

ORIGINAL  
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment  
of Certificate No. 427-W to add  
territory in Marion County by  
Windstream Utilities Company.

Docket No. 980867-WU

MARION COUNTY'S MOTION TO ALLOW TESTIMONY  
BY SUBPOENA WITHOUT PREFILED TESTIMONY

MARION COUNTY ("County"), by and through its undersigned attorneys and pursuant to Florida Administrative Code Rule 25-22.045, moves this Commission to allow it to present the live testimony of Sharon Dlouhy and Joseph Lettelleir pursuant to subpoena and without filing prefiled testimony, and in support thereof states:

1. Pursuant to the Order Establishing Procedure issued in this docket, as amended, and Florida Administrative Code Rule 25-22.048, each part shall prefile testimony that it intends to sponsor.

2. Sharon Dlouhy, president of Windstream Utilities Company, Inc. ("Windstream") is an adverse party. Therefore, there is no way to compel the filing of prefiled direct testimony of Sharon Dlouhy. By virtue of the generous continuances to the Applicant for filing prefiled rebuttal testimony, the discovery period was delayed and compressed such that the County could not depose Sharon Dlouhy until the first week in May.

3. Sharon Dlouhy's deposition indicates relevant testimony on issues related to technical, financial, and managerial competency, need, and capacity of Windstream. See

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
LEG 1  
LIN 3  
OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC 1  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE  
04897 MAY 16 5  
FPSC-RECORDS/REPORTING

Deposition of Sharon Dlouhy dated May 7, 1997, attached to and incorporated in this pleading as Exhibit "A."

4. Marion County has used due diligence and made every effort to obtain discovery since filing its Petition to Intervene in December of 1996. Furthermore, the County vigorously opposed the Applicant's requested extensions which have led to the compressed discovery schedule.

5. Without allowing the County to subpoena Mrs. Dlouhy, the County will be prejudiced in that it will be denied the ability to test the veracity of the claims of Windstream regarding issues related to technical, financial, and managerial competency, need, and capacity of Windstream. Since Mrs. Dlouhy is an adverse party, it will be necessary to subpoena her. If the County is not allowed to subpoena Mrs. Dlouhy to testify, it will allow Windstream to make unrebuttable implications from the Application for Certificate Amendment, will prejudice the County, will violate the County's right to due process, and will prevent this Commission's ability to get to the truth of the matter in this proceeding, thus violating the spirit and intent of the April 1, 1997 decision of this Commission.

6. With respect to subpoenaing Mr. Lettelleir, the prefiled rebuttal testimony filed April 30, 1997, for Butch Dlouhy contains representations of fact regarding discussions, negotiations, and meetings not previously revealed. Mr. Dlouhy's deposition (again not possible to take until the first week in May) contains more such representations of fact.

7. But for the extensions of time granted to Windstream to file this prefiled rebuttal testimony (which was originally represented to be expert testimony), and but for the compressed and delayed discovery schedule in this proceeding, these matters could have been discovered earlier. As previously indicated, the County has made every effort


to obtain this discovery.

8. Since Mr. Lettelleir is apparently no longer a party to this proceeding, it will be necessary to subpoena him for the hearing in order to question him about the truth or falsity of the statements made by Mr. Dlouhy in his prefiled rebuttal testimony and his deposition.

9. Without allowing the County the ability to subpoena Mr. Lettelleir, it will have no effective manner in which to test the veracity of the claims of Mr. Dlouhy. Since Mr. Lettelleir is apparently no longer a party to this proceeding, it will be necessary to subpoena him. If the County is not allowed to subpoena Mr. Lettelleir to testify, it will allow Windstream to make un rebuttable statements, prejudice the County, violate the County's right to due process, and prevent the Commission from getting to the truth of the matter, thus violating the spirit and intent of the April 1, 1997 decision to hold a hearing.

**WHEREFORE**, the County requests that this Commission issue a subpoena to Mrs. Sharon Dlouhy and Mr. Joseph Lettelleir to testify at the June 17, 1997 hearing in this matter.

Respectfully submitted,



Thomas A. Cloud  
Fla. Bar No. 293326  
Wilbur E. Brewton  
Fla. Bar No.  
Wilbur E. Brewton  
Fla. Bar No. 110408  
GRAY, HARRIS & ROBINSON, P.A.  
Post Office Box 11189  
Tallahassee, FL 32302-3189  
Telephone: (904) 222-7717  
Facsimile: (904) 222-3494

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and 7 copies, was served together with the document on diskette, via hand delivery/U.S. Mail to:

- (1) Blanca S. Bayo, Director  
Division of Records and Reporting  
Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
904/413-6770

With a copy via hand delivery/U.S. Mail to:

- (2) Donna Cyrus-Williams, Esquire  
Florida Public Service Commission, Legal Division  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
904/413-6222  
Counsel for the PSC
- (3) Martin S. Friedman, Esquire  
ROSE, SUNDSTROM & BENTLEY  
2548 Blairstone Pines Drive  
Post Office Box 1567  
Tallahassee, FL 32302-1567  
904/877-6555  
Counsel for Windstream Utilities Co.
- (4) Carlyle Ausley  
AUSLEY CONSTRUCTION COMPANY  
1107 E. Silver Springs Blvd., #2  
Ocala, FL 34470
- (5) Joseph Lettelleir  
JB Ranch  
300 S. Duncan Avenue, Suite 296  
Clearwater, FL 34615

this 14th day of May, 1997.



---

Thomas A. Cloud, Esquire  
Fla. Bar No. 293326  
GRAY, HARRIS & ROBINSON, P.A.  
Post Office Box 3068  
Orlando, FL 32802-3068  
Telephone: (407) 843-8880  
Facsimile: (407) 244-5690

Wilbur E. Brewton  
GRAY, HARRIS & ROBINSON, P.A.  
Post Office Box 11189  
Tallahassee, FL 32302-3189  
Telephone: (904) 222-7717  
Facsimile: (904) 222-3494  
Fla. Bar No. 110408

Lee Killinger  
Fla. Bar No. 607320  
GRAY, HARRIS & ROBINSON, P.A.  
Post Office Box 11189  
Tallahassee, FL 32302-3189  
Telephone: (904) 222-7717  
Facsimile: (904) 222-3494

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

In re: Application for amendment )  
of Certificate No. 427-W to add )  
territory in Marion County by )  
Windstream Utilities Company. )  
-----)

Docket No. 960867-WU

**PROCEEDING:** Deposition of Shari Dlouhy  
**TAKEN BY:** Counsel for Marion County  
**REPORTED BY:** Kimberly A. Izzo, RFR  
Owen & Associates  
P.O. Box 157  
Ocala, Florida 34478  
(352) 620-3549  
**DATE AND TIME:** Wednesday, May 7, 1997  
2:17 p.m.  
**PLACE:** Marion County Administration Building  
601 Southeast 25th Avenue  
Ocala, Florida 34471  
**APPEARANCES:**  
Mr. Thomas A. Cloud, Esquire  
Mr. Wilbur E. Brewton  
Gray, Harris & Robinson, P.A.  
Suite 1200, 201 East Pine Street  
Orlando, Florida 32801  
Counsel for Marion County  
  
Mr. F. Marshall Deterding, Esquire  
Rose, Sundstrom & Bentley  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
Counsel for Windstream Utilities Co.  
  
