

BEFORE THE STAFF OF THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 970409-WS

IN THE MATTER OF  
TROPICAL ISLES MOBILE HOME PARK,  
vs.  
FLORIDA WATER SERVICES, INC.,

ORIGINAL

INFORMAL CUSTOMER MEETING

DATE: Wednesday - November 19, 1997  
TIME: Commenced at 6:33 o'clock p.m.  
Concluded at 8:45 o'clock p.m.  
PLACE: Tropical Isles Mobile Home Park  
281 Tropical Isles Circle  
Fort Pierce, Florida 34982  
BEFORE: LINDA L. BAGGETT, Professional Court  
Reporter and Notary Public of the  
State of Florida at Large

BUREAU OF REPORTING

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FPSC-RECORDS/REPORTING

1 IN ATTENDANCE:

2 STAFF FROM THE PUBLIC  
3 SERVICE COMMISSION:

4 JO ANN CHASE, CHAIRPERSON  
5 ROSANNE GERVASI, ESQUIRE  
6 JENNIFER LINGO

7 OFFICE OF PUBLIC COUNSEL: HAROLD McLEAN, ESQUIRE

8 TROPICAL ISLES MOBILE  
9 HOME PARK:

10 ROBERT SIMPSON  
11 ROGER SHACKET

12 STAFF FROM FLORIDA WATER  
13 SERVICES, INC.:

14 MATT FEIL, ESQUIRE  
15 JAKE ROHRICH  
16 TRACY SMITH  
17 WAYNE VOWELL

18 STATE REPRESENTATIVE: KEN PRUITT

19 ALSO PRESENT:

20 LYNN GREENE  
21 ARMAND CHEVIGNY  
22 RALPH SMART  
23 FRED SALWAN  
24 RAY BROPHY  
25 ANDY GERACE  
ROBERT CLEMENS  
GLORIA TORREZ

P R O C E E D I N G S

(Meeting convened at 6:33 p.m.)

MS. GREENE: For your information, these gentleman represent FWS, Mr. Vowell, Mr. --

MR. ROHRICH: Rohrich.

MS. GREENE: -- Mr. Rohrich, Mr. Smith, and Mr. --

MR. FEIL: Feil.

MS. GREENE: -- Mr. Feil. Let's be nice.

Ms. Chase, Ms. Gervasi, and Ms. Lingo, wherever she is -- there she is back there -- are the staff members with the Public Service Commission. Ms. Baggett is the court reporter. Remember she's got to report whatever you say, so keep it nice. Mr. Shacket, as you all know is our own, Mr. Harold McLean from OPC, and Mr. Simpson, who you all should know. This gentleman is Mr. Ken Pruitt, our State Representative (indicating).

(Applause.)

MS. GREENE: And this gentleman you all know is Andy Gerace representing FMO.

(Court reporter asks for speaker's name.)

MS. GREENE: I'm Lynn Greene, President of Tropical Isles Howowners Association. They all know me. Sorry about that.

Okay. Ms. Chase, do you want to take over?

1 MS. CHASE: Yes. Thank you.

2 Thank you, Mrs. Greene. She has already  
3 introduced us, but again, I'm Jo Ann Chase. I'm a staff  
4 member of the Public Service Commission. We are -- as  
5 she also noted, we do have a court reporter. This  
6 meeting is being reported. For that reason, it's very  
7 important that the people that want to speak do come up  
8 to the microphone, speak into the microphone, and for  
9 that you will have to fill out a speaker form.

10 Now, when everyone has finished speaking, if  
11 there are more that want to speak, we will ask. So if  
12 you raise your hand, at that time we will allow you to  
13 come up and speak.

14 Also there are some special reports, the green  
15 things in the back of the room. You will notice the very  
16 last page of the special report is a blank piece of  
17 paper. If you do not wish to speak now or think of  
18 something later on after the meeting that you would like  
19 to communicate to the staff, you can make your comments  
20 on this piece of paper, mail it in to the Commission. On  
21 the back is the address where you mail it. This too will  
22 be incorporated into our recommendation that I'm going to  
23 speak of later. This is something for you to take home  
24 and read there or speak here tonight, whichever.

25 When you come up to the microphone, again for

1 the record, so that we get it all accurate, I ask you to  
2 state your name, spell it for the court reporter so she  
3 can make sure she has the record complete.

4 Now, I think you all know this, but we are here  
5 tonight to discuss a case that was opened by the  
6 Commission to look at the feasibility of implementing a  
7 metered rate or vacation rate for the customers of  
8 Tropical Isles. As you know, you have at this point in  
9 time a flat wastewater rate. You are provided service  
10 from the City of Fort Pierce, not by Florida Water, and  
11 so therefore you have had a flat rate.

12 The company's last rate case -- at one of the  
13 customer hearings we did hear from customers that you  
14 wanted a different rate structure, that you believed the  
15 flat rate was not fair in this case because you do have  
16 metered water information. You would like a metered rate  
17 or you would at least like a vacation rate because many  
18 of you go away for some of the months of the year and  
19 would like to pay some sort of lower rate, taking into  
20 account that you are not putting any of the demand on the  
21 sewer system during that time.

22 So the Commission ordered the company to file a  
23 report looking into that. We do have the information  
24 during the rate case in which to do that, so we opened  
25 the docket. We required the company to look into the

1 feasibility of a metered rate, what they proposed a  
2 metered rate would look like, and look into the concept  
3 of a vacation rate. That report has been filed. The  
4 company has provided us this information about how they  
5 calculated it. The staff is still looking into some of  
6 the -- some of the supporting backup for those numbers.  
7 We are looking into this with the City of Fort Pierce,  
8 the billing analysis and so forth, just to verify some  
9 things.

