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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

IN RE:
APPLICATION FOR STAFF-ASSISTED DOCKET NO. 140147-WS
RATE CASE IN SUMTER COUNTY BY
JUMPER CREEK UTILITY COMPANY

PROCEEDINGS: CUSTOMER MEETING

COMMISSION STAFF
PARTICIPATING: DICK DURBIN
CURT MOORING

DATE: April 1, 2015

TIME: Commenced at 6:00 p.m.
Concluded at 6:44 p.m.

LOCATION: Webster City Hall
49 SE 1st Street
Webster, Florida

TRANSCRIBED BY: LINDA CUNNINGHAM, RPR
COURT REPORTER & TRANSCRIBER
Notary Public in and for the
State of Florida

1 P R O C E E D I N G S

2 **MR. MOORING:** Okay. We are meeting on Docket
3 140147-WS, the Jumper Creek Staff-Assisted Rate Case.
4 And the first speaker I have is Guy Simmons. If
5 you'd --

6 **MR. SIMMONS:** My name is James Guy Simmons. I
7 live at 2944 Southeast 75th Boulevard, Bushnell,
8 Florida, 33513. Last name spelling S-I-M-M-O-N-S.

9 **MR. MOORING:** Okay.

10 **MR. SIMMONS:** For the record now?

11 **MR. MOORING:** Yes.

12 **MR. SIMMONS:** For the record, my main concern
13 is this. That when I moved into Jumper Creek our water
14 rate and sewer rates were running about \$65. That rate
15 stayed level until basically, or, actually, even after
16 the time that AQUA sold to the current owners. I don't
17 mean -- I should have brought a bill, but I don't even
18 know who they are. I just send them the payments.

19 **UNIDENTIFIED SPEAKER:** AQUA.

20 **MR. SIMMONS:** Huh?

21 **UNIDENTIFIED SPEAKER:** US Water.

22 **MR. SIMMONS:** US Water now. So, when -- when
23 they took over the operation, at first we started -- I
24 got a higher bill and I sent a letter and called the
25 Public Service Commission, because I figured that they

1 couldn't just arbitrarily start raising rates until --
2 until they had a hearing on it. And then all of a
3 sudden, I was contacted by one of the persons at that US
4 Water and they confirmed, yeah, we had to prorate that
5 bill, but it would be this. Sure enough, here come the
6 anticipated rate increase, because as soon as they sold
7 that utility company that's the first blasted thing.
8 Most of these people come in there, they know it was
9 operating at a loss. Why did they decide to buy it?

10 Well, they bought it, because they knew they
11 could come to the Public Service Commission and say,
12 hey, wait a minute, we need some more money. We are
13 operating at -- what was this -- this letter says at X
14 number of dollars a month. I mean, on the back it says
15 they -- their gross revenue is \$13,078 for water, and
16 18,624 for wastewater. We are net operating at a loss
17 of 10,423. Okay. If they're only losings 423 for
18 wastewater that means they are pretty close to marginal,
19 without putting money in their pocket, on that system.
20 But losing money on the water system I could understand
21 that if -- if those consumers there use more water and
22 it's not being metered properly.

23 I can honestly say this, that I look at my
24 bills and I follow the rates along the line, you know,
25 there's a little graph they usually provide to you on

1 your consumption use and what you had last month. It is
2 almost impossible to say when you drawdown, water your
3 yard and do different things -- there's only two of us,
4 so we don't use a lot of water. But there again, during
5 the summertimes people wash their cars, they water their
6 yards, they do different things.

7 And, you know, I'm not saying no name, but I
8 was talking to someone else. I said, Does your bill
9 fluctuate? No, my bill stays the same. Really? Yeah.
10 I'm not going into scenarios, because, you know, I'd
11 talked about it. And I said, well, you know, my
12 concern. I understand that we are kind of locked in
13 now. You've got the key to my house, because I need
14 your water, I need your sewer. Nobody is going to let
15 me put a well down or tap into someone else's sewer
16 system or put a septic system in.

17 Now, I'm at the mercy of this new company that
18 says, Well, guess what, Mr. Simmons? I know you are on
19 a fixed income and you just got \$12 a year on your
20 Social Security check, didn't you? I'm also a State of
21 Florida retiree. I have got a big increase. I got
22 three percent. This is what most everybody -- everybody
23 else gets, three percent.

24 You take that amount of money and then along
25 comes the homeowners association. I know you all are

1 not a part of that. But, anyway, they say, Well, guess
2 what? We had to foreclose, we had to do this, we had to
3 do that. Wait a minute. Look at your administrative
4 costs. That's 75 percent of what you collected. What
5 are you doing for us? The sign has been down. The
6 houses are falling apart in front of us. You have done
7 nothing. Tell me what you need that money for. They
8 don't have to tell you nothing. But have I got news for
9 them. There are regulations for homeowners association,
10 too, just like there are for these utility companies.

11 Just like with this situation right here, we
12 have to rely on the Public Service Commission.
13 Hopefully, it's still public, that they represent the
14 consumer as much as they do --

15 **MR. MOORING:** Yes.

