM THE
CHEMICALS THEY USE TO TREAT THE WATER.**

ONE OF THE OTHER AREAS OF CONCERN IS THE LEVEL OF SERVICE AND RESPONSE WE ARE GETTING. WE RECENTLY HAD TWO VERY LARGE LEAKS ON JESSUP DRIVE, ALMOST ACROSS THE STREET FROM EACH OTHER, AND IT TOOK UTILITIES INC. HOURS TO RESPOND TO WHAT WE ALL CONSIDERED AN EMERGENCY. IN THE FIRST CASE MY COUSIN CALLED IN THE LEAK AT 6PM, SOMEONE SHOWED UP AT 11PM, AND SOMEONE FINALLY CAME BACK AT 11AM THE NEXT DAY TO MAKE THE REPAIRS. WHEN THEY LEFT THERE WAS MUD UP AND DOWN JESSUP THAT

**WAS NOT EVEN CLEANED UP UNTIL A
CONCERNED RESIDENT CALLED. UTILITIES
INC. FINALLY CAME BACK TO CLEAN THE
STREET. IS THIS THE TYPE OF SERVICE WE
SHOULD BE GETTING FOR WHAT WE
PAY...HECK NO!! ABOUT A WEEK LATER
THERE WAS ANOTHER LEAK ON THE
OPPOSITE SIDE OF THE STREET FROM THE
FIRST LEAK. AGAIN, IT WAS CALLED IN AT
11PM AND NO ONE SHOWED UP UNTIL NOON
THE NEXT DAY. IT TOOK OVER 12 HOURS TO
FIX AND WE STILL HAD THE SAME PROBLEM
WITH MUD ALL OVER THE PLACE. A**

**CONCERNED RESIDENT AGAIN HAD TO CALL
TO GET THE STREET CLEANED UP. THIS
RESPONSE TOO WAS TOTALLY
UNACCEPTABLE.**

**IN CLOSING, WE ARE HERE TONIGHT AS A
GROUP ASKING THE PSC TO BE FAIR AND
REASONABLE AND TO DENY UTILITIES INC.
THEIR REQUESTED RATE INCREASE. PLEASE
SCRUTINIZE THEIR SPENDING, LOOK AT
THEIR PROPOSED RATES AND REMEMBER THE
MANY YEARS WE HAVE LIVED HERE WITH A
PRODUCT THAT IS UNACCEPTABLE, WITH
DISSATISFIED SERVICE, AND VERY EXPENSIVE**

**COMPARED TO SURROUNDING COMMUNITIES
ON CITY AND COUNTY WATER. IF
SOMETHING IS NOT DONE NOW, WE WILL
LOOSE OUR CURRENT RESIDENTS WHO
CANNOT AFFORD THE HIGH WATER AND
SEWAGE RATES AND NEW BUYERS WILL GO
ELSEWHERE BECAUSE OF THE EXPENSIVE
AND UNACCEPTABLE WATER AND SEWAGE,
WHICH MAY LOWER THE VALUE OF OUR
PROPERTY. IT IS TIME WE BE HEARD AND
HAVE SOME JUSTICE!**

THANK YOU FOR YOUR TIME THIS EVENING.

JIM DILL
FLENS PRESIDENT

Water provided by Dianne Hawryzko



Notes from OPC

FLORIDA OFFICE OF PUBLIC COUNSEL

Labrador Utilities, Inc. is requesting an increase in its rates of approximately \$96,942 for water, a 37% increase, and \$287,269 for wastewater, a 71% increase. The Office of Public Counsel (OPC) represents the interests of Labrador's ratepayers and is currently reviewing Labrador's requested rate increases. OPC has identified several areas of concern, including the following issues:

- ❖ Wastewater non-used and useful adjustment from last rate case which the company did not include in its filing – Annual impact of \$33,982
- ❖ The requested test year legal fees far exceed the fees allowed in the last rate case or the prior five year average – Annual impact of \$28,856 for water and \$28,378 for wastewater
- ❖ The requested rate case expense amortization of \$54,013 is more than double the level allowed in the last rate case of \$20,844.
- ❖ The company initially requested \$100,000 for a new water storage tank. In the last rate case, the company received in rates deferred maintenance expenses of \$6,028 over five years (total of \$30,140) to inspect and refurbish the existing water tank. The company has not shown that it spent any of this money to refurbish the existing tank, and is now requesting \$172,000 for a new storage tank.
- ❖ The reasonableness of the company's request to increase its salaries and benefits by 22% (annual impact of \$24,828) since the last rate case just 3 years ago.
- ❖ The company's 2013 actual revenues were \$80,676 less than the revenues approved in the last rate case (\$35,968 for water and \$44,708 for wastewater). The average residential water consumption also declined in 2013. OPC is investigating whether the 2013 usage level is a valid representation of current usage or whether the 2014 usage level should be utilized in setting future rates.
- ❖ Wastewater plant and expenses related to the new odor control improvements – OPC is reviewing the reasonableness of the costs to construct these improvements.