

P R O C E E D I N G S

1
2 **MS. HUDSON:** Good evening. We're going to go
3 ahead and get started with the meeting. This is the
4 customer meeting for Charlie Creek Utilities, Docket
5 No. 160143-WU.

6 I'm Shannon Hudson. I'm a supervisor at the
7 Florida Public Service Commission. We have: Marissa
8 Friedrich, she's also a staff member at the Florida
9 Public Service Commission; Emily -- I'm not sure --

10 **MS. KNOBLAUCH:** Knoblauch.

11 **MS. HUDSON:** -- okay, she's an engineer who's
12 on this docket; and Penny Buys is also an engineer as
13 well; Kelly, who you met in the back of the room who
14 passed out the information and asked you to sign up if
15 you were going to speak this evening.

16 The purpose of this customer meeting is to
17 describe the Commission's process when we handle rate
18 application requests. We're here to receive your
19 customer comments. You will be called up in the order
20 that you signed up. These comments are being recorded.
21 We take those back, and other staff members can also
22 listen to the things that happen here at the meeting
23 today.

24 The presentation will cover the application,
25 the requested final rates, the proposed agency action

1 process, and what you can do as a customer.

2 The utility's rates were last approved by the
3 Commission in an original certificate docket that was
4 processed in -- at the beginning of 2016. The rates and
5 charges that were approved by the Commission at that
6 time were the rates that were in effect at the time the
7 current owner took over the utility.

8 This is a schedule of the current rates and
9 the proposed rates. I think in the information that was
10 handed out, that schedule is also included in the
11 Special Report that you were given when you came into
12 the room this evening. These are sample bills at
13 various consumption levels, and based on our analysis of
14 the consumption level that we -- from the data that
15 we've received so far, most of the customers -- the
16 average consumption is somewhere between four and five.
17 So the 4,000 consumption level is what your bill may --
18 somewhere around that may change if the rates that we're
19 recommending -- the preliminary rates, if they go -- if
20 they were to go into effect.

21 What the Commission does, we have a staff
22 investigation, which is where our auditors, our
23 engineers examine the books and records of the utility.
24 The engineers have plant visits where they go out and
25 view, look at the facilities and determine, you know,

1 different things that they may or may not be in
2 compliance with. We hold this customer meeting, which
3 we're doing tonight. We prepare a staff recommendation
4 that we present to our Commissioners, and there's a
5 Commission Conference.

6 Again, as I mentioned before, there's an audit
7 of the books and records. There's a determination of
8 how much of the utility's facilities are used and useful
9 for current customers. The engineers look at the
10 quality of service and the prudence of the utility's
11 operations. The accounting -- again, the accounting and
12 rate staff reviews the books and records, and we make a
13 preliminary finding of what we think the rates would be
14 at this present time.

15 The purpose of the customer meeting again is
16 to -- for you to provide us information with regards to
17 the quality of service. These are the things that we
18 cannot see just looking at the books and records. Those
19 are the things we need to find out from you. We need to
20 know how the customer -- the utility interacts with its
21 customers. We're here to tell you the purpose of the
22 rate increase and also answer any questions that you may
23 have. It's your meeting, not the company's. It's your
24 night to just tell staff anything that you would like us
25 to know so we can take back and process and ask the

1 company additional questions if it needs to be, you
2 know, investigated further.

3 There's -- we don't have a representative from
4 the Office of Public Counsel that generally represents
5 the customers, but at the end I will provide the number
6 of that agency. And they usually work with customers
7 when they have issues with utilities and things of that
8 nature.

9 Once all the preliminary investigation has
10 been done, as I mentioned before, staff will prepare a
11 recommendation to present to our Commissioners. The
12 Commissioners will review this information, will have a
13 Commission Conference where we go before the Commission
14 and they ask us questions about it, and the customers
15 and utilities are allowed to speak at this Commission
16 Conference. So if you would like to come up, or
17 sometimes we may arrange for this to take place through
18 the phone, but make sure you contact our office if you
19 would like to participate in that particular event.

20 Right now, the recommendation is tentatively
21 scheduled to be filed on February 23rd and the
22 Commission Conference will be March 2nd. The Commission
23 might -- may either approve our recommendation, they may
24 modify based on additional information that they may ask
25 us at the particular conference. Yeah, basically that's

1 what they do.

