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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20200139-WS

APPLICATION FOR INCREASE IN
WATER AND WASTEWATER RATES IN
CHARLOTTE, HIGHLANDS, LAKE, LEE,
MARION, ORANGE, PASCO, PINELLAS,
POLK, AND SEMINOLE COUNTIES, BY
UTILITIES, INC. OF FLORIDA.

_____ /

PROCEEDINGS: SERVICE HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER ANDREW GILES FAY

DATE: Thursday, December 3, 2020

TIME: Commenced: 10:00 a.m.
Concluded: 10:55 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DANA W. REEVES
Court Reporter

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 APPEARANCES:

2 MARTIN S. FRIEDMAN, ESQUIRE, Dean Mead Law
3 Firm, 420 S. Orange Ave, Suite 700, Orlando, Florida
4 32801, appearing on behalf of Utilities, Inc. of Florida
5 (UIF).

6 J.R. KELLY, PUBLIC COUNSEL; STEPHANIE MORSE,
7 ANASTACIA PIRRELLO, ESQUIRES, OFFICE OF PUBLIC COUNSEL,
8 c/o The Florida Legislature, 111 West Madison Street,
9 Room 812, Tallahassee, Florida 32399-1400, appearing on
10 behalf of the Citizens of the State of Florida (OPC).

11 WALT TRIERWEILER, BIANCA LHERISSON, JENNIFER
12 CRAWFORD, ESQUIRES, FPSC General Counsel's Office, 2540
13 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
14 appearing on behalf of the Florida Public Service
15 Commission (Staff).

16 KEITH HETRICK, GENERAL COUNSEL; MARY ANNE
17 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
18 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
19 Florida 32399-0850, Advisor to the Florida Public
20 Service Commission.

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

2 CHAIRMAN CLARK: All right. We're going to go
3 ahead and get started. Commissioner Fay may join
4 us in a few minutes. If not, this becomes a panel
5 of three. So we'll not hold anything up any
6 longer.

7 Good morning. I'd like to welcome everyone to
8 this customer service hearing in the Utilities of
9 Florida rate case. Today's service hearing is a
10 very important part of the rate case process and is
11 dedicated to hearing from you, the customer. My
12 name is Gary Clark and I have the privilege of
13 serving as Chairman of the Florida Public Service
14 Commission. On the line today are also
15 Commissioner Art Graham, Commissioner Julie Brown,
16 and we may see in a couple of minutes Commissioner
17 Andrew Fay.

18 I'm going to ask staff counsel, if they would,
19 to go ahead and please read the notice this
20 morning.

21 MR. TRIERWEILER: Good morning. By notice
22 issued November 13, 2020, this time and place has
23 been set for a customer service hearing in Docket
24 No. 20200139-WS.

25 CHAIRMAN CLARK: Thank you, Mr. Trierweiler.

1 All right. We're going to take appearances
2 now beginning with UIF.

3 MR. FRIEDMAN: Yes, thank you, Mr. Chairman.
4 Commissioners. This is Marty Friedman. I'm the
5 attorney for Utilities, Inc. of Florida.

6 CHAIRMAN CLARK: Thank you, Mr. Friedman.
7 Office of Public Counsel.

8 MS. MORSE: Good morning, Mr. Chairman. This
9 is Stephanie Morse with the Office of Public
10 Counsel and with me is the Public Counsel J.R.
11 Kelly and another attorney from our office,
12 Anastacia Pirrello.

13 CHAIRMAN CLARK: Thank you. Good morning and
14 welcome. All right. Staff counsel.

15 MR. TRIERWEILER: Walt Trierweiler for staff
16 counsel and I'd like to make an appearance for
17 Bianca Lherrison and Jennifer Crawford.

18 CHAIRMAN CLARK: Ms. Helton.

19 MS. HELTON: Yes, sir, Mr. Chairman, I'm in
20 the room and I'd also like to enter an appearance
21 for our general counsel, Keith Hetrick.

22 CHAIRMAN CLARK: All right. Thank you to all
23 the counsel.

24 Let me begin by thanking each of you for
25 taking time out of your schedule to call into this

1 customer service hearing this morning. I
2 appreciate your interest in the petition that is
3 filed by UIF. As I mentioned, this hearing is
4 designed so that we can hear directly from the
5 customers. So this is your opportunity to express
6 your thoughts, concerns and comments related to the
7 Utilities' request. Later this month there's going
8 to be a technical hearing where the Commission will
9 take in the substance and the evidence of the case.
10 If you have a specific service or billing issue,
11 UIF has provided a specific representative to
12 contact for those that are participating in the
13 proceeding. Mr. Ewan Dehnert can be reached at
14 (407)790-1992. Ms. Amber Norris from our
15 accounting and finance division is the PSC
16 representative for this docket and she can be
17 reached by emailing amnorris@psc.state.fl.us. or by
18 calling (850)413-6984.

19 At this time I'd like to also acknowledge the
20 additional Commission technical staff that are on
21 the line. We have representatives from accounting
22 and finance. A number of representatives from
23 accounting and finance are on the line. I'm not
24 going to go through those individually, but they
25 are also here to assist today.

1 This is an official hearing that's going to be
2 transcribed and will become part of the official
3 record. As such, to each of our customers that are
4 here, I will swear you in over the phone before you
5 share your comments. Please note that your
6 comments will also be subject to cross-examination.
7 You may be asked questions by either parties or by
8 one of the Commissioners. For those that are
9 calling in, we ask that you please attempt to
10 maintain a quiet setting during the duration of
11 your dial-in participation. Please keep your phone
12 on mute unless you are speaking. I think we've got
13 kind of a small group here today and we're not
14 going to set any real strict time limits. We would
15 ask that you keep your comments relative to the
16 proceeding.