16 **MR. SIMMONS:** -- the party that put these
17 utilities together.

18 My problem is this. And I am looking at them
19 straight now. Why did you buy a water system -- you
20 already knew you should have looked at the books.
21 That's the first thing you buy when you buy a company.
22 This company is operating at a loss. Why would we want
23 to touch that? Let it go -- let it go under
24 receivership. Then what? Who knows? The Public
25 Service Commission probably would have to get involved

1 and I'm sure they'll try to market that utility, because
2 you have got consumers in there that's relying on them.

3 I'm not here to deny anybody a reasonable
4 profit. I mean, none of us put money into a business,
5 unless it's real estate, that you intend for the
6 government to take it all away from you in one shot, and
7 then you've got nowhere to go. But these utility
8 companies, not just this one -- you talking about SECO,
9 you talking about Duke, you are talking about these
10 cities -- that you have to trust to be somewhat
11 concerned about the consumer's benefits.

12 And I don't know, you know, jumping from \$65
13 for these two -- these two commodities up to now what
14 you are saying, \$102. Is that big a shock for you,
15 Mr. Simmons? At this point it is. I never lived in a
16 development. I never lived under other people's
17 control. I always had my own well, my own septic. The
18 taxes certainly don't reduce because you live in a
19 development. Then, you've still got to deal with the
20 uncertainty. That's the part that you don't really know
21 what's going to happen.

22 We go from 65 to -- I've been paying for three
23 years. I have been in there almost -- well, four years.
24 Now, all of a sudden, I'm at 90, and, now, all of a
25 sudden, you are tell me, Get ready, buddy, you are going

1 up to 102. If -- if all of those merchandise that's
2 recording this consumption of water were working
3 properly, but, now, all of I sudden, they've put new
4 meters in and they say, yeah, you are a \$156 a month
5 user. Wait a minute, how do you figure that? Well,
6 here's the meter. Here's the reading.

7 I lived in the City of Center Hill where
8 they'd metered the water and I can tell you the honest
9 truth -- and there I was the mayor and a councilman in
10 that little city. We had problems with meters. We had
11 problems with leaks that weren't determined that people
12 got charged for. First thing they'd do is run in there
13 and turn their water off. As I -- when I was mayor, I
14 wouldn't allow them to turn one person's water off until
15 our person went around, inspected and made sure those
16 meters were working, made sure there wasn't a leak on
17 the city side that these people might be getting -- be
18 getting charged with. But everybody don't give a flip.
19 I've seen them turn people's water off, and they'd just
20 come in there and then didn't have enough money to get
21 it turned back on.

22 That could happen over there. I mean, a lot
23 of them people in there probably have high paying jobs.
24 I don't know, but I wouldn't think so or they wouldn't
25 be living in Jumper Creek. They'd be living up there in

1 the Villages, like the rest of those people that don't
2 give a flip about all of these rate increases. But I
3 can tell you, I don't know how many more years I'll be
4 in there, but, good Lord willing, if I made another year
5 or two, I won't have to be standing before the Public
6 Service Commission and say, you know, folks, a lot of
7 those people that jumped those rates, nobody wants to
8 move in there because of the uncertainty. The lots are
9 still vacant.

10 We got drainage retentions in there and I
11 don't even know what the purpose of those things were,
12 because they never have any water in them. And when I
13 confronted Southwest they said, Well, you ain't seen a
14 big storm. I said, Sir, I have been living here for
15 60-something -- 40-something years. It's 60-something,
16 but anyway. I said, yeah, I have seen the water, I have
17 seen hurricanes come through here. I ain't never seen
18 no water on this ground. Why are all of those retention
19 ponds there? Well, you will see one day. I said that
20 was a waste of money. They ought to full -- they ought
21 to fill some of them up and let whoever buy these lots
22 have the ground.

23 But my point tonight is to say this. I don't
24 have a whole lot of problem that you tell me that these
25 people are losing money and they bought this, this water

1 system, now they don't need to -- to go through the
2 process of having to redo the equipment and all of this
3 stuff. But they are entitled to make a profit, if we
4 are going to use that water and they are going to --
5 they are going to chlorinate it.

6 And I understand that sewer could be a touchy
7 thing, that people put grease and different items in
8 there that don't belong in there. They could -- that
9 could cost them people a lot of money to fix it. If it
10 goes down we are not going to understand when we have
11 backed up commodes. We are going to expect them to fix
12 it. We expect that water to be flowing 24 hours a day.

13 I'm not here to say they don't -- they are not
14 entitled to a reasonable increase. The \$90, I've begun
15 to live with, but now, all of a sudden, you are telling
16 me, I ain't going to be 90. It's going even higher,
17 because you folks up there in Tallahassee decided this
18 is what they ought to be getting.

19 My last question to you is, what if some
20 miracle happens and some developer comes in there and
21 they start building a lot of houses, are these rates
22 going to be subject to decrease because more consumers
23 come in? Or, is it going to be that, whoa, folks, we've
24 got more demand on the sewer? We are having to pump
25 more water. We have got to put more meter readers in

1 there. We have got to take care of more problems and
2 now we have got to go up again.