Ms. Donna Cyrus-Williams, Esquire  
(BY PHONE)  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
Counsel for Public Service Commission

**EXHIBIT "A"**

I N D E X

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

<u>WITNESS</u>	<u>PAGE</u>
Shari Dlouhy	
Direct Examination by Mr. Brewton . . . . .	3
Cross-Examination by Ms. Cyrus-Williams . . . . .	45
Cross-Examination by Mr. Deterding . . . . .	49
Errata Sheet . . . . .	55
Certificate of Oath . . . . .	56
Court Reporter's Certification Page . . . . .	57

<u>EXHIBITS</u>	<u>PAGE</u>
-----------------	-------------

1. Marion County Water Resource Protection and Utilities Plan . . . . .	18
2. Tax Parcel Map . . . . .	26
3. Letter to Richard Redemann from Shari Dlouhy dated 9/12/96 . . . . .	40
4. Letter and attachments to PSC from Shari Dlouhy dated 2/28/97 . . . . .	41
5. Letter and attachments to FPSC from F. Marshall Deterding dated 3/21/97 (Late-filed exhibit.)	

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

S H A R I D L O U H Y ,

was called as a witness on behalf of Marion County  
and, having been duly sworn to tell the truth,  
was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BREWTON:

Q. Miss Dlouhy, my name is Wilbur Brewton, and I'm a  
partner in Gray, Harris & Robinson and co-counsel with Tom  
Cloud. We're here today to take your deposition in a case  
that's currently set for hearing with Windstream Utilities on  
June 17.

Have you ever had your deposition taken?

A. For this case?

Q. For any case.

A. I've had depositions taken. Yes.

Q. Okay. Then you understand that I'll ask you  
questions. If you can, answer them directly or indirectly as  
much as possible. If you don't understand my question, ask  
me to clarify it and we'll go from there.

A. Okay.

Q. Okay. Could you please state -- could you please  
state your name and current address?

A. My name is Shari Dlouhy, P.O. Box 4201, Ocala,  
34478.

Q. And who is your current employer?



1 A. Windstream Utilities.

2 Q. And what level of education do you have; high  
3 school, college?

4 A. High school, some college.

5 Q. Okay. And what course work did you take in  
6 college?

7 A. Business.

8 Q. How many years?

9 A. I just took several courses, not -- over a period  
10 of time. So I don't know. Accumulative I couldn't tell you.

11 Q. So you really didn't attend college toward --  
12 working toward a degree or anything like that?

13 A. Not for, no, year after year. I just took  
14 different courses at different times in my life.

15 Q. And aside from -- now you're employed right now by  
16 Windstorm Utilities. Besides Windstorm --

17 A. Windstream, sir.

18 Q. Windstream. Besides Windstream, what other  
19 employment were you engaged in prior to this?

20 A. Prior to Windstream?

21 Q. Right.

22 A. I've been administrative assistant for various  
23 companies, and I've also co-owned with my husband and ran a  
24 residential building company.

25 Q. And what company was that?

1 A. Newco Homes of Ocala.

2 Q. And you're still operating that company, is that  
3 correct?

4 A. Yes, sir.

5 Q. Okay. And what we're --

6 MS. CYRUS-WILLIAMS: Hello.

7 MR. BREWTON: Yes.

8 MS. CYRUS-WILLIAMS: We're having problems  
9 hearing the witness.

10 MR. DETERDING: You need to speak up a little.

11 THE WITNESS: I'm sorry. I forgot you were on  
12 the phone. I'm sorry.

13 MS. CYRUS-WILLIAMS: Thanks.

14 THE WITNESS: I was answering him directly.  
15 I'm sorry.

16 MR. BREWTON: Okay. We'll be better.

17 Q. What were your duties and responsibilities in your  
18 prior positions?

19 A. Varied. I handled anything from running the office  
20 to overseeing bookkeeping, accounts receivables, accounts  
21 payables.

22 Q. Okay. Did any of your positions or duties and  
23 responsibilities involve, prior to Windstream, any utility  
24 companies or partnerships or whatever?

25 A. No, sir.

1 Q. Okay. So, basically, when you say you were an  
2 administrative assistant, you assisted a supervisory level  
3 employee in the carrying out of their duties?

4 A. Most usually the owner of the company.

5 Q. Okay. And the owner of what company?

6 A. An insurance company, a pension profit sharing plan  
7 organization. That's basically it. But I've been doing it  
8 for over twenty something years with our building company.

9 Q. Okay. Do you hold any licenses?

10 A. Yes, sir.

11 Q. What licenses do you hold?

12 A. Real estate broker.

13 Q. And how long have you held that?

14 A. Approximately twenty years.

15 Q. And do you actively utilize that license?

16 A. I don't anymore. It's active, but I do not  
17 actively work at it. But it's an active license.

18 Q. How long since you have not actively worked at it?

19 A. Probably three or four years.

20 Q. Okay. And prior to that time, did you operate a  
21 real estate brokerage business?

22 A. I did. Yes.

23 Q. In Ocala, Marion County?

24 A. Yes, sir.

25 Q. Okay. And did you have numerous employees working

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

for you?

A. I did for probably about a six-, seven-month period at one time.

Q. Okay. And what made you decide that you didn't want to be a real estate broker?

A. I still am a real estate broker.

Q. No. In active business.

A. My other businesses took most of my time.

Q. Okay. I think we know the answer to this but very quickly, Windstream and Newco, what percentage of interest do you own in both of those companies?

A. I own 60 percent of Windstream and 40 percent of Newco Homes.

Q. Okay. Who owns the remaining portion?

A. My husband.

Q. Okay. And are you and your husband the only two officers of both of those companies?

A. Yes, sir.

Q. All right. And do you know what the assets and liabilities of those various companies are; Windstream and Newco?

A. Not exactly. No.

Q. Okay. Well, let me ask the question: Do you handle the books and records as they relate to the financial aspects of Newco and Windstream?

1 A. Just Windstream.

2 Q. Okay. Just Windstream. Then are you familiar with  
3 the assets and debts of Windstream?

4 A. Mm hm. Yes, I am.

5 Q. Okay. Are you familiar with any cash reserves that  
6 you may have set aside for capital improvements or unexpected  
7 expenditures?

8 A. What do you mean cash reserves? I'm sorry.

9 Q. Cash reserves for repair, capital improvements,  
10 unexpected expenditures that may be set aside in Windstream.

11 A. I don't actually have any set aside. We have some  
12 investments that I have set aside personally.

13 Q. Well, let's talk about Windstream.

14 A. All right.

15 Q. We had earlier testimony that there was money set  
16 aside for expansion or capital improvements, a fund of some  
17 40 some odd thousand dollars. Are you familiar with that?

18 A. Yes. We have money set aside for that.

19 Q. Where is that listed on your asset statements?

20 A. It's in our personal assets we have set aside. We  
21 mainly --

22 Q. Okay. I'm on Windstream.

23 A. I understand that. We don't have anything in  
24 Windstream set aside under Windstream.

25 Q. So there's nothing in Windstream that's set aside

1 that I could find on the balance sheet or an income statement  
2 or anything?

3 A. No, sir.

4 Q. Okay. Is there any written obligation between  
5 Windstream and you and your husband personally that obligates  
6 you to set aside this so called personal money that you have  
7 available for Windstream?

8 A. I don't have -- no. We didn't do anything in  
9 writing. I just did it.

10 Q. So if Windstream got into financial trouble, there  
11 is no obligation from Windstream that could be enforced to  
12 bring your own personal funds into investment into that  
13 company other than your own free will?

14 A. No, sir.

15 Q. Okay. Are you familiar with your long-term debt  
16 that's in your financial statements?

17 A. Yes, sir.

18 Q. Do you -- can you tell us how that long term-debt  
19 is being repaid?

20 A. Which long-term debt?

21 Q. The long term debt that you list on your financial  
22 statement for 1995 -- we do not have the '96 statement --  
23 \$264,000. It's from the annual report.