17 We do appreciate the professional nature of
18 the proceedings and ask that you be courteous to
19 everyone who calls in today. In addition to
20 sharing your comments here, you may also share your
21 comments and any additional materials you would
22 like to submit for the Commission's consideration
23 via mail or email. To contact the PSC by mail, you
24 can find a pre-addressed comment card for download
25 on our website. If you would like to email, please

1 email the Commission clerk at clerk@psc.state.fl.us
2 referencing Docket No. 20200139-WS.

3 If during the course of this hearing any
4 customer has said something that you want -- wanted
5 to say or absolutely agree with, please feel free
6 to go ahead and just say, ditto. We want to make
7 you feel as comfortable as possible when providing
8 testimony.

9 All right. Now I'm going to invite UIF to
10 make a brief opening statement and then it will be
11 followed by OPC and then we're going to move
12 straight into our customers. Mr. Friedman, you're
13 recognized.

14 MR. FRIEDMAN: Thank you, Mr. Chairman.
15 Customers, I'm Marty Friedman and I'm the attorney
16 for Utilities, Inc. of Florida in this proceeding.
17 I would like to reiterate what Chairman Clark said
18 that after you get through speaking, please remain
19 on the line in case I have any questions in order
20 to better understand your comments. The customer
21 service number that was given to you earlier is one
22 that is dedicated for this proceeding and will only
23 be active during the proceeding and for about an
24 hour afterwards. If you have any customer concerns
25 after that time, then please contact the normal

1 customer service number, which is (866)842-8432.

2 Now Gary Rudkin, who's the president of
3 Utilities, Inc. of Florida, would like to speak to
4 you. Thank you.

5 MR. RUDKIN: Thank you, Marty. Give us a
6 minute here.

7 Okay. Thank you, Marty. Appreciate it. Good
8 morning, Chairman, staff of OPC and PSC and
9 customers. We really appreciate your time and the
10 opportunity to let us speak with the customers.
11 More importantly, I want to thank the customers for
12 taking time out of their busy day to meet with us
13 and give us your feedback, and we're looking
14 forward to it.

15 I'm Gary Rudkin, President of Utilities, Inc.
16 of Florida. I joined the Florida team in January
17 of this year following a -- (inaudible) --
18 retirement. I did lead a multi-utility system for
19 the University of Oklahoma, under a Corix group of
20 companies that included water and wastewater for
21 about six-and-a-half years, and then I've been here
22 a little less than a year. My goal today is to
23 really provide some color around our investment and
24 infrastructure and how important that is, and just
25 kind of, you know, give you some information on why

1 we think this is a good rate increase and a good
2 capital plan.

3 We're the largest PSC-regulated utility in
4 Florida. We're about 40 years old. Most of the
5 system is about 40 years old. We have 22 systems
6 and ten counties, about 70,000-plus water and
7 wastewater reuse connections, and we take our
8 infrastructure upgrades seriously. Since I've
9 joined the team, I've been very impressed with the
10 capital plans that are in place to ensure quality,
11 reliable service to our customers long-term.

12 In the last four years since the last rate
13 case we've invested over 62 million in the
14 communities and our infrastructure. Critical
15 infrastructure such as lift stations, mains,
16 treatment plants, parts of the system are going to
17 be in the next few years upgraded, replaced,
18 renewed, improved to ensure safe, reliable service.
19 Additionally, our expenses such as power, chemicals
20 and property taxes have increased. And, of course,
21 we have the allowance to recover those, as well.
22 So, in addition to recovering our expenses, the
23 rate-making mechanism allows us to capture and
24 recover our capital investments in the
25 infrastructure.

1 Just to put it in perspective, according to
2 the EPA, in the next 20 years Florida will need to
3 invest about 20 billion in drinking water
4 infrastructure. Very similar to our situation,
5 only more so in the wastewater side, immediate
6 concern will be wastewater and then water. So,
7 again, it's significant investment in our plants
8 and our lift stations and our mains that are very
9 important to make sure we maintain compliance and
10 quality service and, again, the system's extended
11 life. It's over -- a lot of it's over 40 years
12 old. So very important that we maintain and keep
13 it up.

14 I'm sure you've heard about communities that
15 have struggled with their systems such as Flint,
16 Michigan, Fort Lauderdale Sewer System and whatnot.
17 We're not going to be that company. We're going to
18 stay ahead and make sure that we improve the
19 infrastructure.

20 We provide service to a variety of communities
21 from 55 and up, mobile home parks, RV parks, single
22 family homes, apartments, and we diligently address
23 customer concerns. So, again, we're very
24 interested in hearing your feedback and we're
25 investing in technologies that hopefully make the

1 customer experience better than it has been in the
2 past.

3 For example, customer intimacy is one of our
4 top initiatives within the company. Recently, My
5 Utility Connect was implemented as an application,
6 or a web portal. You can pay your bill, check your
7 usage, order stops/starts and whatnot, and
8 eventually we're hoping to have an opportunity to
9 install meters that allow you to get real time
10 information on your usage, and if you have a leak
11 you'll know right away that you have a leak. You
12 can rectify that if it's on either side of the
13 meter and avoid a high bill. We're also on
14 Facebook and Twitter, Google. So we have a lot of
15 different means to connect with the customers,
16 along with, of course, the U.S. Mail, as well.

17 So, again, just in closing, providing safe,
18 reliable water is very important to us.
19 Maintaining compliance with regulatory environment,
20 which is ever-changing and, you know, our goal is
21 to really provide excellent service long-term.

22 Thank you for your time. I look forward to
23 your comments. Back to you, Marty.

24 CHAIRMAN CLARK: Mr. Friedman, anything else?
25 Mr. Friedman, can you hear me?

1 MR. FRIEDMAN: Yes. Thank you. That's all of
2 our opening argument -- or statement. Thank you
3 very much, Chairman Clark.

4 CHAIRMAN CLARK: Thank you, Mr. Friedman. Ms.
5 Morse.

6 MS. MORSE: Good morning. Thank you. Again,
7 my name is Stephanie Morse. I'm with the -- I'm
8 one of the attorneys of the Office of Public
9 Counsel. I'm here with the Public Counsel, Mr.
10 J.R. Kelly, and another attorney in our office,
11 Anastacia Pirrello.