3 **MR. MOORING:** You asked several questions
4 there. And in terms of the rate shock, the big jump in
5 rates, the rates for this system haven't been set since
6 1988. Okay. There's been a small index adjustment that
7 happened in about 20 -- 2012, 2013, and then this is a
8 first rate case they've had. So, when you have that
9 long of a period for a small system like this, that has
10 very few customers to spread its fixed cost over, it is
11 a very high cost system. There's no way around that.
12 It just is. And the amount of time that's elapsed since
13 the rates were last adjusted to try to reflect the
14 actual cost of operating it, that's when you get the
15 really big jump in rates.

16 I believe earlier you asked, is there some
17 sort of limit on when they can file for another one.
18 They would not be able to file again for a year. Okay.
19 After that, it would be up to the utility whether they'd
20 file or not. And if they were to file again that
21 quickly, unless there was some big operational change at
22 the utility, I'd be very surprised if there was a big
23 change in rates at that point.

24 Let me see. You also asked about the meters,
25 making sure that they are working correctly. The

1 utility has -- you give them a call, they'll check your
2 meter for you, they'll test it. If you think you still
3 have an issue with it, then you can get our office
4 involved with it and we'll make sure that you're being
5 metered properly, that your meter is being registered
6 and that your bills are accurately reflecting the meter
7 readings.

8 Let me see. Did you have another question
9 that I missed?

10 **MR. SIMMONS:** No, no more questions. But the
11 only final thing, I guess, is once this process takes
12 place, you go back and give this feedback to the PSC,
13 and then they sit down and make their determination. Of
14 course, when you've only got four residents in here that
15 have a concern, I mean, that -- that to me in numbers,
16 if they were to pack this room you, yourself, would have
17 said, hey, man everybody in there is concerned about
18 this rate increase.

19 I don't think a lot of them -- they're looking
20 at the \$90 now like me. I came to -- I came to this
21 conclusion. I'm not going to deny them people a
22 reasonable increase, because, like you said, I live --
23 this is my fourth year, and for three years, it was '11,
24 65 bucks. I understand that can't go on forever, that
25 sooner or later it was going to go up. And just like

1 taxes, I guess, it ain't something that you'd say, well,
2 okay, now we are going to be able to pay these taxes and
3 budget.

4 I guess my biggest concern is, take this, the
5 cable we could probably live without and I might try
6 that, but every month we -- well, not every month, but
7 every cycle we get Bright House, because we live in this
8 development, we have got increases. SECO, of course,
9 there it's a consumer up and down. That's what the
10 power company does.

11 But my biggest concern is, I'm going to have
12 to rely on the commodities, water and sewer, and I may
13 not ever have control over it, that that rate may now
14 become my biggest expense. So, that's a problem. It --
15 and I will tell you, it's probably right now, if you
16 look at it on a monthly basis, it's twice as much as I'm
17 paying in taxes --

18 (Someone coughing.)

19 **MR. SIMMONS:** -- and this half, no, it was
20 equal, almost equal my electric consumption costs, my
21 water and sewer. So, when you add those factors
22 together, all of a sudden we have got everything rising.
23 I guess, the only other step for me -- thank God I'm
24 old. I can go to a nursing home, I guess, and they
25 would take care of me, but I'm, at this point, not going

1 to pick (unintelligible) would be concerned, I guess,
2 I'm going to be the only one who has a problem with it.

3 **MR. MOORING:** It's -- there's only 43
4 customers of record as it stands. I mean, there's not a
5 lot of folks.

6 **MR. SIMMONS:** Well, sadly in life a lot of
7 other people are complacent to the politics and the
8 council -- (unintelligible) and everything. You might
9 get one or two (unintelligible) to show up on an issue
10 until all of a sudden they get the bill. And then they
11 say, My gosh, I can't afford that water anymore. Why
12 wasn't you at the hearing? Why didn't you go tell them
13 what you were going to do?

14 But if them people got plenty of money they
15 want to pay twice -- that's what it's going to go up,
16 twice as much as they've been paying -- then, I guess,
17 I'm the only one here that has got an issue with it.

18 **MR. MOORING:** And I do want to just add, thank
19 you very much for your comments, but I also just wanted
20 to reiterate that these numbers are subject to change
21 before the staff's formal recommendation for --

22 **MR. SIMMONS:** Just, hopefully, it ain't going
23 to go up.

24 **MR. MOORING:** When we do these, we err on the
25 cautious side, on the high side. We try to get it as

1 accurate as we can, but it would not be materially
2 higher than what's -- what's in here. It would -- if
3 anything it would be less, so.

4 **MR. SIMMONS:** Thank you.

5 **MR. MOORING:** Thank you again for your
6 comments.

7 The next name I have is Joel Mullins.

8 **MR. MULLINS:** Good afternoon.

9 **MR. MOORING:** Good afternoon.

10 **MR. MULLINS:** I'm Joel Mullins. My address is
11 2329 Southeast 75th Boulevard. My last name is
12 M-U-L-L-I-N-S.