24 A. Okay. It's various -- with various developer  
25 agreements.

1 Q. Is that a binding obligation of the company or a  
2 contingent liability in your opinion?

3 A. It's binding.

4 Q. So you have to pay it to the developers no matter  
5 what?

6 A. Yes, sir.

7 Q. And you've read all the underlying agreements  
8 relating to that and you have no question about that?

9 A. No, sir.

10 Q. Are you also the only -- you and your husband --  
11 the only officers and directors of Windstream?

12 A. Yes, sir.

13 Q. Okay. Do you hold any partnership or other  
14 interest in any other business entities?

15 A. In any other -- no, sir.

16 Q. Okay. So Newco and Windstream is it?

17 A. Yes.

18 Q. Okay. Do you own significant -- do you have  
19 significant investments of a personal nature?

20 A. Yes, sir.

21 Q. And can you give me an idea by classification land,  
22 buildings, mutual funds, stock, and so forth, what those  
23 assets are in general, a range?

24 A. We have stocks. We have mutual funds. We have  
25 investment property. We have land.

1 Q. And can you tell me in general what you believe net  
2 of all liabilities those assets are worth?

3 A. Not right offhand. No, sir. I'm sorry.

4 Q. Does Newco or Windstream provide consulting  
5 services to any companies or businesses that you do not have  
6 an ownership interest in?

7 A. No, sir.

8 Q. Do any of your businesses provide goods and  
9 services for any of your other businesses?

10 A. Newco provides services to Windstream.

11 Q. And do they pay a consulting fee for that purpose?

12 A. Yes, sir.

13 Q. Is that consulting fee approximately \$15,000  
14 annually?

15 A. Yes, sir.

16 Q. Do you use or rely on consultants in operating  
17 Windstream?

18 A. Yes, sir.

19 Q. Who are those consultants?

20 A. Legal, accounting.

21 Q. Well, no. I meant who are they.

22 A. I'm sorry. Okay. My attorney, Mr. Deterding. And  
23 my accountant, Mr. Bob Nixon in Clearwater. My operator,  
24 Aqua Pure. Engineer.

25 Q. Who's that?



1 A. Mr. Pigeon with Henigar & Ray.

2 Q. Okay.

3 A. That's the main ones. That's all I can think of  
4 right now.

5 Q. Okay. Have you ever worked for a governmental  
6 agency?

7 A. No, sir.

8 Q. Are you a licensed professional engineer?

9 A. No, sir.

10 Q. And you've already told me that prior to your work  
11 for Windstream you didn't perform work for any water or  
12 wastewater facility?

13 A. No, sir.

14 Q. Okay. In your position at Windstream, can you  
15 please give me in detail what your duties and functions are?

16 A. Day-to-day operations with regards to customer  
17 service, billing, accounts receivable, accounts payable.

18 Q. And how much of your daily time does it take to  
19 handle that?

20 A. Probably most of the day every day five days a  
21 week.

22 Q. How many connections do you currently have in the  
23 various areas that you're currently certificated to serve?

24 A. We have approximately 530; 530 connections overall.

25 Q. Okay. And in reference to accounts receivable, are

1 you essentially billing for the use of water?

2 A. Yes, sir.

3 Q. Do you have a clerk or anyone who does that?

4 A. I have a part-time person that comes in.

5 Q. Okay. And then the function of receivable is to  
6 collect the checks and deposit them?

7 A. Yes, sir.

8 Q. Does your part-time person do that?

9 A. Sometimes. Mm hm.

10 Q. Okay. Do you perform maintenance or do you  
11 supervise the maintenance on the water system?

12 A. Not in the field. No, sir.

13 Q. Okay. What is your function in that regard?

14 A. To handle the calls and arrange for whatever has to  
15 be done maintenance wise. Sometimes, if necessary, I do go  
16 out in the field if no one is available to oversee.

17 Q. Okay. What else do you do?

18 A. With regards to what, sir?

19 Q. With Windstream. I've identified now the accounts  
20 payable and receivables and you have a part-time person that  
21 works for that. Sometimes you --

22 A. I should clarify that. I share the part-time  
23 person with Newco Homes because we share offices.

24 Q. Okay. And what else do you do for Windstream?

25 A. I handle the customer service, whatever might

1 arise. Sometimes we have problems out in the field. I  
2 handle that. Hookups. All legal accounting matters with  
3 regards to my consultants.

4 Q. How many hookups to you handle --

5 A. And my paperwork with all the various government  
6 agencies that we're under.

7 Q. Okay. How many hookups do you have on an average  
8 month?

9 A. New hookups, sir?

10 Q. Mm hm.

11 A. Approximately anywhere between four to ten.

12 Q. Okay.

13 A. Depending on what season.

14 Q. And do you keep a log of your customer service  
15 complaints or communications?

16 A. Yes, sir.

17 Q. Is that log available?

18 A. We don't keep a log. We keep it per account in the  
19 file.

20 Q. Okay. I was noting that your gross revenue --  
21 well, first let me ask you a question. Has Windstream ever  
22 made a profit in its operations?

23 A. Yes, sir.

24 Q. When did it make a profit?

25 A. Last year, as a matter of fact. I paid income tax

1 on it.

2 Q. 1996?

3 A. Yes, sir.

4 Q. And how --

5 A. No. '95. I'm sorry.

6 Q. I have '95 here which demonstrates a \$20,000 loss  
7 on your annual report.

8 A. I was talking income tax purposes. I'm assuming I  
9 made money since I paid income tax, corporate income tax, for  
10 the year 1995.

11 Q. Okay. Well, let me just hand you page F3 of your  
12 report to the PSC dated December 31, 1995. Did you assist in  
13 the preparation of that report?

14 A. I assisted as far as furnishing the information to  
15 my accountant.

16 Q. Okay. Do you have any reason to believe that that  
17 report is accurate or inaccurate?

18 A. No, I don't.

19 Q. Okay. Then does 1995 show a profit or a loss?

20 A. It shows a loss.

21 Q. Of?

22 A. \$20,000.

23 Q. Okay. And do you know how much your revenues were  
24 in 1995?

25 A. No, sir.

- 1 Q. Okay. Would about \$137,000 sound reasonable?
- 2 A. Is that -- I don't know.
- 3 Q. Okay. I'll just give you the report and ask you
- 4 the questions from it.
- 5 A. Okay.
- 6 Q. What was your gross revenues?
- 7 A. 135,000. 137. I'm sorry.
- 8 Q. All right. And what were your gross expenditures?
- 9 A. 157.
- 10 Q. A hundred and --
- 11 A. 57,000.
- 12 Q. Okay. Well let me ask you a different question.
- 13 What was your operational expenses?
- 14 A. Total operating expenses 157,000.
- 15 Q. Okay. And what was your salary in 1995? 53,000?
- 16 A. Probably. I'm not sure.
- 17 Q. Okay. And in 1996, have you filed the annual
- 18 report with the Public Service Commission yet?
- 19 A. Yes, sir.
- 20 Q. Okay. And do you happen to have a copy of that?
- 21 A. No, sir. Not with me.
- 22 Q. Okay. You can furnish one to us, though, correct?
- 23 A. Yes, sir.
- 24 Q. Okay. Have you ever been qualified as an expert
- 25 witness before?

1 A. I don't know what you mean.

2 Q. Have you ever gone in to testify in an  
3 administrative proceeding, a court proceeding, or before a  
4 political body or whatever where you were qualified and  
5 accepted as an expert in something that you testified to as  
6 an expert witness?

7 A. I've testified at PSC several years ago, but I  
8 forgot what it was about to be honest with you.

9 Q. But you don't recall ever being qualified as an  
10 expert witness?

11 A. Not right off. I don't know how you -- as I said,  
12 I've testified before public bodies before, but I don't know  
13 if that would qualify me -- I've been asked to testify. I  
14 don't know how they look at it.

15 Q. Okay. Have you ever served on any advisory boards  
16 or commissions to any governmental agencies?

17 A. Yes, sir.

18 Q. Like what?

19 A. I was vice chairman of the Marion County Landfill  
20 Site Selection Committee. I currently serve on the License  
21 Review Board, and I was also on the Franchise -- Utility  
22 Franchise Committee.