12 To the customers, we want to say our office
13 represents you, the customers, as a group in rate
14 cases. We're working on your behalf to
15 independently analyze the information submitted by
16 the Utility and the reports generated by PSC staff
17 as we prepare for the technical hearing scheduled
18 for February. We hired three independent rate
19 consultants to testify on your behalf. First, a
20 utility accounting expert, also a utility
21 engineering expert and a utility cost-of-capital
22 expert. In addition, we have our in-house
23 accounting staff working on this case.

24 Our four witnesses filed testimony on
25 November 13th contesting several aspects of UIF's

1 rate case. The major issues involve UIF asking for
2 an 11.75 percent return on equity, which we feel is
3 extremely egregious and just too high in light of
4 today's low interest rates and the impacts of the
5 Coronavirus.

6 Second, we are challenging several of UIF's
7 requested projects because they either have not
8 even begun or have not provided the requisite
9 documentation and evidence to support the projects.

10 And the third major issue involves a proposed
11 plan UIF made up for this case. They call it a
12 sewer and water improvement mechanism, or acronym
13 SWIM. That proposal would allow UIF to recover the
14 cost of certain new capital projects between rate
15 cases without the benefit of any vetting or
16 independent review or consideration of the
17 company's current earnings. They would simply file
18 these costs as pass-through's right into the
19 customer's rate. We do not believe any such
20 program is necessary under current law and also
21 that it would need to be authorized by the Florida
22 legislature to go into effect.

23 The bottom line is that UIF has requested an
24 annual increase in water revenues of approximately
25 2.8 million dollars which is a 17-percent increase.

1 We believe that they should receive no more than
2 1.1 million or a 6.8 percent increase.

3 Additionally, they asked for an annual
4 increase in wastewater revenues, 6.5 million or
5 32.2 percent, and the evidence supports no more
6 than a 2.5 million increase or 12.7 increase.

7 So, as stated today, this is your meeting and
8 it is vitally important for you to speak directly
9 to the Commissioners and their staff to share your
10 experiences about your water quality, the quality
11 of the customer service, including your
12 interactions with the utility and your thoughts
13 about the proposed rates.

14 If you want to follow up to talk with Mr.
15 Kelly or me after this meeting, please call our
16 office at (850)488-9330 or reach out to us on the
17 web at www.floridaopc.gov.

18 Thank you for being here and for participating
19 in the process. Thank you.

20 CHAIRMAN CLARK: All right. Thank you very
21 much, Ms. Morse.

22 All right. It is time for our customers to
23 give their feedback. We want to give every
24 customer that has signed up an opportunity to
25 speak. Each customer is going to be allocated

1 about five minutes. We're not going to be real
2 strict on the time today, but I would like to
3 remind you to make your comments relative to the
4 service that you receive, to the quality of service
5 that you are receiving and things that you might be
6 concerned about regarding the price increase or
7 billing, or things of that nature. That's really
8 the heart of what the Commission is trying to learn
9 and to understand.

10 I'll call your name. When it's your turn to
11 speak, remind you to please keep your phone on
12 mute, if you are not speaking. When you come on
13 the line, please state your name, your address, and
14 please notify us whether or not you are a UIF
15 customer. Your verbal comments are being
16 transcribed and will become part of the official
17 record today. With that, I'm going to call your
18 name and I'm going to swear you in before you give
19 your testimony, and then we'll allow you some time
20 to speak.

21 We'll begin with Mr. Gerges. Are you on the
22 line, Mr. Gerges?

23 MR. GERGES: Yes, sir.

24 Whereupon,

25 NABIL GERGES

1 was called as a witness, having been first duly sworn to
2 speak the truth, the whole truth, and nothing but the
3 truth, was examined and testified as follows:

4 MR. GERGES: Yes.

5 CHAIRMAN CLARK: All right. You're
6 recognized, sir.

7 PUBLIC COMMENT

8 MR. GERGES: Okay. The Florida UIF, which is
9 acronym for Utilities, Inc. of Florida, before UIF
10 bought several local water and sewer companies,
11 Sanlando Utilities was our local utility company.
12 It was very reliable. The quality of water was
13 good. Hardness was okay. Historically over 35
14 years, Sanlando Utilities Company water base charge
15 was \$5.50. Over 35 years increased to \$9.50.
16 That's the base -- base charge. My average -- I do
17 have septic tanks, so I'm just using the water. My
18 average was about \$14 a month. And since UIF in
19 2017 took over they jumped -- the base charge
20 jumped to 27.95. That's over 300 percent jump just
21 for providing water. The water quality is the
22 same. It may be more chlorine in it and the
23 hardness of the water is worse. It's very hard.

24 Since UIF took over, annual increases have
25 taken place. No one, including the Commissioners,

1 get such increase every year in pay. If UIF made
2 investment in new equipment, it should be one of
3 two or three times and that's it. It is not
4 monthly. Why they charging that much every year --
5 I mean every month? Twenty-seven -- \$28 a month
6 for basic service. That's outrageous.

7 Most of our subdivision, which is 295 homes,
8 most of them are retirees or close to retirement.
9 Social Security doesn't give such increases every
10 year and when they increase something, it goes to
11 Medicare, so we don't get any increases. Many of
12 our residents turned off their irrigation water
13 system and -- because one of them told me that she
14 gets her bill, \$400 for water only. No sewer.
15 She -- nobody can afford paying to irrigate the
16 yard, which we have minimum of one acre, or mostly
17 one acre, \$400 just for watering the front lawn is
18 too much. And this will affect -- this affects our
19 health, especially people with asthma, allergy and
20 the dust all over because they don't water their
21 yard. And this decreases also the real estate
22 value, which impact the tax base of the county.