13 From what I gathered here, right now our rates
14 are based off of 10,000 gallon minimal. We can use up
15 to 10,000 gallons. Our rates are set at a certain rate,
16 up to 10,000 gallons and then we would pay 2.52 per
17 gallon over.

18 **MR. MOORING:** Yes.

19 **MR. MULLINS:** And it's been set like that
20 since, I guess, the -- the development was built.

21 As of right now, what you're proposing, if we
22 were to use 10,000 gallons it's \$182, which would be the
23 flat rate, which is more than double what the flat rate
24 is right now. And I understand with the PSA (sic) that
25 your whole concern here is conservation, which is why

1 you set those plateaus and set the plateaus of 3,000 to
2 5,000, and then for every 1,000 over you'd get --

3 **MR. MOORING:** I want to be clear. Those
4 gallonage tiers that you are seeing there, those are
5 just for demonstrative purposes.

6 **MR. MULLINS:** Yeah.

7 **MR. MOORING:** Those are just -- if you use
8 about 3,000 gallons, here's what you can expect. If you
9 use about five -- those are not actual -- those don't
10 mean anything to the tariff rate. That's just -- it's
11 the 8.03 per 1,000 gallons for each 1,000 gallons.

12 **MR. MULLINS:** So, if it was -- so, 8.03, if
13 you used 10,000 gallons, it would be 80 -- \$80 --

14 **MR. MOORING:** Yeah.

15 **MR. MULLINS:** -- about? Plus, your sewage,
16 which would be -- what is it per --

17 **MR. MOORING:** 8.35.

18 **MR. MULLINS:** 8.35.

19 **MR. MOORING:** Which -- that stops at six.

20 **MR. MULLINS:** So, say, no matter what, you
21 used 3,000 gallons, you're just multiplying that by the
22 88 per 1,000?

23 **MR. MOORING:** What that is, that's what the
24 46.54 is, is it's the base charge of 22 --

25 **MR. MULLINS:** 22.50, plus the --

1 **MR. MOORING:** Twenty-two -- it would be the
2 22.45, plus three times the 8.03 --

3 **MR. MULLINS:** Got you.

4 **MR. MOORING:** -- is the 46.54.

5 **MR. MULLINS:** All right. And I understand the
6 reason you all do that is for conservation. And we all
7 strive for a little bit of conservation. There's no
8 reason that even if -- even if we are allowed to use the
9 10,000 gallons for the low price of \$65, we don't need
10 to be using 10,000 gallons, because we can just use it
11 willy-nilly. And I understand that you all are trying
12 to set a price where it does encourage conservation, as
13 well as helping them on their -- you know, get out of
14 the red.

15 My concern is we -- we are a small community.
16 It was -- it was planned to be huge. We haven't had any
17 building since they stopped building, I think, in '07.
18 I know a lot of the landowners that own actual land are
19 hoping that the -- you know, the increase in the economy
20 and everything else, people coming in to start, start
21 building and everything else.

22 One of the things that I'm concerned with is
23 something that's going to drive people away from
24 building in that community are these imposed rate
25 increases on our water and sewage. Whereas, people in

1 Bushnell, if the proposed rate increases are to go into
2 effect, people in Bushnell are getting their water and
3 sewage for less and I believe the people in Center Hill
4 and Webster are as well. Whereas, we in -- in this
5 county would be one of the highest areas for both water
6 and sewage, which, in my estimation, the houses are
7 selling for considerably lower than what they were
8 before, but that was based on a vastly imploded economy;
9 whereas, we are trying to get people to move in and
10 build houses here, to where the utilities that they're
11 offered and it's the only thing that they can use, isn't
12 really feasible when you roll that into your -- your
13 homeowners costs and everything else.

14 So, my concern is that not only is the rate
15 increase going to put a burden on us -- I can understand
16 a little bit of a rate increase, because you said the 65
17 that we are doing now is based on a 1988 structure,
18 which I don't know how it's based on a 1988 structure,
19 because our Jumper Creek Utilities hasn't been around
20 since then. From what I understand, this community
21 started in '06, I believe, or they started building in
22 '05 or '06, and then it kind of went belly-up in '07, so
23 I don't know how it's based in 1988, like you've been
24 saying.

25 I think the whole deal with the rate per 1,000

1 gallons is a good idea. I don't think that the rate
2 that you're -- you're proposing might be the best. If
3 you all were to come down a little bit on that and get
4 us closer to just over the \$90 mark, you know, right
5 around the \$90 mark where we had been at, 5,000 gallons
6 since they say the average usage for our area is about
7 4,500 gallons.

8 I'm sure we have other families that do have
9 pools or -- or other things, that water their yard on a
10 regular basis. If they want to continue those luxuries,
11 of course, they have to be able to pay for it, and, as
12 of right now, they are not paying for those luxuries
13 that they are being afforded. And I understand that is
14 the part of the rate increase, but once again -- we're
15 getting more people in the community, which would be
16 raised from consumers and people to paying in. I don't
17 think the rate increase is going to do us any good, an
18 exorbitant rate increase like what they are proposing
19 from relatively for 10,000 gallons, from 65 to \$180 a
20 month.