23 Q. And who appointed those?

24 A. The Marion County Commissioners.

25 Q. Okay. Have you ever served on any -- in any

1 political party in a local position?

2 A. Have I served?

3 Q. Yes.

4 A. Yes, I have.

5 Q. Have you ever served on any political action  
6 committees?

7 A. Yes, sir.

8 (Marion County Water Resource Protection and  
9 Utilities Plan marked as Exhibit Number 1 for  
10 identification.)

11 Q. Miss Dlouhy, I'm going to hand you this Exhibit 1  
12 for you and ask you if you recognize that document.

13 A. It looks -- yes. It looks familiar. Mm hm.

14 Q. Can you tell me when the first time was you ever  
15 received that document?

16 A. Received it?

17 Q. Mm hm. Received a copy of it. Obviously not that  
18 one.

19 A. I don't recall. I'm sorry.

20 Q. Would March of 1996 seem reasonable?

21 A. I don't know. I really can't say.

22 Q. Do you recall a meeting with a Marion County  
23 commissioner wherein this document was directed to be given  
24 to you in March of 1996?

25 A. I recall meeting on several occasions with -- with

1 a County commissioner?

2 Q. Mm hm.

3 A. Not with a County commissioner. With the County  
4 Commissioner's representative over a year ago.

5 Q. Do you know -- you're familiar with this document?

6 A. Yes, sir.

7 Q. And can you, for the record, tell us what the date  
8 on that document is?

9 A. It says it's adopted May 21, 1996.

10 Q. Adopted, but take a look.

11 A. That's the only date I see on it, sir.

12 Q. Okay. There's a stamp over the top. Do you know  
13 what this document is that you've identified?

14 A. It says it's the Marion County Water Resource  
15 Protection Utilities Plan.

16 Q. Okay. And you have previously received a copy of  
17 this?

18 A. I have seen a copy of it. Yes, sir.

19 Q. Okay. It was furnished to you?

20 A. I do not know if it was furnished to me. I have  
21 seen a copy of it. Yes, sir.

22 Q. And that's the document that sets out Marion  
23 County's plan to expand the water and sewage area along State  
24 Road 200, is it not?

25 A. (Witness examines document.)



1                   So far I don't see anything referring to State Road  
2 200 and I'm on page 10 already. On the last page is a small  
3 paragraph. Yes.

4           Q.    So your answer is yes.

5                   Are you familiar with the capacity of your current  
6 plants?

7           A.    I'm familiar that we have capacity, yes, sir, and  
8 extra capacity.

9           Q.    Do you of your own knowledge, your own personal  
10 knowledge, know whether or not the current operation that you  
11 have at the various wells and pumping sites is of sufficient  
12 capacity to serve a build-out in those various subdivisions?

13          A.    Yes, sir, it is.

14          Q.    And do you believe of your own personal knowledge  
15 that the current facilities that Windstream owns have excess  
16 capacities?

17          A.    Yes, sir, we do.

18          Q.    And of that excess capacity, do you have any plans  
19 or determination as to what to do with that excess capacity?

20          A.    We hope to be able to expand and utilize it.

21          Q.    Okay. I'm talking about that. I'm talking about  
22 the use of any excess capacity.

23          A.    I don't understand.

24          Q.    If you now have excess capacity, do you now have  
25 any plans to utilize that within your current existing

1 territory?

2 A. I guess. I don't understand the question. I'm  
3 sorry. I just --

4 Q. Okay. You're the president of Windstream, correct?

5 A. Yes, sir.

6 Q. You're the chief executive officer?

7 A. Yes, sir.

8 Q. Okay. Do you have any plans, to be specific, to  
9 provide fire flow to the current subdivisions that you're  
10 providing water service to?

11 A. Down the road, yes.

12 Q. Do you have any written business plan relating to  
13 that?

14 A. Not written. No.

15 Q. Okay. Do you have any drafts of any type of  
16 business plan?

17 A. We have been working on some drafts but not -- my  
18 husband has been working on some things I know.

19 Q. Okay. But you have not, is that correct?

20 A. Pardon me?

21 Q. You have not?

22 A. I do not sit down and draft. That's not my forte.

23 Q. Were you actively involved in the preparation of  
24 this current application for new certification?

25 A. Yes, sir.

1 Q. How actively involved were you?

2 A. I prepared all the paperwork and put all the  
3 documents together and had various discussions with our  
4 consultants.

5 Q. Okay. Were you -- would it be fair to say that you  
6 were the primary person responsible for putting together this  
7 application?

8 A. Yes, sir.

9 Q. Okay. Did you at the time of the preparation of  
10 this application prepare any form of business plan which  
11 demonstrated what you were planning to do in this particular  
12 territory?

13 A. We have some plans put together with regards to a  
14 prospectus. Yes.

15 Q. Do you have anything in writing?

16 A. I don't have it with me. No.

17 Q. But you do have something in writing?

18 A. I have rough drafts in writing and to arrive at  
19 some figures when we initially discussed it with some  
20 developers.

21 Q. Do you have any written profit and loss  
22 projections?

23 A. I don't know if we went that far on profit and loss  
24 as far as a projection. No.

25 Q. I'm trying to understand because at this point for

1 the last five years of annual statements that I've reviewed  
2 Windstream has shown a loss in its actual operations and  
3 substantial debt with a negative net worth in the company.

4 And I'm trying to determine whether or not you took  
5 into account the assets of Windstream -- I keep saying  
6 Windstorm and I'm sorry. I represent some people with  
7 Windstorm Association in Jacksonville and it just keeps  
8 popping in. So I apologize.

9 But with your negative net worth in the company and  
10 your outstanding debts that you have, I'm trying to figure  
11 out if you sat down and determined whether or not any kind of  
12 expansion would be economically viable, and if so, where are  
13 those projections?

14 A. Well, first of all, I don't believe we have debt --  
15 I mean, our net worth is whatever, our assets. I don't know  
16 -- I don't understand where you're getting your figures from,  
17 but I don't believe we have a negative net worth.

18 But I do know with developer input and also our  
19 rate base and our hookup fees and et cetera that the figures  
20 have always worked out with regards to our debt service.

21 Q. Well, I can only -- I don't want to be  
22 argumentative and I don't intend to be.

23 A. Yes, sir.

24 Q. But I'm assuming that these reports you filed with  
25 the Public Service Commission are true and correct. And when

1 I look at total capital, which is your net worth in the  
2 company, and I see a negative \$83,980, I can only assume that  
3 you have a negative net worth in the company.

4 A. I don't know. I don't know.

5 Q. All right. Isn't your debt service a debt service  
6 that if you get paid connection fees, you pay your debts and  
7 if you don't, you don't?

8 A. Yes, sir.

9 Q. So really and truly your debt service is a  
10 contingent liability, not a fixed certain as you testified to  
11 earlier?

12 A. As I what?

13 Q. As you testified to earlier.

14 A. I don't understand. What did you say before that?  
15 Fixed what?

16 Q. You actually have a contingent liability, not a  
17 fixed liability? If you don't make it, you don't pay them?

18 A. Under the current, yes, sir. As the hookups become  
19 -- as hookups come in, we pay the debt. Yes, sir.

20 Q. Okay. But otherwise, you don't have to pay it?

21 A. After so many connections, then the next part of  
22 the agreement kicks in and then yes, we have to pay.

23 Q. All right. Back to my question. Do you have a  
24 written business plan or a draft business plan which projects  
25 profit and loss and how this company is going to pay for its

1 expansion into the proposed new territory?

2 A. We have some rough figures. Yes, sir.

3 Q. Can you make those available to me?

4 A. Yes, sir.

5 Q. And when you say rough figures, what do they look  
6 like? I mean, did you prepare them?

7 A. My husband prepared most of them with our  
8 accountant and our engineer on cost and everything.

9 Q. Well, I'm not talking about cost. I'm talking  
10 about profit and loss in the operational aspect of the  
11 business. That's your end of it, correct?

