



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

1  
2           **CHAIRMAN BROWN:** We are moving on to Item 6.

3 And we do have a customer who is calling in at this  
4 time, so we will be hearing from the customer after  
5 staff introduces the item. It will be a little  
6 difficult to hear. I just want to give everybody that.  
7 So, please, if you could, be as quiet as possible and  
8 silence your phones while he's speaking. He does have  
9 three minutes to address the Commission on the matter at  
10 hand.

11           So I would, at this time, entertain staff to  
12 introduce the item.

13           **MS. GALLOWAY:** Good morning, Commissioners.

14 Sissy Galloway with Commission staff.

15           Item 6 addresses the compliance of Cedar Acres,  
16 Inc., with Commission Order No. 15 -- PSC-15-0535-PAA-WU.  
17 As you may recall, at the October 13th Agenda Conference  
18 last year, the Commission granted a rate increase for  
19 this utility, the first rate change since its inception  
20 almost 30 years ago. Based on information from staff's  
21 recommendation at the Agenda Conference and comments made  
22 by customers and OPC who attended that Agenda Conference,  
23 the Commission also found the utility's quality of  
24 service unsatisfactory. The Commission shifted some of  
25 the salaries expense to expedite a meter replacement

1 program and ordered additional measures be taken to  
2 improve the utility's service to its customers.

3 One of the measures included staff conducting a  
4 management audit with the utility filing a compliance  
5 report at six- and twelve-month intervals from the date  
6 of the consummating order stating corrective measures and  
7 improvements that the utility has made. The utility  
8 filed its six-month compliance report on June 14th, 2016.  
9 Staff is presenting our recommendation regarding the  
10 utility's compliance with the Commission's PAA order. In  
11 the recommendation before you, staff has included an  
12 update concerning steps the utility has taken to improve  
13 the overall management of the utility, steps it has taken  
14 to comply with the Florida Department of Environmental  
15 Protection, Department of Health, and this agency, along  
16 with steps it has taken to improve the utility's  
17 customer -- the utility's service to its customers.

18 As we state in our recommendation, we believe  
19 the utility is making a substantial effort to comply with  
20 the Commission's order. Cedar Acres has incorporated  
21 many of the management audit suggestions.

22 Since the consummating order, staff has heard  
23 from two customers. One of these customers, a homeowner  
24 who did not want to receive her tenant's water bill.  
25 This matter is now resolved.

1           The second customer, who will be participating  
2 by telephone today, is Mr. Kroll. He has been in contact  
3 with staff and the utility regarding a power outage that  
4 occurred in June of this year. In addition to Mr. Kroll  
5 addressing the Commission, the president of Cedar Acres  
6 is here only to answer any questions that you may have,  
7 and Office of Public Counsel is also here in case you  
8 have questions. Staff is available for any questions you  
9 may have.

10           **CHAIRMAN BROWN:** Thank you, Ms. Galloway, and  
11 thank you for your work on this item over the past six  
12 months. So we have Mr. James (sic) Kroll on the phone  
13 right now. and I want to remind Mr. Kroll that this  
14 docket is concerning compliance monitoring taken by the  
15 utility, not for the rate cases that have occurred  
16 already. That docket -- the appeal period has already  
17 run. That is not the topic at hand. We're talking  
18 about compliance monitoring and compliance measures that  
19 have been implemented by the utility.

20           So with that, sir, you have three minutes.  
21 Welcome.

22           **MR. KROLL:** Okay. Just for the record, it's  
23 John Kroll, J-o-h-n, not James.

24           **CHAIRMAN BROWN:** Oh, thank you.

25           **MR. KROLL:** Okay. In regards to compliance

1 and as it relates to quality of service, there's no  
2 question the boil water system is working. The question  
3 that we have is that if the primary well goes down, our  
4 understanding is the generator is supposed to come on.  
5 On June 6th, this did not happen, and we ended up, the  
6 whole community had no water. Okay? And then we asked  
7 for, in writing, specifically an explanation as to  
8 what's supposed to occur regarding the primary generator  
9 and the secondary. No one from the PSC, the DEP, or  
10 Cedar Acres has specifically put that in writing for us,  
11 and we're still -- we think the quality of service -- we  
12 are entitled to something like that, considering that  
13 the community had no water for a portion of that day.  
14 Okay?

15 So we continue to ask for that in writing  
16 specifically and we continue to get explanations about  
17 the boil water system and then some vague comments about  
18 the specifics that I just described. So we think the  
19 quality of service is not good, and they should be --  
20 this compliance issue should be considered when you talk  
21 about that. Okay?

22 We want to know if this is true and things  
23 aren't working properly, what measures are being taken to  
24 ensure that it won't happen in the future? And we had a  
25 question about the auto dial system because when we

1 called in, Universal Water says that they were -- the  
2 only way they found out about what had happened was  
3 through customers calling in, which is not the way the  
4 auto dial system is supposed to work. So there's some  
5 question as to whether or not the auto dial system is  
6 being monitored properly.

7 The last thing I have is that the March 16th  
8 audit report that the PSC generated indicated Cedar Acres  
9 is going to be looking into a number of things for  
10 corrective measures. My question is that are all  
11 these -- have all these things been completed? And if  
12 not, I wish you would consider, consider that also. The  
13 other thing is the consent order of 2012. My question is  
14 all -- has all the things that the DEP had described in  
15 that consent order, are they now -- are they now in  
16 compliance? And that's all I have.