21 That's all I'm asking for, is to look at the
22 big picture. That, yes, we don't have very many
23 consumers. As of right now since I have been in here,
24 we are at the highest capacity for people in there. I
25 mean, people have been buying into the community, but I

1 don't want that to stop or slow down just because the
2 utilities that you have to have in that community have
3 gone up to where families can no longer afford to move
4 in there, so.

5 **MR. MOORING:** Yeah. Well, and, again, it's --
6 Jumper Creek is a unique situation. It's a very, --

7 **MR. MULLINS:** It is.

8 **MR. MOORING:** -- very small system that was
9 overbuilt. There's adjustments for that. It was sold
10 at a well below market rate and that's been accounted
11 for as well. There's -- there's -- Jumper Creek is a
12 very, very unique situation --

13 **MR. MULLINS:** Oh, and I understand.

14 **MR. MOORING:** Just from a rate setting
15 perspective, it is -- I have not seen anything even
16 remotely close to the situation with Jumper Creek.

17 But, in terms of the gallon -- in terms of the
18 rate design, again this is an economics issue. I can --
19 can give you a really high level -- information on it,
20 but I can put you in contact with someone from our
21 economics department that can help you out a little bit
22 more, if you have more detailed questions. But in terms
23 of how the revenue requirement is translated into rates,
24 if you were to have a reduction in the gallonage charge,
25 in the usage charge, then the base charge would go up.

1 It's how they cut up the pie is what --

2 **MR. MULLINS:** So, pretty much, we are at,
3 where we are at, and we are just hoping for no further
4 increase --

5 **MR. MOORING:** It would be --

6 **MR. MULLINS:** -- from whatever you proposed?

7 **MR. MOORING:** And, again, that's a preliminary
8 number.

9 **MR. MULLINS:** I understand the preliminary
10 number, but from what you're saying, it's just like your
11 car dealership. We listed a \$32,000 car for 30,000.
12 Well, that's fine. I will give you the 12,000 that I
13 was going to give you on trade-in, I will give you
14 10,000 then we will call it even. So, pretty much this
15 is for naught. They've pretty much already got their
16 rate increase in mind and it's going to be what it is.
17 The pie is sliced, only how the pie is sliced.

18 **MR. MOORING:** Well, we don't make -- I don't
19 make the decisions.

20 **MR. MULLINS:** Well, I understand that.

21 **MR. MOORING:** That's something that our
22 commissioners do. And, again, we're still reviewing
23 certain things. We haven't come down on what our
24 recommendation will be on a number of issues.

25 For customer meetings purposes, we will always

1 lump that in, assuming that we will end up recommending
2 approval of it to the commissioners. We do try to get
3 it as close as we can to give you an accurate number
4 without, you know, giving you a number that's just
5 totally way, way higher than what we know it's going to
6 be recommending. We try to get it as close as we
7 reasonably can just because we don't want to come back
8 with our final recommendation to the commissioners being
9 higher rates than what we came to the meeting with.
10 That's not fair to the customers.

11 **MR. MULLINS:** We -- the wastewater costs to
12 run it, and I understand that there's pumps and
13 everything else where pretty much all the wastewater is,
14 when you put wastewater in there and you're turning it
15 back into good water, it's just keeping the bacteria at
16 a good level to eat up all of the bad stuff. And we --
17 I only see someone from US Water out there maybe once a
18 week, so I don't understand what the massive cost is for
19 the wastewater system when it pretty much runs itself as
20 long as the bacteria is maintained at that level that
21 it's supposed to be.

22 **MR. MOORING:** I'm not an operator expert,
23 so --

24 **MR. SMOTHERS:** What's in you all's chlorine
25 system?

1 **MR. MOORING:** You can --

2 **MR. SMOTHERS:** The chlorine in that water, how
3 do you all go off that rate, too, if they get you --

4 **MR. MOORING:** Mr -- if you would like to --
5 Mr -- he can certainly answer all of the technical
6 questions on that, that treatment process, with you.

7 **MR. SMOTHERS:** I was just curious, because I
8 have got an \$8,000 system I had to get because that
9 chlorine is bad.

10 **UNIDENTIFIED SPEAKER:** Yes.

11 **MR. SMOTHERS:** Like I said, I paid \$8,000 a
12 month(sic). I had to get a chlorine system filter and
13 put in my house. It's on the side, yeah. And it's
14 helped tremendously, but, like I said, it would burn
15 your skin when I first moved in there.

16 **MR. MOORING:** All right.

17 **MR. MULLINS:** Like I said, one of the bigger
18 things that I'm worried about is growing the community,
19 which in turn, you know, raises my -- the value of my
20 property of my home. With this proposed rate increase,
21 I see that as being a detriment to people wanting to
22 come in and build and buy and continue growing that
23 community.

24 Once again, when you can move -- when you can
25 move to the City of Bushnell and get cheaper utilities,

1 when you can move to the City of Webster and everywhere
2 else around here in Sumter County that provides
3 utilities outside of sewage and water, it's pretty much
4 cheaper than our little corner of Bevilles Corner. I
5 just, I think -- I think that's going to be a detriment
6 to the growth of the community as a whole. And
7 that's -- that's my biggest concern.