23 Florida Service Commissioner should encourage
24 competition. UIF took over so many counties and
25 that's why nobody competing with them. That --

1 whatever they ask, they get it. That's
2 unacceptable. This is like socialist system. We
3 got to get the government to break down this
4 monopoly of such big companies.

5 Question. Question one: What new things
6 customer got for this quadruple of increase?
7 Question two: What kind of salary increase for UIF
8 employees get? If they get a salary increases, why
9 they pass it to us? We are not that rich like
10 these guys. All counties of UIF took over realized
11 significant increase.

12 Please, I ask the Commission, to refer to Case
13 No. 1272591-W. Again, 1272591-W. That was we --
14 our homeowners' association, we sent a letter to
15 the Commission and the Commission, they sent it to
16 Utilities. Utilities did nothing. And only what
17 we get, just constant increases. We cannot afford
18 that and we got to get out of this routine.

19 Thank you for listening. Thank you for your
20 time.

21 (Whereupon, the Petition from Residents of
22 Mandarin Club Estates, dated April 16, 2018, was
23 inserted into the record to augment the testimony
24 of Mr. Nabil Gerges as agreed to by the parties.)

25

PETITION

20

April 16, 2018

From: Residents of Mandarin Club Estates
Seminole County
Longwood, FL 32779

To: HONORABLE MR. RICK SCOTT
Governor of the great State of FLORIDA
State of Florida, The Capitol, 400 S. Monroe St., Tallahassee, FL 32399-0001
Tel: (850) 488-7146

Point of Contact: Mr. N. Gerges
1792 Sunwood Blvd.
Longwood, FL 32779
(407) 929-1831

Subj: Florida Public Service Commission
Utilities Commission decision to increase water rates

Enclosure: (1) Copy of years 2016 and 2017 Utilities Inc. monthly charges
(2) Copy of Utilities, Inc. letter, not dated
(3) Example of neighbors NOT watering their lawns because of water rate increase

1. The undersigned families, residents of Mandarin Club Estates, raise our complaint to your honor concerning the Utilities Commission who granted the decision of power to Utilities Inc., who purchased Sanlando Utilities co., only to raise our water rates to TRIPLE to QUADRUPLE what we previously paid for the same service.
2. Our Issues Include:
 - a. No quality improvement to the water supply, it tastes the same (sulfurous).
 - b. Water hardness is the same, no change in service.
 - c. If Utilities, Inc. made a BAD investment, why should we have to pay for their mistake.
 - d. Utilities, Inc. increase is as tabulated in item 3 below.
 - e. This community has septic tanks, which incur maintenance costs in addition to our water bills.
 - f. Some residents have drinkable water from their own deep well and do not need Utilities, Inc., why then are these residents forced to pay the base charge?
 - g. As a result of this exorbitant water price increase, most of us have stopped watering our lawns (Encl. (3)), all of which are an acre plus in this development. This is not healthy for allergy sufferers and also depreciates property value; which in turn creates less revenues for the county.
3. Comparison of Enclosures (1) and (2), presented in the table below, is just one example of astronomical increase in cost for the same services provided by the same two companies.

This illustration proves a gross negligence by the commission you appointed. We ask you personally to investigate this issue and provide remedies.

Utilities, Inc.	12/28/2016	12/28/2017	% Increase	Actual Increase
Water Base Charge	\$11.24	\$27.20	142%	142%
First 6,000 gal.	\$0.95			
First 4,000 gal.		\$1.52	61%	102%
Next 9,000 gal.	\$1.43			
Next 8,000 gal.		\$2.28	59%	74%
Over 9,000 gal.	\$2.37			
Over 8,000 gal.		\$3.80	60%	75%

When Mandarin resident Mr. Gerges (and Encl. (3) contacted Utilities, Inc. to inquire the reason for the sudden increase in the bill, specifically for the base rate. The answer he received was, "we have to make everyone pay the same." Why then, did they not LOWER the bill for everyone else.

QUESTIONS:

a. Sanlando Utilities was running a profitable operation for over 35 plus years, now a bigger company, Utilities, Inc. with greater resources is running the same operation. We expected the purchase by this bigger, more streamlined corporation to be more efficient and more profitable. That if anything we as residents would realize a DECREASE in our bills, not **multiple increases** in very short time.

b. What is this new company doing with ALL of this extra money?

c. Most of the residents of our community are retirees and/or close to this age. These kinds of increases are reprehensible and unsustainable.

d. We recommend placing this service in competition with other providers.

4. We recently received Enclosure (2) (envelope stamped date: March 1, 2018) from Utilities, Inc. stating that "Pursuant to Section 367.081(4)(b)....." informing us that "on November 22, 2017 Utilities, Inc. filed its notice of intention with the Florida Public Service Commission to INCREASE water and wastewater rates in...., Seminole county", **without public hearing**. When is enough, ENOUGH?

5. We should be *reimbursed* for these unjustified past and current increases. The Federal TAX CUT should make us realize further decrease in our utilities bills.

6. Also, it came to our attention that Utilities, Inc. is pursuing the purchase of all water utilities companies in the State of Florida so they become the sole provider of water without any competition. Please block out this monopoly and consolidation, it is very bad for Floridians.

7. Your immediate attention to investigate and remedy this issue is respectfully requested.

Cordially,

Partial signed list of Mandarin Club Estates Residents (289 homes).

1 CHAIRMAN CLARK: Thank you, Mr. Gerges. Mr.
2 Friedman, any questions?

3 MR. FRIEDMAN: We do not have any questions
4 for Mr. Gerges. Thank you.

5 CHAIRMAN CLARK: Thank you. OPC, any
6 questions?

7 EXAMINATION

8 MS. MORSE: We did have a question, Mr.
9 Gerges. We're wondering what your total bill is
10 per month or on average or so?

11 MR. GERGES: Right now it is \$38. And when I
12 fill the pool, it goes to, like, 150. And
13 especially you kept the -- like at the beginning it
14 was 9,000 gallons that you charge so much. You
15 increase it -- you reduce it to 8,000 and increased
16 it by 150 percent and so on. Please refer to that
17 case number. I have -- the analysis was done back
18 then. I have a septic tank. I don't have sewer.