2 After the Commission votes, an order is issued
3 and there's a 21-day protest period that customers can
4 protest the order if they find something that
5 substantially affects their interests. And if a party
6 does protest, you will be responsible -- the rates --
7 the utility can put the rates in place; however, they
8 would be subject to refund. If no party files a
9 protest, the rates will automatically go into effect and
10 the utility can begin charging those rates.

11 What you can do. Provide comments today at
12 this meeting. You can provide written comments if you
13 don't feel comfortable speaking here this evening. You
14 can obtain a copy of the staff's recommendation, and you
15 can also monitor the Commission Conference online. If
16 you can't attend, it's also available to view through
17 our website.

18 When you came into the room this evening,
19 Ms. Thompson handed you a Special Report. It's just
20 like a summary of everything that's going on in the case
21 right now. There -- if you look under the name of the
22 utility, there's a docket number. You can go on to our
23 website and view any of the documents that have been
24 filed in the docket.

25 There's a chart of the rates that the utility

1 had prior to filing and a column that shows our
2 preliminary rates. Those may change once we -- again,
3 we're still in the preliminary investigation stage. So
4 at this time, based on the information that we know
5 today, those would be the rates that we would recommend
6 to the Commission.

7 Again, if you don't feel comfortable speaking
8 here this evening providing comments, you can fill out
9 the customer comment form and mail it back to us, and it
10 will have the same weight as if you spoke here today at
11 the meeting.

12 This is our website. You can go on to our
13 website. And if you go to the -- let me see -- which
14 tab is it? Clerk's Office -- I'm sorry -- the Clerk's
15 Office tab. And if you put in that docket number that I
16 referred you to on the front of the Special Report, this
17 is how you get to all the information that's filed in
18 the docket. You can preview anything that has come in
19 from the company or the customer complaints or anything
20 like that.

21 Office of Public Counsel, that's the agency
22 that advocates for consumers. That's their number. And
23 I'm not sure if it's available on that Special Report,
24 but they do have a website, you can find the
25 information, and it's www.floridaopc.gov.

1 And this is our website. If you have any
2 consumer complaints, you can call that number. And you
3 can also file an electronic complaint through our
4 website as well.

5 Again, as I mentioned earlier, the meeting is
6 being recorded. When your name is called, we would like
7 you to come to the microphone -- well, come to the
8 podium to provide your comments. Make sure you state
9 your name, your address, and spell your last name. So
10 these -- this is being transcribed once it gets back to
11 the office, so that way they won't have a problem
12 identifying who the customer is.

13 Kenny Walker.

14 **MR. WALKER:** Thank y'all for the opportunity
15 to speak. Kenny Walker, W-a-l-k-e-r. The address is
16 1337 Sparrow Road, Wauchula, Florida.

17 I believe there's an issue -- the reason we
18 didn't have a good turnout up here is people don't
19 understand how to read the bill or how to figure their
20 bill out. With what they're doing, it's going to raise
21 my bill by anywhere from \$20 to \$24 a month from what it
22 currently is. You do have a lot of people out there
23 that live on fixed income. It's going to affect them.

24 The service is atrocious. The water pressure
25 lacks. There have been several times where the water

1 smells like eggs. I, myself, have taken (sic) a
2 chlorine tester and tested for chlorine and there hasn't
3 been any. On the one occasion that I did call Charlie
4 Creek Utilities' office and spoke with Evelyn, the
5 office lady, which has the very sour attitude -- she has
6 the attitude of a billy goat, to be honest with you. I
7 was trying to figure out how to say that nicely. I was
8 told, "Oh, well, we ran out of chlorine." Well, if
9 you're running a business and you know how much chlorine
10 you use, you should never run out when providing this
11 service, especially when it's used for san -- to
12 sanitize the water. You should never run out. There
13 was never anything sent out to any of the customers that
14 said, "Hey, we ran out of chlorine. We're sorry." No
15 modification made to the bill. We still paid for the
16 service, but it was out of chlorine. And this wasn't a
17 one-day ordeal. This was four or five days that this
18 went on.

19 We had a busted water main last year. We were
20 without water for three days. I called and spoke with
21 Mr. Smallridge on my way home from work and was told,
22 "Well, we've pumped 100,000 gallons of water and we
23 still can't get the pipe fixed." Not with the trash
24 pump that they had pumping did they pump 100,000 gallons
25 of water because it's not rated for that kind of flow.