8 And I understand that they need to -- they
9 need to be paid for what they do. I understand that.
10 And I understand not letting people have access to
11 10,000 gallons every month at such a low rate and
12 proposing the rate increases for every 1,000 gallons
13 because conservation is a big deal. But to do that
14 amount, I don't think that -- I don't think that's going
15 to help everyone in the long run other than US Water.
16 And, of course, it's going to help US Water the most,
17 because they'll be getting the most money.

18 But, I mean as our community as a whole, I
19 understand the small -- or a rate increase. We'd have
20 been fine with the 90, you know, that we've been dealing
21 with. Something around there, you know, something where
22 it's less than 180 a month. I mean, that's just --
23 that's exorbitant, as far as I'm concerned. So -- and
24 that's my piece.

25 **MR. MOORING:** Thank you for your comments.

1 **MR. SIMMONS:** Sir, can I ask you one little
2 thing?

3 **MR. MOORING:** Let me -- would you like to
4 speak or --

5 **MR. SMOTHERS:** Let him ask his question.

6 **MR. SIMMONS:** No. The only other thing when
7 he was saying with --

8 **MR. MOORING:** If you would, come up,
9 because --

10 **MR. SIMMONS:** Yeah. Guy Simmons. For the
11 record, what he eluded to as far as our rates for sewer
12 and water being higher than, say, Webster and Bushnell,
13 you know, these -- these smart communities are trying to
14 expand and annex in and we -- we are as close to
15 Bushnell, probably closer to Bushnell than Webster, and,
16 you know, Webster's sewer system is tied into
17 Bushnell's. All of those lines run right down 48.

18 Same way with the water system, if that became
19 necessary it seems to me it would be more practical and
20 cheaper that we might approach the City of Webster. I
21 don't know if that's -- that's feasible, where you'd
22 have a private utility system that's here and we
23 approach the City of Bushnell and the city council and
24 say, hey, if there is enough contiguous property that
25 the City of Bushnell could annex us in, they would

1 certainly do it. I mean, they -- they're expanding in
2 Webster. I don't know. Somebody else sits right out
3 here next door to Webster, which used to be rural. That
4 was the reason that was done, was to get a project in.
5 It went belly-up. But, I mean, I'm just curious. Has
6 that situation ever arose where, say, a small community
7 that was on a private system like this Jumper Creek
8 water system?

9 **MR. MOORING:** It -- similar situations have
10 happened before, but that is wholly outside the purview
11 of the Commission. That would be between --

12 **MR. SIMMONS:** The residents and --

13 **MR. MOORING:** -- the residents --

14 **MR. SIMMONS:** -- they'd have to organize
15 and --

16 **MR. MOORING:** -- and the utility. And all --
17 the only role of the Commission at that the point would
18 be the transfer.

19 **MR. SIMMONS:** Yeah.

20 **MR. MOORING:** But that would be completely
21 separate and apart from the Public Service Commission,
22 certainly.

23 **MR. SIMMONS:** I'm just curious. Thank you.

24 **MR. SMOTHERS:** Justin Smothers, 2359 Southeast
25 75th Boulevard. Last name, S-M-O-T-H-E-R-S.

1 I have got a few questions I want you -- if
2 you can ask -- answer them for me. First, I will start
3 it as we -- I have lived here for about three years now
4 or over three years. AQUA had it, AQUA Utilities had it
5 first.

6 Where my house was located, the sewer plant is
7 right there, right across the street. When we were
8 there, every once in a blue moon when the wind blew
9 right you could smell it. Within the last year and a
10 half the smell is God awful, I mean, to say the least.
11 I mean, I can't walk out of my door sometimes at night
12 without -- without getting knocked over. You know, I
13 see this going on, and, yet, I see an increase on my
14 bill. Things -- it seems like things are getting worse.
15 Can you tell me about that? Explain it to me.

16 **MR. MOORING:** I am not an engineer.

17 **MR. SMOTHERS:** Can you help me with that?

18 **UNIDENTIFIED SPEAKER:** (Inaudible.)

19 **MR. MOORING:** And if you would please make
20 sure that you do fill this out, because that's -- that
21 information is something that our engineers really need
22 to know. They examine the quality of service provided
23 by the utility, and that's both the quality of the
24 product or the actual service, being the quality of the
25 water product or the wastewater service, making sure it

1 goes where it needs to go, and that the operational
2 conditions of the plant are where they are satisfactory.
3 So, please, do follow up with us on that. That's
4 outside of my area of expertise, but that is something
5 that the Commission would certainly be interested in.

6 **MR. SMOTHERS:** The next question, and I know
7 it was touched on, chlorine. I have got a garden tub in
8 our master bath. You fill that thing up, it's like
9 walking into an indoor pool. I mean, and this is water
10 I'm having to drink. Again, we are seeing a rate
11 increase and the quality is going down. Any answers on
12 that?

13 **MR. MOORING:** What -- what was your question?