19 MS. MORSE: All right. Thank you very much.

20 CHAIRMAN CLARK: All right, Commissioners. Do
21 you have any questions? Commissioner Brown.

22 COMMISSIONER BROWN: Thank you, Mr. Chairman.
23 I want to thank you, Mr. Gerges, for participating.
24 I know it's strange times calling in through a
25 customer meeting, but appreciate the effort and

1 your comments and take them to heart and just
2 wanted to convey that you did ask two questions and
3 this Commission will absolutely scrutinize the
4 costs and -- associated with those questions. So
5 we will have a technical hearing in February and
6 get those answers. So, again, thank you for your
7 participation.

8 MR. GERGES: Sure.

9 CHAIRMAN CLARK: Thank you, Commissioner
10 Brown. Anyone else?

11 I would like to acknowledge Commissioner Fay
12 is on the line with us today. We don't have him on
13 video, but he is on the line. Commissioner Fay,
14 are you there?

15 COMMISSIONER FAY: Mr. Chairman, can you hear
16 me all right?

17 CHAIRMAN CLARK: Yes, sir. We can hear you.

18 COMMISSIONER FAY: Great. I did have one
19 question if you'd allow it.

20 CHAIRMAN CLARK: Yes, sir.

21 COMMISSIONER FAY: Thank you. Mr. Gerges, I
22 appreciate your comments. You did mention that
23 somebody that you knew that was paying about a \$400
24 bill, I think, for the front part of their yard.
25 Do you know if that individual is going to be

1 attending any of these service hearings or calling
2 in the service hearings?

3 MR. GERGES: I'm going to contact that person
4 and let them -- I have -- they wrote me when we --
5 back in 2018 when we wrote that letter from our
6 association, she wrote me a note that said my -- I
7 cannot afford paying \$400 a month just watering my
8 irrigation, my yard, and I just turned off the
9 water. I leave that to -- I'll send you a copy.
10 Give me a --

11 COMMISSIONER FAY: And I think our -- Mr.
12 Gerges, our Chair was probably going to mention
13 this, but we have other hearings scheduled so I
14 just want to make sure that you recognize that, if
15 they did want to attend one of those meetings.

16 MR. GERGES: I will ask them that.

17 COMMISSIONER FAY: Thank you so much, Mr.
18 Chairman.

19 CHAIRMAN CLARK: All right. Any other
20 questions?

21 All right. Seeing none. Mr. Gerges, thank
22 you very much for your testimony today. We
23 appreciate you being here.

24 All right. Next up is Donna McNally. Ms.
25 McNally, are you on the line?

1 MS. MCNALLY: Yes, I am.

2 Whereupon,

3 DONNA MCNALLY

4 was called as a witness, having been first duly sworn to
5 speak the truth, the whole truth, and nothing but the
6 truth, was examined and testified as follows:

7 MS. MCNALLY: Yes.

8 CHAIRMAN CLARK: All right. You're
9 recognized.

10 PUBLIC COMMENT

11 MS. MCNALLY: I think you said to give the
12 address and my address is 309 Pickering Court in
13 Longwood, Florida. I'm in the Wekiva Subdivision
14 in Seminole County. I have lived here 25 years.
15 And I'm really joining today because I think the
16 rate increases are egregious, similar to the prior
17 speaker, Mr. Gerges. When I moved into this home
18 25 years ago, for water and sewer, I paid 28 bucks
19 a month, covered both with Sanlando Utilities. And
20 over the course of time, I've actually kept
21 detailed records of my total expenditures with
22 Sanlando and since Utilities took over.

23 So, as another point in reference, 2017, my
24 average bill for water and sewer had increased \$65
25 a month. Quite an increase. Now I look at my

1 current bill as of November and it's \$111.52. So
2 averaging for 2020 has been close to \$100. Right
3 around \$98 a month. Significant increases for
4 really no change in the water. I mean, there's no
5 change in the quality. There's no fluoride in the
6 water. You know, I'm not using any more water than
7 the average person in Apopka next door. I
8 contacted my parents who live six miles away. They
9 have service from the City of Apopka. Their
10 average bill per month for a larger home than mine,
11 similar size, also a pool, is \$80 a month. So I
12 don't know why Utilities, Inc. needs almost a 12
13 percent return on equity and continually is raising
14 their rates time and time again.

15 I've sent a letter in 2018, which was not
16 responded to. Then my husband and I both sent
17 letters in September of this year and we referenced
18 in those letters, we sent it to the Florida Public
19 Service Commission, Office of the Clerk on Shumard
20 Oak Boulevard. Our letter was dated
21 September 14th. And then we sent a similar letter,
22 or the same letter, to Martin Friedman, also dated
23 the 14th. And in those letters we've described the
24 various rate increases. So just in the recent
25 years since 2017 -- so March 26th of 2019 there was

1 a docket 20180005-WS, and it put an increase into
2 effect May 31st of 2019. Then we were notified
3 November 26th of 2019 that there would be another
4 rate increase effective January 10th of 2020. On
5 April 1st of this year, we received the notice that
6 Docket 20190005-WS would put rates increased in
7 effect 5-31 of '20. September 4th of this year, to
8 which we responded to a letter, said there would be
9 another rate increase effective 9-9 of 2020.

10 I mean, the bill is continually going up. If
11 I had the ability to choose another provider, and
12 this was not a monopoly, I would have left long
13 ago. You know, my cable bill -- my phone bill went
14 up. We went to cable, or I went to satellite. And
15 the satellite bill went up. I went to cable, et
16 cetera. There is no free competition here and I
17 think that Utilities, Inc. is taking advantage of
18 the citizens in the ten counties that it's
19 received. If I could earn 12 percent return on
20 equity and return on my retirement funds, I would
21 love it. That would be fantastic. I'm not. I
22 don't see any reason that the Utility needs to, you
23 know, pillage customers just for their pure profit.
24 If they were actually making improvements that were
25 going to change something, you know, I would like

1 to see what those improvements are and I would like
2 to understand the benefits.