1 You'd have to pump for a week to pump that much water.
2 Had it not been for a resident of the creek out there,
3 it would not have been fixed that night because the
4 equipment that they rented to dig the hole wouldn't dig
5 the hole deep enough. This is after we had been out of
6 water for three days.

7 Paul Sutton used his backhoe to dig -- to
8 finish digging the hole out to where the pipe could be
9 fixed. And I'll also add that Mr. Smallridge lied to me
10 and told me that there was another crew coming. When I
11 got there and asked the gentleman that was working on
12 it, "So I hear there's another crew coming," he says,
13 "No, we're it." And he was telling the truth because he
14 was it and Paul Sutton.

15 I don't mind paying for a service, but when
16 I'm paying for a service, I expect a service. If I have
17 an issue, when I call the owner or manager of the
18 company, I expect a phone call in return. Never have I
19 received a phone call. And after that date when he lied
20 to me, never has he picked up the phone when I called
21 his personal cell phone number that he gives out. I.e.,
22 that tells me he's got my name stored and, when he sees
23 it pop up, he won't answer the phone.

24 Thank y'all for your time. I will take some
25 of these out, and everybody at the creek, I'll give

1 them -- I'll pass them out to everybody that didn't show
2 up and then we'll get some written comments in.

3 **MS. HUDSON:** And I do have a question. You
4 mentioned that they don't understand the bill. Is it
5 the way the information is presented?

6 **MR. WALKER:** I don't think they understand --
7 yeah, I don't think they understand --

8 **MS. HUDSON:** The process.

9 **MR. WALKER:** -- the billing process. They
10 look at it and it's like, oh, it's going to go up \$6 a
11 month. No, it's not going to go up \$6 a month. That's
12 a base rate and for every thousand gallons over that is
13 what you're going to pay. That \$6 is what you're going
14 to pay.

15 I live in a household. I have five kids -- or
16 there's five of us in the house, so we're above that
17 4,000. We're well above it. We run around six, I
18 think, maybe a little bit higher. So we run well above
19 that. And I just don't think that people that didn't
20 show up understand that that's per thousand gallons. So
21 I think that's the reason we didn't get a good turnout.
22 Thank y'all.

23 **MS. HUDSON:** Thank you.

24 Mr. Ed -- and I'm sorry, I can't pronounce the
25 last name.

1 **MR. SOCKALOSKY:** It's Sockalosky.

2 **MS. HUDSON:** Okay.

3 **MR. SOCKALOSKY:** My name is Ed Sockalosky. I
4 actually live across town, but I have two properties in
5 Charlie Creek. I own -- manage a third one. One of
6 them is 1340 Mockingbird. The other one is 1351 Morgan
7 Grice.

8 Mr. Walker did a very good job.

9 **MS. THOMPSON:** Would you mind spelling your
10 last name?

11 **MR. SOCKALOSKY:** Oh, I'm sorry.
12 S-o-c-k-a-l-o-s-k-y.

13 Mr. Walker did a good job communicating some
14 of the issues, and I echo that. I've got two tenants
15 that every time the water goes out, they call me and
16 wonder if I paid the bill. Well, the bill is always
17 paid. But there is a lot of outages on the water. I
18 think the one he was speaking of actually occurred the
19 first day of school, so the kids went to school with no
20 shower. The people were forced to go to town to the
21 laundromat to wash their clothes for about three days.
22 Nothing was ever said, you know, as far as a rebate on
23 the bill or anything like that.

24 I have cut the pipes at these two rental
25 properties several times to make repairs. The pipes are

1 full of a white, chalky substance. I don't know what
2 that is. But I don't have that at my house, and I'm on
3 a well. I've never seen that before, so I'm a little
4 bit concerned about that. I'd like to know what that
5 is.

6 The problem with raising the rates is this is
7 a monopoly as far as this community is concerned. They
8 -- you know, the residents don't have any choice where
9 to get their water unless they put down their own well,
10 and I believe that would cause some permit issues for --
11 if you put down 140 private wells in an area that small.