14 **MR. SMOTHERS:** The chlorine, I have -- I have
15 a garden tub in my bathroom. The -- I mean, when you
16 fill that tub up, the chlorine smells. It smells like
17 you are walking into an indoor pool.

18 **MR. MOORING:** There's too much chlorine
19 residual?

20 **MR. SMOTHERS:** Right. And I'm having to drink
21 this stuff.

22 **MR. MOORING:** And, again, that --

23 **MR. SMOTHERS:** The quality -- what I'm saying,
24 I see it -- we are getting an increase of rate here, but
25 the quality that we are getting -- it's one thing if you

1 are getting a rate increase and you are getting better
2 quality, everything is getting improved, but this ain't.
3 It's going down. Okay.

4 **MR. MOORING:** Again, that's -- please do
5 follow up with -- you know, let me make sure that we get
6 your contact information and I will relay that on to our
7 engineers and have them get with you. And, also, please
8 do get with the utility --

9 **MR. SMOTHERS:** Okay.

10 **MR. MOORING:** -- and see if they can --

11 **MR. SMOTHERS:** Another thing is, kind of like
12 what Guy talked about, I work for the power company.
13 I'm in a union. The more members we get in our union,
14 the stronger our union is, our union dues go down.

15 Now, from what he said, miracle works out,
16 people start moving in here. I never heard you say, you
17 know, our rates are going to go up or they're never
18 going to go down. I mean, what is that going to do to
19 us?

20 **MR. MOORING:** If there were growth,
21 significant growth in the community that would increase,
22 what we call billing determinants, which is the number
23 of customers and the number of gallons sold over which
24 to spread costs. That would certainly put downward
25 pressure on the rates. I can't tell you exactly what

1 the rates would be, but that would -- growth would
2 certainly put downward pressure on the rates.

3 **MR. SMOTHERS:** -- no, you're having to use
4 more sewer, you -- I mean, are you possibly going to
5 have to upgrade the pumps and all of this to maintain
6 that much sewage coming in versus where it's at now?

7 **MR. MOORING:** As I understand it, the plant
8 was designed to handle much higher flows. We have
9 taken -- we do non-used and useful adjustments whenever
10 there's a plant that's overbuilt beyond. You know,
11 there's -- they don't make a water plant or a wastewater
12 treatment plant that's designed to serve exactly 128
13 customers. Okay.

14 **MR. SMOTHERS:** Right.

15 **MR. MOORING:** They move in big chunks. But
16 when there's a system that's significantly overbuilt, we
17 will make what is called a non-used and useful
18 adjustment. And, basically, that's to remove portions
19 of a plant that's overbuilt for the customer base that
20 it serves. To discourage speculation was where it
21 generated out of, but just so that utilities don't
22 overbuild deliberately, and that's -- there is an unused
23 and useful adjustment in this case.

24 So, I can't say definitively that nothing
25 would need to be upgraded or re-rated. But as it stands

1 now, there's -- as I understand it, there's plenty of
2 room to grow.

3 **MR. SMOTHERS:** Okay. Now, another question is
4 touching on another subject about the sewer, about the
5 bill being basically split. By gathering information
6 from the sewer, that's how you're going to base my bill
7 increase. Okay. I mean, I think you need to do
8 something better about either metering the amount of
9 sewer that I'm using, because if I'm going out here --
10 you know, it's the summertime. It's 100-plus degrees in
11 Florida. You know, I've got -- I've got a kid. I water
12 my grass; I want it looking good. I have got a pool. I
13 go out there and I put water in it, okay, and I'm using,
14 say, 10,000 gallons of water, but only just a small
15 amount of sewer. Something needs to be done about that,
16 you know, I mean, because all of not what I'm using is
17 not sewer water, but, yet, I'm going to have a charge,
18 an upcharge for sewer when I'm not using that much.

19 **MR. MOORING:** And that's -- that's -- that's
20 the idea behind the 6,000-gallon cap. There are other
21 options out there for you. You could get a separate
22 irrigation meter, but that may or may not be any -- any
23 better for you, because you'd be paying a base charge --

24 **MR. SMOTHERS:** No. Here, I'm paying a base
25 charge (unintelligible).

1 **MR. MOORING:** It would be up to you in your
2 circumstances whether or not that's a good deal or not.
3 But, in terms of rate design, that's -- the 6,000-gallon
4 cap, that's the highest the wastewater bill can be for a
5 residential customer is that 81.75. It doesn't matter
6 if your water usage is 50,000 gallons --

7 **MR. SMOTHERS:** With that being said, another
8 question is, can you tell me why that Sumter County as a
9 whole, we're going to have -- we will have the largest
10 or the highest bill in all of this county, our small
11 little area. I have had a bill from the City of
12 Bushnell. You know, I have got a friend that lives
13 right here in the City of Webster, I see his bill. Ours
14 will be the highest, pointblank, period. Why is that,
15 and, again, with the service continuing to go down?

16 **MR. MOORING:** Well, again, please do follow up
17 on the quality issues. Rates are set up for an
18 individual company based on their facts and
19 circumstances that are under our jurisdiction.
20 Municipalities are not. They have -- they can set their
21 rates at whatever they want. They can issue municipal
22 debt. They can do bonds to raise capital a lot cheaper
23 than a small private company can. But -- but the rates
24 reflect the costs of service being provided.