3 You know, everything else in this world, you
4 can choose who provides your phone service, who
5 provides your cell service, who provides, you know,
6 your lawn service, et cetera, but with water and
7 also electricity, but we'll leave that alone, it's
8 a monopoly. Monopolies have long since gone out of
9 style and out of favor, I think, in our country,
10 and I just think this is egregious. I mean, I
11 think if -- when this bill goes up again, my 111,
12 if I did an estimate, is now going to be probably
13 close to 150 a month. I live in an 1,800 square
14 foot house. I water the lawn once a week. That's
15 just too much.

16 And I want the Public Service Commission to
17 take this seriously. I mean, prior letters have
18 not been responded to and all of us here in the
19 Wekiva neighborhood, we have a Wekiva Facebook
20 page, all of us feel like we're being taken
21 advantage of because we don't -- we have no voice.
22 We can't -- we can't dispute the rate increases.
23 This is the first time in the 25 years I've lived
24 here that I've actually been invited to or able to
25 attend a hearing. Never had we had this

1 opportunity, so I was thrilled. And we've got to
2 get to the bottom of why every year, as the prior
3 speaker Mr. Gerges said, every year they're coming
4 through with rate increases.

5 You know, what is the City of Apopka doing
6 where my parents can pay \$80 a month or \$50 -- you
7 know, they started at 50, they're now at 80 -- but
8 what is the City of Apopka doing that maybe
9 Utilities, Inc. could adopt and consider? My
10 parents' water is -- it's fine for them. It works
11 fine. It's very healthy. It's very safe. They've
12 had no issues. There's been no water main breaks.

13 Related to this, I then got a request from
14 Utilities, Inc. that I had to do some sort of
15 inspection and pay \$65 to get an inspection of a
16 backflow valve that they told me now needs to be
17 inspected every two years at my expense and has to
18 be submitted to them. I didn't even know I had a
19 backflow valve. And I said, well, what have you
20 been doing the last 25 years? And they said, well,
21 we just haven't gotten to it yet but we need -- the
22 EPA tells us we need to do it. So I dutifully got
23 the valve inspected. I paid the \$65, but my
24 question to this Public Service Commission and to
25 Utilities, Inc. is, when does it stop? When do the

1 rate increases stop? When can we just have a
2 steady-state and customers can plan?

3 You know, in the days of Covid, in the days
4 of, yes, we're staying home more, but we don't need
5 increases in our current environment. I know I'm
6 not getting salary increases at work. I'm very
7 fortunate to have my job and I do work from home,
8 but I'm very fortunate from that perspective, but I
9 haven't gotten a pay increase. So if Utilities,
10 Inc. and all these other utilities keep raising the
11 rates, at what point do I have -- do I and my
12 fellow citizens in Apopka have a voice that says
13 enough is enough? I mean, 253-percent increase, if
14 you think of just what it's been over the 25 years,
15 and I think the water is basically the same.

16 Kind of reiterating Mr. Gerges', what are we
17 getting as the citizens in Seminole County, what
18 are we getting for this rate increase? What is
19 different? What magical is happening? If they
20 were going to start putting fluoride in the water
21 or it was going to be some magical thing, then
22 maybe I would understand, but, you know, taking
23 kids to the pediatrician over the course of time,
24 my pediatrician used to have me do fluoride
25 supplements for my kids and I used to have the

1 dentist do fluoride supplements because there's no
2 fluoride in the water.

3 Now, I do know there is one difference in
4 Apopka where they do, I guess, reclaimed water for
5 irrigation. Maybe Utilities, Inc. needs to look at
6 that and then concentrate on the drinking water
7 being where the investment gets made. Just a
8 couple ideas, but we can't keep sustaining rate
9 increases every year. I mean, four -- four notices
10 have come out just since March of 2019, and there's
11 been two interim rate increases as part of those,
12 two or three. I think three. So that's what I
13 came to speak about today.

14 CHAIRMAN CLARK: All right. Thank you very
15 much, Ms. McNally. Mr. Friedman, do you have any
16 questions?

17 MR. FRIEDMAN: I do not. Thank you very much,
18 Ms. McNally, for your comments.

19 CHAIRMAN CLARK: Ms. Morse.

20 MS. MORSE: No, thank you. We don't have any
21 questions. Thank you. Thank you.

22 CHAIRMAN CLARK: Commissioners. Commissioner
23 Graham.

24 COMMISSIONER GRAHAM: Thank you, Mr. Chairman.
25 Ms. McNally, thank you for taking the time to speak

1 to us today. Just a little information for you.
2 You mentioned where your parents live, which is a
3 municipal utility. There is a difference between a
4 municipal utility and a -- one of these private
5 utilities. And just a little information for you,
6 your county had the ability of buying utilities,
7 before Utilities, Inc. bought it. So just to give
8 you a little perspective, had they bought it, maybe
9 things would be a little different. They have the
10 ability to use municipal bonds, money is cheaper
11 for them, other things along those lines.

12 The other things that you mentioned. We will
13 definitely look at those things as we have the
14 technical hearing and we'll -- we're definitely
15 going to hold their feet to the fire to make sure
16 that they're spending the money in the right
17 places, but I just want to let you know you may
18 want to reach out to your local official and ask
19 them why they chose not to take a role in this --
20 in this utility. Thank you.

21 MS. MCNALLY: Yeah. No, thank you. I mean, I
22 will, but I think that's four years ago now so I
23 don't know that re-hashing something from four
24 years ago is going to give us an answer for today.
25 I mean, we've just got to get these rate increases

1 under control. They can't be coming out every year
2 with a rate increase. I mean, \$111 now. If this
3 rate increase goes through now, it's 150. What's
4 it going to be next year, 200, 300, 400? I mean,
5 that's what this Commission needs to fight for the
6 citizens of Florida on is, you know, at some point
7 it's going to become not worth it to live in a
8 Utilities, Inc. area, and that's the problem.