12 A. Well, we share that. Yes.

13 Q. Okay. So if he doesn't know the answer and you  
14 don't know the answer, who would know the answer to that  
15 question?

16 A. Which question?

17 Q. The question as to whether or not this expansion is  
18 a positive profit or loss to you, to Windstream.

19 A. We would both have the answer to that. We've sat  
20 down and looked at our figures and figured our hookup fees  
21 and our service availability. As we get new customers, we  
22 get new income. So it's got to be -- that's basically what  
23 we --

24 Q. Did you do a survey in reference to proposed new  
25 customers in your proposed new territory?

1 A. A survey?

2 Q. Mm hm.

3 A. I don't understand survey.

4 Q. Have you had -- have you had actual written  
5 requests for service in this proposed new territory?

6 A. Not for service. No, sir. We've had people who've  
7 inquired if we're there and available for service.

8 Q. Let me ask you specifically -- can I put another  
9 exhibit on?

(Tax Parcel Map marked as Exhibit Number 2 for  
10 identification.)

11 Q. We've already had this in before. This is now your  
12 Exhibit 2.

13 I'm going to hand this document to you, and my eyes  
14 are bad but I can read this. On this Exhibit 2, I believe  
15 we've correctly lined out the service area in large black  
16 block. Would you agree that that's probably substantially  
17 correct?

18 A. It basically looks correct. Yes.

19 Q. Okay. Then let me ask you specifically then, have  
20 you received any requests from Harry Mangurian for service?

21 A. No, sir.

22 Q. How about have you received any requests from  
23 Majestic Lakes, Incorporated?

24 A. I'm sorry? Who?  
25

1 Q. Majestic Lakes, Incorporated.

2 A. I don't know who they are.

3 Q. Okay. How about Ocala Housing Authority?

4 A. No, sir.

5 Q. Marion Landing Phase 1?

6 A. They have their own system.

7 Q. Okay. A. & Eleanor Marcanthony?

8 A. There has been discussion in the past with them.

9 Yes, sir.

10 Q. But you haven't had any requests, is my question,  
11 for service?

12 A. Not specifically. No, sir.

13 Q. Okay. How about Alex and Rosey Fabricantore?

14 A. No, sir.

15 Q. All right. Can you take a look at that document  
16 without going through all the names and tell me one person  
17 listed in that service area that has given you a written  
18 request for service?

19 A. There is no written request from anyone in that  
20 service area.

21 Q. Okay.

22 A. But we have had inquiries.

23 Q. Okay. But you haven't had anyone ask you to  
24 provide them with service?

25 A. No, sir.



1 Q. Are you aware of whether Windstream has ever  
2 violated any Public Service Commission rules, regulations, or  
3 statutes?

4 A. I don't believe so, sir. No, sir.

5 Q. Has Windstream ever been fined by the Public  
6 Service Commission?

7 A. No, sir. I don't believe so.

8 Q. Has Windstream ever violated any other rule,  
9 regulation, or statutes of local, county, or state  
10 government?

11 A. No, sir. I don't believe so.

12 Q. Are you aware of whether Windstream has ever been  
13 fined by any other state or local agency?

14 A. When we initially got in the business, we were  
15 fined from I believe it was the Water Management District.

16 Q. And what was that fine for?

17 A. We put our second well in service after getting the  
18 permit, and then we were told later that we were supposed to  
19 have asked for permission to put it in service and our  
20 engineer did not.

21 Q. When was Windstream's last rate case?

22 A. We have not had a rate case.

23 Q. Do you from time -- does Windstream, in addition to  
24 the business plan which I asked about which you're going to  
25 give me your notes or draft on, does Windstream have a

1 financial plan?

2 A. No, sir.

3 Q. Do you do projections from year to year in  
4 reference to where you're going to be at the end of say 1998?

5 A. No, sir.

6 Q. Except for the accounts payable to the developers,  
7 does Windstream have any other outstanding loans?

8 A. No, sir.

9 Q. Does Windstream have any loans to shareholders?

10 A. No, sir.

11 Q. Well, let me ask you a question on that one. Can  
12 you tell me what the loan to stockholder in the amount of  
13 \$30,000 is doing on your December 31, 1995 financial  
14 statement?

15 A. No, sir.

16 Q. You and your husband are shareholders?

17 A. Yes, sir, we are.

18 Q. So which one has the loan?

19 A. I had a loan. And I -- to be honest with you, I  
20 thought that was all cleared. It may not have been. I'm  
21 sorry. I do know that there was in the past. I thought I  
22 had cleared that up. I can't answer that without going back  
23 in my records.

24 Q. And you'll be happy to find out --

25 A. Yes, sir.

1 Q. -- what that was about?

2 A. Yes, sir.

3 Q. Okay. And is -- do you know whether or not you  
4 ever executed a promissory note?

5 A. I did. Yes.

6 Q. Do you know whether or not that promissory note  
7 called for the payment of interest to the utility?

8 A. It's been so long ago. I'm sure it did.

9 Q. Can you furnish me a copy of that note, please?

10 A. I'll try. It's been several years ago and it's all  
11 packed away.

12 Q. Actually, Miss Dlouhy, not being argumentative, but  
13 this note increased from a \$24,000 loan to \$30,000 over a  
14 one-year period. So an additional approximate \$6,000 was  
15 borrowed in 1995.

16 A. I understand.

17 Q. Okay. So that's just last year; a year and a half  
18 ago. Okay?

19 A. Okay.

20 Q. Are you aware of any line of credit which  
21 Windstream has with any banking institution?

22 A. We have no line of credit with them.

23 Q. Do you and your husband personally have lines of  
24 credit from any banks or financial institutions?

25 A. My husband has a line of credit, I believe.

1 Q. Personal?

2 A. I believe so.

3 Q. Any loans which you have -- have you ever taken out  
4 any bank loan for Windstream?

5 A. No, sir.

6 Q. How much investment cash do you and your husband  
7 have in Windstream?

8 A. I don't know the approximate figure. I have no --

9 Q. Can you give me a guess?

10 A. Probably around -- I would say over the period of  
11 time we've had the company maybe we've invested 60, 70  
12 thousand.

13 Q. 60 or 70 thousand?

14 A. Probably. Well, maybe not that much. Probably  
15 between 50 and 60 maybe.

16 Q. Okay. And how long have you owned Windstream?

17 A. We've owned it since '84.

18 Q. And would a large chunk of that 60,000 -- let's  
19 call it 60,000 -- a large chunk of that 60,000 include the 40  
20 some odd thousand acquisition of a utility not too long ago?  
21 I believe it was Sun Country? Did you acquire that utility?

22 A. Yes, sir. We acquired that.

23 Q. For about 40 some odd thousand dollars?

24 A. We didn't pay 40 thousand out, I mean cash, for it.

25 No.

1 Q. All right. Tell me about that investment then.

2 A. It's -- we acquired it on contract.

3 Q. Did you have --

4 A. Through a developer agreement.

5 Q. Did you have any cash investment in that  
6 acquisition?

7 A. No, sir.

8 Q. Do you know what Windstream's rate base is?

9 A. No, sir, I don't. Not right offhand. No, sir.

10 Q. Who in your company would?

11 A. I would. I could look it up. I mean, I don't know  
12 it offhand. I'm more familiar with the billable rates. My  
13 accountant would know.

14 Q. Once these notes or loans or contention liabilities  
15 are paid back with customer contributions, would you have any  
16 idea what your rate base would be on the system?

17 A. No, sir.

18 Q. What available financial reserves does Windstream  
19 currently have that are committed to serve the proposed  
20 service area? Think before you answer that question.

21 A. I'm sure I don't understand.

22 Q. Well, what proposed -- what available financial  
23 reserves does Windstream have that are committed to serve the  
24 proposed service area?