12 Like Mr. Walker said, I don't think the people
13 understand what their bill is going to do. This is a
14 45 percent rate increase that's being asked for, and I
15 think that's outrageous. I think the company came close
16 to breaking even in the first year of business. In my
17 experience, I've had businesses before, you lose money
18 the first couple of years because you're making capital
19 investments to bring your equipment up to the standards
20 it should be. I think Charlie Creek Utilities is trying
21 to do that but, like he said, their repair crews are
22 very unprepared for the issues they're going to run
23 into. And for a professional utility corporation,
24 that's really not acceptable. You've got not just
25 yourself relying on you, you've got 124, 150 families

1 out there that are relying on you for this water, and
2 that's an everyday thing. So a lot of people are on
3 fixed incomes, as he said. There's a lot of effect this
4 has that goes beyond just a rate increase so this
5 company can make money. I really feel like they need to
6 bite the bullet and do the capital expenditures like any
7 other company would, accept the loss the first couple of
8 years, and then they'll reap the benefits in the future,
9 unless this is a short-term deal for them, and maybe
10 they need to go ahead and sell it and let somebody else
11 do it.

12 So that's my opinion. I've dealt with
13 commercial water systems most of my life. You have
14 issues. If you buy something underground, well, you
15 take your chances because unless you do a survey on that
16 entire property, you don't know what you're getting
17 into. And I think there's a lot of old piping in there.
18 There have been some upgrades, but they're going to have
19 some expenses for several years until they get it fixed.

20 So on behalf of my tenants, I appreciate you
21 giving me the opportunity to speak. And I also will
22 hand out some of these forms that explain, you know,
23 what this really means to most people because it is a
24 significant increase. Thank you.

25 **MS. HUDSON:** Thank you for your comments. And

1 the engineer will take notice on the things that you've
2 mentioned. And as I mentioned previously, I don't know
3 if you all attended this meeting. Did you have a chance
4 prior -- on our website not only are the rates but the
5 words and the analysis of how we got to where we are
6 today. So you might want to go ahead and go on there
7 and read. And I believe the company has asked for some
8 pro forma items, which means some capital things, and I
9 can't say off the top of my head what they are, but
10 they're contained in this document that's called a
11 preliminary recommendation. And once we file the one in
12 February, it may have some adjustment to it based on the
13 things that we've learned here today and other things
14 that we're still investigating. So that will be a good
15 thing to see how we got to the numbers by reading the
16 words that go along with it too. So that should be
17 helpful. So does anybody have any -- did you --

18 **SPEAKER:** I concur with both -- all of this.

19 **MR. WALKER:** Can I ask one other thing?

20 **MS. HUDSON:** Okay.

21 **MR. WALKER:** I would like, if possible, if one
22 of the rate increases --

23 **MS. HUDSON:** Please state your name.

24 **MR. WALKER:** Oh, I'm Kenny Walker.

25 **MS. HUDSON:** Okay.

1 **MR. WALKER:** I would like, whether the rate
2 increase or what goes into effect, for them to be put on
3 a monitoring for the water quality, monitoring, whether
4 it be once a month, twice a month, whatever it may be.
5 I think that would be a great suggestion for that to
6 happen.

7 **MR. SOCKALOSKY:** Amen.

8 **MS. HUDSON:** Okay. The engineers will take
9 all that into consideration when we're preparing our
10 recommendation as well. I'm pretty sure we'll follow up
11 with some additional questions of the utility of some of
12 the things that were brought up here today.

13 So if no one has any additional -- okay.

14 **MR. SOCKALOSKY:** I'm sorry. I thought of one
15 thing, and this is Ed Sockalosky again.

16 The system out there, it's private property,
17 so I haven't been real nosey to go see how the system is
18 set up. But to me, it's very primitive. I don't see
19 any aeration in that system. I may be wrong. I may
20 just not be seeing it. So they're treating the water
21 entirely by chemicals, which -- with sulfur, which is
22 the water that is out there. I think you're adding an
23 unnecessary amount of chemicals to get that water to the
24 quality that, you know, public service should be. So
25 I'd be interested in a tour of that facility by the

1 owner to better understand what kind of equipment is out
2 there and how they're actually treating the water just
3 to make sure everybody is comfortable that it's being
4 done properly. Thank you.

5 **MS. HUDSON:** Does anyone else have any
6 additional comments?

7 (No response.)

8 That would conclude our meeting this evening.
9 And we'll be around packing up. We'll be happy to
10 answer any additional questions or things you would like
11 to talk to us about before you leave. Thank you for
12 coming out.

13 (Proceeding adjourned at 6:23 p.m.)
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STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

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

I FURTHER CERTIFY that I am not a relative, employee, attorney, or counsel of any of the parties, 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.

DATED this 25th day of January, 2017.

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