9 You know, you -- eventually if you go to sell
10 your property at some point in the future and
11 somebody says, oh, well what's the average water
12 bill there? What's the average electric bill?
13 People make that as part of their decision.

14 CHAIRMAN CLARK: Thank you, Ms. McNally. We
15 appreciate your testimony today. Are there any
16 other questions from Commissioners?

17 All right. Thank you. All right. Let's move
18 to our next customer, Mr. David Joswick. Mr.
19 Joswick, are you on the line?

20 MR. JOSWICK: Can you hear me?

21 CHAIRMAN CLARK: Yes, sir. We can hear you.

22 Whereupon,

23 DAVID JOSWICK

24 was called as a witness, having been first duly sworn to
25 speak the truth, the whole truth, and nothing but the

1 truth, was examined and testified as follows:

2 MR. JOSWICK: Absolutely is. Absolutely is.

3 CHAIRMAN CLARK: Thank you, sir. You're
4 recognized.

5 PUBLIC COMMENT

6 MR. JOSWICK: Wonderful. Thank you. The two
7 prior speakers stole a lot of my thunder. I'm
8 going to move on.

9 I'm at 600 Magnolia Court. I've been here 42
10 years. I've got every bill, water bill and every
11 electric bill from 1998 until -- I'm going to give
12 you some numbers. These are numbers from my bills.
13 I want you to take pen and pencil and paper. I'm
14 going to give you three columns and this is going
15 to take about a minute. I want you to take the
16 first column, 1, 10, 20. Second column is going to
17 be to the right of that; 1, 9, 17. The next one is
18 going to be, 10, 12, 20. Going back to 1, 10, one
19 below that I want you to put .005. Below that I
20 want you to put 5,007.70. Below that I want you to
21 put 28.85. Under the 1, 9, 17, I want you to put
22 .005. I want you to put 11,320. And I want you to
23 put 52.6. Under 10, 12, 20, I want you to put
24 .048. I want you to put 930. And I want you to
25 put 44.96.

1 What you see, the top line is what it costs me
2 per gallon of water. It's gone from .005 to .048.
3 The gallons I use, you can see, for 5,770 gallons
4 back in 2010 I paid 28.85. For 930 gallons today I
5 paid 44.96. So it's in line with what the folks
6 have said beforehand. It's out of hand. It's out
7 of control is the way I look at it.

8 I also looked at some other local
9 municipalities here, and I looked at Altamonte
10 Springs, which is next door to us, and I got the
11 bill from one of my employees and the bill is for
12 this past October and she -- her and her husband
13 use 5,059 gallons of water. It costs them \$18.77.
14 If I use 5,059 gallons, my bill would be
15 approximately \$60.70. So the impression I've been
16 given is that either we're getting ripped off as
17 consumers or the company is totally mismanaged that
18 they -- when I look at others, I looked at Winter
19 Springs. Now Winter Springs is more expensive.
20 It's 1.2 cents per gallon, but it's less than what
21 we're paying here and what we're going to pay down
22 the road.

23 I also want to talk a little bit about the
24 service. I'm going to share just two experiences
25 I've had this year regarding service. My bill --

1 or my water usage jumps all over the place. And,
2 for example, back -- hold on a minute. I'm going
3 to find my other sheet here, what my usage was.
4 Yeah, here we go. Back in June I used 13,520
5 gallons. That was on my bill. Then in July I was
6 3,340 gallons. And so I called Utility, Inc. and
7 said can you have someone come out here and check
8 my meter out here, I don't know why it's, you know,
9 jumping all over the place here. So I find on my
10 door this yellow tag. It's given the date of
11 7-30-08. I don't know what the guy was thinking,
12 or who put it instead of 7-30-20, and they give me
13 the number 514-5470. So I go out and check my
14 meter and my number's completely different, not
15 even close to this number. So I call Utility, Inc.
16 up. They said, we've got to get back to you. Two
17 days later I get a phone call and said, oh,
18 wrong -- we did your neighbor's instead of yours.
19 I said, well, are you going to come out and do it?
20 Yeah. They never showed up.

21 Then last spring I called them and said, I'm
22 trying to put a valve in and I can't get the water
23 turned off out at the street, can you guys come out
24 and do that? They said, yeah, we can come out and
25 do that. Give us a few days. So I waited a week.

1 Didn't hear anything. And so I went out there and
2 tried it. Didn't move. And I called Utility, Inc.
3 up and said, oh, yeah, we had someone out there.
4 It's all ready. I don't think they sent anyone.
5 It seems to me they ought to be putting a tag or
6 something saying we did this service and it's been
7 taken care of.

8 I can tell you, gentlemen, I'll get a lot of
9 people on these next calls that you're going to
10 have. I've initiated a petition and I've got, I
11 don't know, close to a hundred people have signed
12 the petition so far, but my goal is to get a couple
13 thousand on it so that you know that it's just not
14 a handful of people that are feeling the pinch of
15 what's going on here. It's -- it is. I've talked
16 to people that have signed the petition that said,
17 you know, I -- like the lady said, we can't
18 irrigate our lawn anymore. We can't irrigate
19 our -- I stopped mine three months ago. I've
20 irrigated twice in three months just because of the
21 cost.