25 **MR. SMOTHERS:** But the cost of service right

1 now is garbage. I mean --

2 **MR. MOORING:** The cost of service is what we
3 are examining right now, that we used to determine what
4 the total revenue requirement will be, what our
5 economist will generate rates from. The cost of the
6 utility, to actually run the plant, --

7 **MR. SMOTHERS:** Right.

8 **MR. MOORING:** -- are the costs I'm talking
9 about, that we use to set rates. And it's -- each one
10 is done on a standalone basis is how we do our review.
11 Municipalities, they can set their rates how ever they
12 would like. I don't know how they set their rates.

13 **MR. SMOTHERS:** Well, I'm just trying to figure
14 out why -- I mean, why we are going from a \$65 a month
15 payment, now to, I'm at -- to a 90. So, judging by
16 that, basically I'm looking at my bill as doubling. Am
17 I correct by that?

18 **MR. MOORING:** It --

19 **MR. SMOTHERS:** So I'm at 90 now, am I going to
20 be looking at \$180 bill?

21 **MR. MOORING:** It would depend on what your --
22 if you know what your --

23 **MR. SMOTHERS:** Flat, flat rate. Flat rate? I
24 don't know. I have never been above since I have lived
25 there. Okay. My bill was 65 when I was with AQUA.

1 Now, I'm at 90, whatever the base price is right now.
2 So, looking at what your charts up there say, it's
3 basically doubling. So, now, from 90, am I going to be
4 going up to 180, or, am I just looking at this wrong?

5 **MR. MOORING:** It -- I --

6 **MR. SMOTHERS:** I mean, is that not correct?
7 It's doubling?

8 **MR. MOORING:** I'm not -- I'm not sure where
9 you got the 90 from. Is that --

10 **MR. SMOTHERS:** That's what I paying right now.

11 **MR. MOORING:** Right now under the --

12 **MR. SMOTHERS:** Right now.

13 **MR. MOORING:** -- under the interim rates?

14 **MR. SMOTHERS:** And that's a flat rate is what
15 I'm paying.

16 **MR. MOORING:** That -- again, that's based on,
17 that's a flat rate. That's the continuation of the flat
18 rate. That just means you are using 10,000 or less.

19 **MR. SMOTHERS:** Correct. So what I'm -- but
20 what I'm saying is from this point right now, I'm at 90
21 for my bill. With this new rate increase, am I going to
22 be basically doubling that price? Is that going to be
23 the flat rate price, just like the one 90 --

24 **MR. MOORING:** It would not be a flat rate
25 price. The only flat rate is -- would be the cap sewer.

1 It will not exceed 81.75 under the preliminary
2 recommended rates. Okay. The water is billed per 1,000
3 gallons, how ever many gallons you use, how ever many
4 1,000 gallons you use.

5 Without knowing what your typical consumption
6 is, I can't tell you what your -- your average bill
7 would be going forward. If you represent the -- the
8 absolute average that -- just the mathematical average,
9 and you use exactly 4,500 gallons a month, your bill
10 would be -- would go from the 90 flat rate now to
11 roughly, it would be the -- about 136, a little less
12 than that, --

13 **MR. SMOTHERS:** Okay.

14 **MR. MOORING:** -- but pretty much 136 would be
15 the number.

16 **MR. SMOTHERS:** Okay.

17 **MR. MOORING:** But, again, I don't know if you
18 are using the 10,000 or if you're using 2,000 gallons.
19 I don't know.

20 **MR. SMOTHERS:** What is the flat rate now?
21 5,000 gallons?

22 **MR. SIMMONS:** You all better look at mine. I
23 just --

24 **MR. MULLINS:** 10,000 and less.

25 **MR. SMOTHERS:** 10,000 and less.

1 **MR. MOORING:** It's 10,000, yeah --

2 **MR. SMOTHERS:** Okay.

3 **MR. MOORING:** -- which is a significant amount
4 of water.

5 **MR. MULLINS:** No, it isn't.

6 **MR. MOORING:** Like I said, I -- I mean, it
7 depends on your actual --

8 **MR. SMOTHERS:** Okay.

9 **MR. MOORING:** All right.

10 **MR. SMOTHERS:** All right. That's all I've
11 got.

12 **MR. MOORING:** And, again, please, let me make
13 sure that I get your information before you leave.

14 **MR. SMOTHERS:** Do you need me to write it
15 down?

16 **MR. MOORING:** Yes, please, if you would.

17 Okay. That was it for the folks that signed
18 up to speak. Would you like to make any comments or --

19 **MR. MULLINS:** I was just -- I was going to ask
20 about the chlorine. That's --

21 **MR. MOORING:** All right. Well, at this point
22 I will adjourn the meeting and I thank you all for
23 coming out here. Thank you.

24 (Recording stopped.)

25

1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA:

3 COUNTY OF LEON:
4

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11 I FURTHER CERTIFY that I am not a relative,
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