17 **CHAIRMAN BROWN:** Thank you so much, Mr. Kröll.  
18 When you spoke, you spoke about "we." I'm just curious  
19 who the "we" are.

20 **MR. KRÖLL:** We in reference to -- well, myself  
21 and a number of the other residents here are concerned.  
22 I'm kind of -- rather than having them file ten  
23 complaints, we're kind of consolidating this. So we  
24 entitle -- "we" is a number of people.

25 **CHAIRMAN BROWN:** Okay. Thank you very much.

1           Commissioners, do you have any questions of  
2 Mr. Kroll?

3           Okay. Thank you. We will be muting you for  
4 the rest of this portion. Thank you. Ms. Corbari.

5           **MR. KROLL:** Okay. Am I able to listen in?

6           **CHAIRMAN BROWN:** Yes, absolutely.

7           **MR. KROLL:** Okay. I'll just listen in. Okay.  
8 Thank you for your time.

9           **CHAIRMAN BROWN:** Thank you for calling in.

10          **MR. KROLL:** Okay.

11          **CHAIRMAN BROWN:** All right. Ms. Corbari, any  
12 response?

13          **MS. CORBARI:** Chairman, Commissioners, first,  
14 as outlined in staff recommendation with regard to  
15 Mr. Kroll's statement, "Has everything been completed?"  
16 Everything has been outlined in staff's recommendation.  
17 The utility has completed everything with the exception  
18 of escrowing the amount of money the Commission -- for  
19 the meters that the Commission ordered them to do so.  
20 However, the utility did have some other expenses. I  
21 believe a well pump. They provided documentation. That  
22 needed to be fixed in order -- they had to have water in  
23 order to -- for -- to read meters. So we believe the  
24 utility is in substantial compliance. They have  
25 completed all the DEP issues. They are in compliance

1 with DEP.

2 With regard to the June outage, DEP has  
3 answered Mr. Kroll's question. The Commission has  
4 answered Mr. Kroll's question. The system functioned the  
5 way it was supposed to. The auto dialer worked properly,  
6 the blast system worked properly. There are numerous  
7 emails back and forth between Commission staff and  
8 Mr. Kroll. There are numerous emails back and forth with  
9 DEP and Mr. Kroll. His question has been answered. As  
10 noted in staff's recommendation as well, the generator  
11 did turn on.

12 With regard to other -- the schematics of the  
13 utility's system, the Commission staff has numerous times  
14 advised Mr. Kroll that that is under -- that issue is  
15 under DEP's purview, so to file, if necessary, his  
16 complaint with DEP. And DEP has answered his questions.  
17 And I believe that's it.

18 **CHAIRMAN BROWN:** Thank you for covering those  
19 issues.

20 All right. Mr. Simon --

21 **MR. SIMON:** Yes, ma'am.

22 **CHAIRMAN BROWN:** -- thank you for appearing  
23 today. It may have been a little helpful if you  
24 appeared during the SARC application request because we  
25 did have some questions for you. But I personally want



1 to thank you for the efforts that you've made since that  
2 time and getting in compliance with some of these  
3 outstanding items. So thank you for being here today.

4 Commissioners, any questions or comments?

5 **COMMISSIONER GRAHAM:** Question.

6 **CHAIRMAN BROWN:** Chairman Graham.

7 **COMMISSIONER GRAHAM:** Yeah. I guess this  
8 question is to staff. The Commission Conference that we  
9 had back in October, the 13th, one of the things that  
10 came out of that is we were going to do this compliance  
11 report at six months and at 12 months. Well, we've got  
12 the six months. Do we have the 12 months? I mean, it  
13 seems like we're making a decision off of one data  
14 point.

15 **MS. CORBARI:** Commissioner, yes, staff has  
16 asked that the docket remain open. The utility will  
17 file its 12-month compliance report on December 14th,  
18 and staff will return with another recommendation. At  
19 this point, staff believes the utility is in substantial  
20 compliance with the order, not full compliance.

21 **COMMISSIONER GRAHAM:** Okay. So you're going  
22 to come back after the December report?

23 **MS. CORBARI:** Yes.

24 **COMMISSIONER GRAHAM:** Okay. Thank you.

25 **CHAIRMAN BROWN:** Great. Commissioners, any

1 other questions, comments?

2 Okay. Can I get a motion on the staff  
3 recommendation?

4 **COMMISSIONER GRAHAM:** Move staff.

5 **CHAIRMAN BROWN:** Is there a second?

6 **COMMISSIONER PATRONIS:** Second.

7 **CHAIRMAN BROWN:** Any further discussion?

8 All those in favor, say aye.

9 (Vote taken.)

10 All right. The item passes. Thank you. Thank  
11 you for being here.

12 (Agenda item concluded.)

13

14

15

16

17

18

19

20

21

22

23

24

25

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

3  
4 I, LINDA BOLES, CRR, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing  
6 proceeding was heard at the time and place herein  
7 stated.

8 IT IS FURTHER CERTIFIED that I  
9 stenographically reported the said proceedings; that the  
10 same has been transcribed under my direct supervision;  
11 and that this transcript constitutes a true  
12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,  
14 employee, attorney or counsel of any of the parties, nor  
15 am I a relative or employee of any of the parties'  
16 attorney or counsel connected with the action, nor am I  
17 financially interested in the action.

18 DATED THIS 16th day of August, 2016.

19  
20  
21  
22  
23  
24  
25  


---

LINDA BOLES, CRR, RPR  
FPSC Official Hearings Reporter  
(850) 413-6734