25 A. Windstream itself?

1 Q. Mm hm.

2 A. I'm not sure what we have right offhand.

3 Q. Well, when you were doing your drafting financial  
4 planning, did you reach any kind of a general conclusion as  
5 to how much money you were going to have to invest to serve  
6 -- that Windstream was going to have to invest to serve the  
7 proposed area?

8 A. Not exactly. It depends on which area we're going  
9 to be serving first in the proposed area and what that  
10 entails.

11 Q. So you asked the Public Service Commission -- let  
12 me see if I understand this. You asked the Public Service  
13 Commission to give you an expanded territory, and you want  
14 the Public Service Commission to give you that territory so  
15 that you can then decide how much you're going to spend on it  
16 once you get it?

17 A. No, sir.

18 Q. Okay.

19 A. We have two plants; one on each side of the service  
20 area that we asked for. We are the only provider in that  
21 area. We have been approached by certain people that want to  
22 know what we have in that area.

23 It only makes common sense that we apply for that  
24 area so that we can start making plans on looping, hopefully,  
25 our two systems together to provide better service for our

1 customers that we currently have and those customers within  
2 those two plants that would come on line in that area.

3 Q. What about Decca Utilities and Marion Utilities?  
4 Are they close by?

5 A. They're -- I don't know exactly where Decca is, and  
6 Marion -- I don't know exactly where they are. I do know  
7 Marion has a very, very small plant right next to Sun Country  
8 that doesn't have the capability of expanding I don't  
9 believe. I'm not sure. I don't know.

10 Q. Okay. Well, let's go back to my question. You  
11 don't really have -- and I don't mean to beat on this too  
12 heavy -- but you don't really have a proposed plan that says,  
13 "If we get this, we're going to spend this to do the expanded  
14 service, and this is how we're going to do it. This is our  
15 timetable. This is our cash reserves. This is what  
16 Windstream has on reserve to pay for it. This is what we are  
17 going to invest in it"? You don't have any document like  
18 that, do you?

19 A. No, sir.

20 Q. Do you know if Marion County has a water supply and  
21 wastewater master plan?

22 A. I believe they do.

23 Q. Do you know when it was prepared?

24 A. No, sir.

25 Q. Do you know who prepared it?

1 A. I've been told Mr. Hartman & Associates.

2 Q. Are you familiar with the provisions contained in  
3 that master plan?

4 A. Not specifically.

5 Q. Do you know what that master plan provides  
6 regarding the State Road 200 service area?

7 A. I know there's a proposed -- I believe they  
8 proposed some regional facilities.

9 Q. Would those regional facilities include wastewater  
10 treatment?

11 A. I'm assuming. I don't know specifically.

12 Q. Are you familiar with the Marion County  
13 comprehensive plan?

14 A. I know there is one. Yes, sir.

15 Q. Okay. Didn't you serve on a land management  
16 advisory board?

17 A. No, sir.

18 Q. What was the advisory board that you served on?

19 A. Landfill site selection.

20 Q. Okay. Did you participate in any way in the  
21 drafting of the Marion County comprehensive plan?

22 A. No, sir.

23 Q. And I assume that you haven't participated in the  
24 adoption of the plan or amendments to the plan?

25 A. What do you mean by participate?



1 Q. Well, did you make comments, object before or  
2 against?

3 A. I may -- I think I spoke up as a concerned citizen  
4 during the process of the comp plan.

5 Q. Okay. How familiar are you with a comprehensive  
6 plan as it relates to water and wastewater treatment systems?

7 A. Not that familiar with some parts of it.

8 Q. Are you aware of whether or not in your proposed  
9 territory septic tanks will be allowed in the future?

10 A. No. I do not know.

11 Q. Would it make a real serious difference in your  
12 quest to provide water to that particular area if, in fact,  
13 septic tanks were not allowed in that particular area?

14 A. I don't believe so. We're there to furnish water.

15 Q. Where would the discharge of water go to these new  
16 customers that you would have if septic tanks were not  
17 allowed?

18 A. I assume there would be available a wastewater  
19 system.

20 Q. Are you familiar with the cost of developing a  
21 wastewater system without a corresponding water system?

22 A. No, sir.

23 Q. Do you know what concurrence is?

24 A. I know there's varied definitions of it.

25 Q. If you don't know, you can just say you don't know.

1 A. I'm not sure what it means today in today's world.

2 Q. Do you know what sprawl is?

3 A. I've heard the term.

4 Q. Do you have a copy of the County's standards  
5 relating to urban sprawl?

6 A. No, sir.

7 Q. How do your current facilities meet the County  
8 standards and the Department of Environmental Protection  
9 standards?

10 A. I don't know, sir.

11 Q. What event caused you to file the application at  
12 the time you filed it?

13 A. We were requested service.

14 Q. By whom?

15 A. By a developer.

16 Q. Well, maybe I'm having a problem understanding but  
17 I think you had discussions with the developer but I think  
18 the testimony of you and your husband was no one has ever  
19 requested the service?

20 A. Not for the territory that we are now requesting.  
21 No, sir.

22 Q. Right. Okay. Was the application that was filed  
23 in July complete?

24 A. No, sir.

25 Q. And did you ever furnish the additional information

1 that the Public Service Commission asked you for?

2 A. Yes, sir.

3 Q. Do you know when that was filed?

4 A. Over a period of time. I don't know exact times.

5 Q. Did anyone else other than yourself and your  
6 attorney help you in filling out the application?

7 A. I contacted -- probably I had conversations with  
8 our accountant and with my husband.

9 Q. Okay. On the application which you testified to  
10 you prepared, under part 4D, financial and technical  
11 information, the statement regarding the projected impact of  
12 the extension from the utilities monthly rates and service  
13 availability charge it says, "To follow."

14 Do you recall ever preparing that statement?

15 A. I'm sure I did because as far as I know, everything  
16 was furnished to the PSC with regards to my application.

17 Q. Well -- okay. And how do you know that that was  
18 filed, that that one Exhibit D was filed?

19 A. Well, I have not received any other correspondence  
20 from PSC asking for the balance of any of their information.

21 Q. Well, I guess what I'm trying to get at is did you  
22 file it? Did you send it to your attorney to file? I mean,  
23 how did you do this?

24 A. How did I -- I filed it with the -- I mailed it to  
25 PSC.

1 Q. And you have copies of your transmittal letter and  
2 copies of the documents you sent to them?

3 A. Yes, sir.

4 Q. Okay. Can we also get a copy of that document as  
5 well?

6 A. Which document?

7 Q. The part 4D statement regarding the projected  
8 impact of extension on the utility monthly rates?

9 A. All right.

10 Q. You've never received any word back from the PSC  
11 that they want anything else. Have you ever received a  
12 statement from the Public Service Commission that states your  
13 application is complete?

14 A. No, sir.

15 Q. Okay. On the systems map which was required to be  
16 filed, you stated that that would follow, too. Can you tell  
17 me how that map was transmitted to the Public Service  
18 Commission?

19 A. I either mailed it or Federal Express.

20 Q. Did you transmit that yourself?

21 A. Yes, sir.

22 Q. And you have copies of your correspondence and  
23 copies of what you transmitted?

24 A. Yes, sir.

25 Q. And we can get a copy of that, too?

1 A. Yes, sir.

2 Q. And do you know when you forwarded that systems  
3 map?

4 A. No, sir. Not exactly. I don't know exact time.

5 Q. Who provided the capacity information for the  
6 application?

7 A. I don't understand. Capacity? You mean the --  
8 what capacity? I don't understand.

9 Q. The capacity for your new water system.

10 A. Plant capacity? Is that what you're asking? I  
11 assume it was in my paperwork.

12 (Letter to Richard Redemann from Shari Dlouhy  
13 dated 9/12/96 marked as Exhibit Number 3 for  
14 identification.)