22 So I think that kind of sums up where I'm at
23 today. I think the committee needs to look at how
24 efficiently Utility, Inc. runs the business. If --
25 you know, when I go back over 20 years and say

1 there's been hardly any increase in the cost of
2 water, I'd look for -- I got to keep it simple. I
3 looked at the submission from Utility, Inc. It's
4 too esoteric for me to understand all of these
5 factors and algorithms and what have you, so I
6 just -- I got to simplify it so I can understand
7 it. That's why I use the gallons cost, you know,
8 per gallon of water. And, you know, it's in your
9 hands, but I really think this other organization
10 counsel, that I appreciate that they're there, that
11 someone is looking in more depth to, you know, to
12 this matter. It's serious. It's a serious matter
13 and I think Utility Inc. better take it seriously
14 because there's going to be a lot of people, you
15 know, raising an uproar. I can tell you that. So
16 that's my comments, gentlemen. I thank you for
17 taking it all in. If you have any questions, let
18 them fly.

19 CHAIRMAN CLARK: Thank you, Mr. Joswick, for
20 your testimony. I know there's going to be a
21 couple questions. Mr. Friedman, do you have
22 anything?

23 MR. FRIEDMAN: Mr. Joswick, thank you for your
24 testimony. I do not have any questions for Mr.
25 Joswick. Thank you.

1 CHAIRMAN CLARK: Thank you. Mr. Morse.

2 MS. MORSE: No, Mr. Chairman, and thank you,
3 Mr. Joswick, for your comments. We don't have any
4 questions. Thank you.

5 CHAIRMAN CLARK: Commissioners, do you have
6 any questions? Commissioner Brown.

7 COMMISSIONER BROWN: Thank you. Thank you,
8 Mr. Joswick. This is Commissioner Julie Brown. I
9 did want to point out just a few things for you and
10 the prior speaker, Ms. McNally. And I don't know
11 if it's clear in our materials that were
12 distributed to the customers, but there is a
13 difference between a rate case increase and an
14 annual increase from a price index, as well as
15 certain pass-through costs that the utilities does
16 not earn a return on. So there may be just some
17 confusion there and hopefully we can make sure that
18 that's clear. You mentioned a petition and I was
19 curious if that is in the record and what the
20 petition is?

21 MR. JOSWICK: Well, essentially the petition
22 is to cease any increase and have an extensive
23 study done and clear and concise information passed
24 on to the consumers as to the validity of, you
25 know, of a rate increase.

1 COMMISSIONER BROWN: Okay. Thank you. And
2 have you provided that to the utility or Public
3 Counsel or the Commission as part of this record?

4 MR. JOSWICK: No. It was started here amongst
5 the HOA's in the community.

6 COMMISSIONER BROWN: Thank you. You are more
7 than welcome to provide that to us for
8 consideration as part of this overall record.

9 MR. JOSWICK: Sure.

10 CHAIRMAN CLARK: Thank you, Commissioner
11 Brown. Commissioner Graham.

12 COMMISSIONER GRAHAM: Thank you, Mr. Chairman.
13 Thank you, Mr. Joswick, for your testimony here
14 today. What you gave us today is actually exactly
15 what I was looking for. We're -- as we said
16 earlier, we're going to get into the technical side
17 of this at a later hearing and get into the actual
18 numbers, but what I want to hear today was customer
19 service, because that's one of the things that the
20 utilities have one hundred percent control over,
21 and your individual customer speaks volumes about
22 them not getting back to you, about them giving you
23 the information of the wrong meter. That's the
24 kind of stuff that, to me, that's unacceptable and
25 I do appreciate you taking the time and sharing

1 that information with us today. Thank you very
2 much.

3 MR. JOSWICK: You're welcome.

4 CHAIRMAN CLARK: Thank you, Commissioner
5 Graham.

6 Mr. Joswick, I do have one question for you,
7 as well. Could you tell me -- I was listening to
8 you go through your average monthly bills. What
9 size meter do you have at your house?

10 MR. JOSWICK: I don't know. It's just out in
11 the ground out there.

12 CHAIRMAN CLARK: Okay. So your -- I was
13 looking at the rates and based on the meter sizes,
14 the numbers that you were providing do seem
15 extremely high compared to what an average
16 residential bill should be running with normal size
17 meters. Okay. Thank you.

18 Any other questions from Commissioners?

19 All right. Thank you, Mr. Joswick, for your
20 testimony today.

21 I believe that concludes everyone that was
22 signed up to testify. Did I miss anyone, Walt? Is
23 that everybody?

24 MR. TRIERWEILER: That's everyone, Mr.
25 Chairman.

1 MR. GERGES: I have something.

2 CHAIRMAN CLARK: Yes, Mr. Joswick -- I'm
3 sorry.

4 MR. GERGES: Yes. This is Gerges. Yes.
5 Matter of fact, the petition that we sent you, and
6 I gave you the reference number for it, the lady
7 that said she turned her water off because the
8 bill -- the water bill was nearly 400. It is -- a
9 copy of the letter is enclosure three in that
10 petition that we sent you.

11 CHAIRMAN CLARK: Okay.

12 MR. GERGES: Over 110 people participated in
13 that petition.

14 CHAIRMAN CLARK: All right. We will make
15 certain that is part of the record. Mr.
16 Trierweiler, do you have that or did we -- can we
17 verify that's in our copy file?

18 MR. TRIERWEILER: I haven't yet, but I'll
19 follow up as needed, Chair.

20 CHAIRMAN CLARK: Thank you very much.

21 Again, I want to thank everyone for taking
22 time out of their schedules to call into the
23 service hearing today. Your comments and testimony
24 are very important to this process and we
25 appreciate you assisting us in this proceeding.

1 I'm sorry. Is there someone?

2 Okay. If you have any questions, please feel
3 free to discuss them with one of our staff members
4 or a company representative. We provided some
5 phone numbers earlier. You can contact the PSC
6 office for any additional contact information that
7 you might need.

8 Commissioners, any closing comments?

9 Commissioner Fay, Graham or Brown?

10 All right. Thank you all very much for
11 attending the hearing today. We stand adjourned.

12 (Whereupon, the proceedings were concluded at
13 10:55 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DANA W. REEVES, Professional Court Reporter, certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages, numbered 3 through 44, are a true and correct record of the aforesaid proceedings.

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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 16th day of December, 2020.



DANA W. REEVES
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