15 Q. This is a September 12 letter, Exhibit 3, signed by  
16 you, I'm assuming. Can you identify that letter and tell me  
17 the purpose of that letter?

18 A. It's the cover letter whereby I forward -- it  
19 states here where I'm forwarding additional information as  
20 requested by Mr. Redemann.

21 Q. Can you look at the second page?

22 A. Yes, sir.

23 Q. And what is that second page?

24 A. It's the second page of the cover letter.

25 Q. Does it talk about your capacity?

1 A. Yes, sir.

2 Q. And what's the date of that letter?

3 A. September 12.

4 Q. Okay. And does that letter state that your current  
5 Windstream capacity is 580,000 gallons?

6 A. I believe that's what it said. You took it back  
7 from me.

8 Q. I'm sorry.

9 A. Yes, sir.

10 Q. Is that the average or the maximum capacity?

11 A. I believe it's -- I would assume, without looking  
12 at my other records, it's probably maximum.

13 Q. Are you familiar with this February 28, 1997  
14 transmittal to the Public Service Commission which we're  
15 marking as Exhibit 4?

16 (Letter and attachments to the PSC from Shari  
17 Dlouhy dated 2/28/97 marked as Exhibit Number 4 for  
18 identification.)

19 A. It's my cover letter forwarding additional  
20 information as requested again.

21 Q. Requested by the Public Service Commission in  
22 February?

23 A. Yes, sir.

24 Q. All right. Can you flip the page and look at the  
25 first page?

1 A. Mm hm.

2 Q. Can you explain why, I believe it's in paragraph 3,  
3 why your capacity is now being represented to the Public  
4 Service Commission as a million gallons? What's happened  
5 between the date of the application and February 27 to nearly  
6 double your capacity?

7 A. I'm not sure.

8 Q. Then is this submission --

9 A. I --

10 Q. I'm sorry. Go ahead.

11 Then is this submission to the Public Service  
12 Commission in February in error?

13 A. I'm not sure. I don't -- I'd have to go back to my  
14 notes.

15 Q. Well, let me ask the question differently. Have  
16 you added any additional pumps or capacity to your system in  
17 the last six months?

18 A. No, sir.

19 Q. Okay. You just got through testifying that your  
20 maximum capacity as of the September date was 580,000  
21 gallons?

22 A. I said I believed it to be. I'd have to check my  
23 records on my permit.

24 Q. Okay. So you know of no investment that's been  
25 made by Windstream or you and your husband personally which

1 would increase the daily capacity from 580,000 gallons to a  
2 million gallons?

3 A. Not at this point just by looking at this. No,  
4 sir.

5 Q. Well, I'm having a problem because you prepared the  
6 application.

7 A. I understand. Yes, sir. I did. Okay. To be  
8 honest with you, I don't know where that figure came from.

9 Q. Could it be that you're overstating your capacity  
10 by representing your maximum demand is an average day demand?

11 A. I don't know. I'll have to check my permit.

12 Q. Do you know what your permitted use is in gallons  
13 per day at Majestic Oaks?

14 A. Not without looking at my permit. No, sir.

15 Q. Do you know -- so you don't know.

16 Do you know what it is in the -- any of the other  
17 facilities, the other well pump?

18 A. No, sir.

19 MR. BREWTON: Counsel, I'd really like to be  
20 able to reserve the right to explore some of these  
21 areas which your client as chief executive officer  
22 whose salary is almost half of the total operating  
23 expenses and who devotes all of her waking working  
24 days to this business doesn't know the answers to.

25 And I'd like for maybe her to study up a



1 little bit so we can ask her the real questions and  
2 get the real answers because there's a lot of  
3 inconsistencies here.

4 And I'm sure that since she's going to furnish  
5 me with some additional information you wouldn't  
6 object to it.

7 MR. DETERDING: To what?

8 MR. BREWTON: To following up on the areas in  
9 which Miss Dlouhy does not know the answers.

10 MR. DETERDING: Would you like her to give you  
11 some sort of written description of what that is,  
12 is that what you're saying, of the discrepancy?

13 MR. BREWTON: I want to have a discussion  
14 relating to her --

15 MR. DETERDING: Well, I want to know what  
16 you're asking for.

17 MR. BREWTON: Everything that she's promised  
18 that she's willing to furnish to me which she  
19 didn't have the answer to I'd like to be able to  
20 perhaps -- may not do it -- perhaps inquire further  
21 of her in reference to these financial issues.

22 MR. DETERDING: You're welcome to take her  
23 deposition again. What I'm trying to understand is  
24 do you want her -- she has promised you several  
25 documents here. Do you want her in addition to

1 provide you an answer in written form as to the  
2 discrepancy between the number, or are you just  
3 saying you would like to maybe take her deposition  
4 again?

5 MR. BREWTON: On all the matters that I've  
6 asked for so far including that issue.

7 MR. DETERDING: Well, I mean, I've got notes  
8 concerning what she promised to provide you.

9 MR. BREWTON: And we'll get you a copy of the  
10 depo, too, real quick. So you'll know that, too.

11 MR. DETERDING: Okay.

12 MR. BREWTON: Any questions from the PSC?

13 MS. CYRUS-WILLIAMS: Yeah. We've got a couple  
14 of questions.

15 So is the understanding then that he's going  
16 to take Miss Dlouhy's depo again?

17 MR. DETERDING: I don't know.

18 MR. BREWTON: On these matters.

19 MR. CLOUD: We may.

20 MR. BREWTON: We may.

21 CROSS-EXAMINATION

22 BY MS. CYRUS-WILLIAMS:

23 Q. Miss Dlouhy, this is Donna Cyrus-William.

24 A. Yes, ma'am.

25 Q. I have a couple of questions which Mr. Dlouhy could

1 not answer and I was wondering if you could perhaps help me  
2 out.

3 Schedule F6 of Windstream's '95 annual report shows  
4 a substantial long-term debt balance but Schedule F3 shows a  
5 very modest interest charge. Could you explain that apparent  
6 discrepancy?

7 A. The agreements were that no interest would kick in  
8 for a balance -- a period of time so that the system could be  
9 built up with customer base, and then once income started  
10 coming in, we'd be able to do -- pay interest on the balance  
11 of the debt.

12 Q. Okay. Schedule F3 of Windstream's '95 annual  
13 report indicates that income taxes were incurred in '95  
14 although a net operating loss was reported. Could you  
15 explain this discrepancy?

16 A. Not unless I -- not really. I'd have to speak with  
17 my accountant on why.

18 MR. DETERDING: Donna, may I chime in here?

19 MS. CYRUS-WILLIAMS: Yes, please.

20 MR. DETERDING: I thought we gave you a  
21 written response on that from Bob Nixon.

22 MS. CYRUS-WILLIAMS: I'm trying to get some of  
23 that information into the record.

24 MR. DETERDING: Okay.

25 MS. CYRUS-WILLIAMS: You attached pretrial

1 rebuttal testimony and in your direct attached a  
2 copy of the application but no information as far  
3 as your answers to our deficiency request. So I'm  
4 trying to get this information into the record.

5 MR. DETERDING: Okay. Well, okay. I  
6 understand. We'll do anything we can to help you.

7 MS. CYRUS-WILLIAMS: Okay.

8 MR. DETERDING: Do you want to make that  
9 response a late filed exhibit to this deposition?

10 MS. CYRUS-WILLIAMS: Why don't we do that.

11 MR. DETERDING: All right.

12 MS. CYRUS-WILLIAMS: Let me see if I have  
13 anything else.

14 MR. CLOUD: Donna, this is Tom. Can I ask you  
15 a question?

16 MS. CYRUS-WILLIAMS: Sure.

17 MR. CLOUD: We can file late file exhibits,  
18 too, right?

19 MS. CYRUS-WILLIAMS: Sure. If there's, you  
20 know -- is there something that's --

21 MR. DETERDING: If they're identified as such.  
22 You're talking about filing what?

23 MS. CYRUS-WILLIAMS: Yeah. What are we  
24 talking about here? If, you know, when Windstream  
25 deposes your witness tomorrow and they don't have

1 something and they ask for a late filed exhibit,  
2 but I'm wondering what are you referring to right  
3 now. Is there something you should have had but  
4 don't?

5 MR. CLOUD: Well, no. I was just curious how  
6 you all operated this late file exhibit rule.

7 MR. DETERDING: It's a deposition exhibit that  
8 she's asking that we provide. You've asked that we  
9 provide several. Though you have not identified  
10 them as exhibits, you have asked that we provide  
11 several items.

12 MR. CLOUD: Okay.

13 MR. DETERDING: As exhibits. I mean, you  
14 haven't called them exhibits to this deposition but  
15 you've ask that we provide several items.

16 MR. CLOUD: Well, Donna had previously asked  
17 Butch, I think, for a late filed exhibit on some  
18 information.

19 MR. DETERDING: Yeah. I think she did. She  
20 asked him for costs for looping Windstream and  
21 permits for Majestic Oaks is what I've got.

22 MS. CYRUS-WILLIAMS: Right.

23 MR. DETERDING: And Pigeon Park, too, I think.  
24 Yeah. Any outstanding permits, I think, Water  
25 Management, DEP permits.

1 MS. CYRUS-WILLIAMS: That's right.

2 MR. BREWTON: I don't see any problem with all  
3 of that. I mean --

4 MR. CLOUD: No. I'm just trying to understand  
5 it more is all.

6 MR. DETERDING: Well, all she's wanting us to  
7 do is provide her, in effect, additional documents  
8 and call them an exhibit to the deposition. I  
9 mean, whether you call them an exhibit to the  
10 deposition or not, it's not all that meaningful to  
11 me. So --

12 MS. CYRUS-WILLIAMS: Okay. I don't think I  
13 have any more questions.

14 MR. DETERDING: Okay. I've got a couple.

15 Let me ask you one question. That question  
16 about the book loss versus tax income, that was  
17 '95, is that correct, Donna?

18 MS. CYRUS-WILLIAMS: Yes. That's correct.

19 MR. DETERDING: Okay.

20 CROSS-EXAMINATION

21 BY MR. DETERDING:

22 Q. Okay. I just had a couple of questions. You were  
23 asked about Decca and Marion Utilities. Do you have just an  
24 estimate of how far they are from your territory? Do you --  
25 their systems are?

1 A. I would say Decca is probably around three,  
2 probably four to five miles southwest of the proposed  
3 amendment territory.

4 Marion Utilities I'm not exactly sure where they're  
5 at outside this territory. They are further south.

6 Q. And how far are your facilities from the proposed  
7 territories?

8 A. They're right next to it or within it. Both plants  
9 are within the service territory.

10 Q. So you have lines that are immediately adjacent to  
11 those territories, proposed territory?

12 A. Yes, sir.

13 Q. On Exhibit 4, you were asked about this paragraph  
14 3, and I believe counsel suggested that you were representing  
15 maximum day capacity as average.

16 Where does it say average daily -- I think he  
17 actually said average daily flow as the maximum day flow as  
18 average flow but I believe he meant capacity.

19 Where does it say that those numbers represent  
20 average daily capacity, average daily flow capacity?

21 A. It doesn't.

22 MR. BREWTON: I didn't ask the question in  
23 regard to that paragraph.

24 MR. DETERDING: I'm sorry. That's what I  
25 understood you were talking to her about when you

1 suggested somebody has represented max as average.

2 Okay. That's all I have.

3 MR. BREWTON: Can I ask a quick question while  
4 we're still all here together?

5 MR. DETERDING: Certainly.

6 MR. BREWTON: We have the hearing starting  
7 June 17. When can we get this information relating  
8 to --

9 MR. DETERDING: We should be able to get you  
10 most of these things that you asked us about that I  
11 think are pretty straightforward. The annual  
12 report '96 was recently filed.

13 Answer to question 4D of the application and  
14 the correspondence with which that was submitted,  
15 answer to the system maps and correspondence with  
16 which that was submitted. Note on shareholder  
17 loans, we are going to see what we can do about  
18 that. I'm not sure. Whatever rough figures there  
19 were concerning profit and loss projections.

20 I think that's all I have there. And then the  
21 staff late filed exhibit on Nixon response, that's  
22 very easy.

23 The only ones that off the top of my head --  
24 and Shari could probably estimate better on those  
25 -- the shareholder note apparently that she seemed



1 to indicate that may be hard to find and the rough  
2 figures concerning profit and loss projections, it  
3 sounded to me like all she had were some notes.

4 So how long would it take you on those two?

5 The other ones sound like we can have them to  
6 everybody within a week or a week and a half. I'm  
7 unfortunately tied up for the next week solid. So  
8 if it's going through my office, I'm going to have  
9 to assign somebody to make sure it gets to you.  
10 But not very long on those. Certainly not on  
11 those.

12 MR. BREWTON: Well, I would assume that if the  
13 notes of the business plan, which is what I was  
14 asking about on the profit and loss and so forth,  
15 if that's available, that ought to be able to be  
16 copied this afternoon and brought tomorrow.

17 MR. DETERDING: Well, I don't think she said  
18 that she had a business plan, a written business  
19 plan. She said she had some rough figures  
20 concerning profit and loss.

21 MR. CLOUD: And I think what he's saying is he  
22 wants to see whatever it is she's got.

23 MR. DETERDING: And I have offered to give it  
24 to him, Tom. I'm just saying that I don't know  
25 that she can go dig out rough notes tonight. We

1 certainly are going to provide it.

2 MR. BREWTON: I agree that you are. I guess  
3 my point is that we're in an ongoing application  
4 where financial liability of the same is one of the  
5 conditions that the Public Service Commission  
6 places on this.

7 And I think it's important for not only us but  
8 the Public Service Commission to see what kind of  
9 business plan was developed or what kind of numbers  
10 or projections were prepared by the applicant.

11 MR. DETERDING: Okay. And I haven't disagreed  
12 with that. We said we'd give you the information.

13 MR. BREWTON: Okay.

14 MR. DETERDING: Am I going to give it to you  
15 tomorrow? No. Unless Shari says she can go grab  
16 it like that, we're not going to supply it  
17 tomorrow.

18 MR. BREWTON: Okay.

19 MR. DETERDING: But we'll certainly get you  
20 that other information in short order. And as a  
21 matter of fact, what I would suggest we do is  
22 report to you all tomorrow morning about how  
23 quickly we can get you the other stuff and  
24 hopefully --

25 MR. CLOUD: That will work.

1 MR. DETERDING: And hopefully we can have you  
2 those other documents if not tomorrow then sometime  
3 in very short order.

4 MR. CLOUD: This is fine.

5 (The deposition was adjourned at 3:29 p.m.  
6 Wednesday, May 7, 1997.)  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25



CERTIFICATE OF OATH

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

STATE OF FLORIDA )  
COUNTY OF MARION )

I, the undersigned authority, certify that SHARI  
DLOUHY personally appeared before me and was duly sworn.

WITNESS my hand and official seal this 13th day of  
May, 1997.

/s/  
Original signed by  
Kimberly A. Izzo, RPR

Kimberly Izzo  
Notary Public - State of Florida  
My Commission No. CC456514  
Expires: 5/6/99

REPORTER'S DEPOSITION CERTIFICATE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF FLORIDA )  
COUNTY OF MARION )

I, Kimberly Izzo, RPR, certify that I was authorized to and did stenographically report the deposition of SHARI DLOUHY; that a review of the transcript was requested; and that the transcript is a true and complete record of my stenographic notes.

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 13th day of May, 1997.

/s/  
Original signed by  
Kimberly A. Izzo, RPR

\_\_\_\_\_  
Kimberly Izzo, RPR