10 But what we're here tonight to talk about is  
11 this case and the restructuring of a flat water rate to  
12 either a metered rate or implementing a vacation rate.  
13 This docket is being processed under the Commission's  
14 limited procedures, which Ms. Gervasi is going to explain  
15 in a little more detail. But we are here to discuss two  
16 issues. The issue of going from a flat to metered rate  
17 and vacation rate issue. This is why we're here tonight;  
18 to gain commentary from the customers, to get your input  
19 and insight on these issues.

20 After studying the Utilities' report, analyzing  
21 the billing analysis and fees, and review of the  
22 transcript being made here tonight, the staff will  
23 prepare a written recommendation on the issue for the  
24 Commission to consider, which will summarize the comments  
25 made tonight, also what we get by mail. In addition to

1 that, this transcript will be placed in the docket file  
2 and will be available for the Commission to read  
3 themselves.

4 I think at this point I'd like to turn the  
5 docket over to Ms. Gervasi. She will explain some of the  
6 processes that we will be going through after this  
7 hearing tonight so you can understand that. And then  
8 Mr. McLean is with our Public Counsel and has a few brief  
9 opening comments. He will be the one to call you up to  
10 the microphone and assist you in making your comments.

11 At this table is Mr. Feil (indicating). He has  
12 a brief opening comment he would like to make before the  
13 customers begin making their comments or questions or  
14 whatever.

15 So let me turn it over to Ms. Gervasi at this  
16 point.

17 MS. GERVASI: Thank you all for being here. My  
18 name is Roseanne Gervasi, and I am a staff attorney with  
19 the Public Service Commission, and I am the staff  
20 attorney assigned to assist the technical staff in  
21 processing this case, this case that's being processed  
22 under the Commission's Proposed Agency Action Procedures,  
23 and I'm here to tell you a little bit about what that  
24 involves.

25 When -- as Ms. Chase explained to you, when

1 staff completes its investigation on whether you all  
2 should be able to get a metered or vacation rate, the  
3 staff will formulate a detailed report, which we call a  
4 staff recommendation. And we'll file that with the  
5 Commission for their consideration. The Commission will  
6 consider and vote on the staff recommendation at a public  
7 meeting called an Agenda Conference at the Commission in  
8 Tallahassee. It's a public meeting, like I said, which  
9 means you all are certainly welcome to attend if you want  
10 to make the trip up to Tallahassee and give your comments  
11 directly to the Commissioners.

12 We will summarize the comments that we hear  
13 from you tonight in our recommendation so that the  
14 Commission will be apprised of what your feelings are  
15 about -- about how they should vote.

16 We anticipate that we'll be filing the staff  
17 recommendation -- well, complete the investigation and  
18 have the document filed February the 26th of next year,  
19 1998, for the March 10th Agenda Conference in  
20 Tallahassee. At the Agenda Conference the Commissioners,  
21 before they vote, will have an opportunity to ask  
22 questions of the staff, questions about the  
23 recommendation that we file. They can also ask questions  
24 of the Utility representative and also, like I said,  
25 you're certainly welcome to come up and give your



1 comments directly to the Commissioners at that time  
2 before they do vote on the matter.

3 If you are interested in attending the Agenda  
4 Conference in March, we suggest that you get there in the  
5 morning by around 9:30. Even though water and wastewater  
6 items are generally heard in afternoon, sometimes items  
7 are taken out of order. We never know how fast the  
8 conference is going to go. You don't want to make the  
9 trip and then find out that the items have already been  
10 voted on, because several items will be voted on during  
11 that day.

12 Also we can send a copy of the staff  
13 recommendation after it's filed to about 10 or so of you.  
14 We don't have the resources to send a copy of it to  
15 everybody. So what we ask you to do is consider whether  
16 or not you are in a position to be able to share a copy  
17 of that recommendation with as many other Tropical Isles  
18 customers that you can. If you're able to do that, what  
19 we'll do is we will have a sign-up sheet here at the  
20 table at the end of the meeting and we ask you to, before  
21 you leave tonight, to sign up to get a copy of the  
22 recommendation. We'll try to accommodate everybody who  
23 asks for a copy. But like I said, we generally can get  
24 10, maybe 15 of them out hopefully that you can share  
25 them.

1           There will also be an order that the  
2 Commissioners will issue, which will confirm their vote  
3 they make at the March Agenda Conference. That will be  
4 issued as a Proposed Agency Action Order, which means  
5 that it will say what the Commission proposes or intends  
6 unless an interested person, such as any customers here,  
7 filed a protest to the order within 21 days of the date  
8 the order is issued, and if no protest is received to the  
9 order by the date, by that deadline date, then the order  
10 will become final, the decision will become final by  
11 operation of law.

12           If you sign up -- come up to the table and sign  
13 up to get a copy of the recommendation at the end of the  
14 meeting, you will also get a copy of the order once it's  
15 issued. And the order -- at the end of the order there  
16 will be a notice that will tell you when the protest  
17 period expires. So that if you disagree with the  
18 Commissioners' decision, you need to take note of that  
19 deadline so you can file your protest on a timely basis.  
20 Because, like I said, if there are no protests received  
21 within that time, then the order will become final.

22           If we do receive a protest by a customer or any  
23 substantially interested person to the order, then what  
24 will happen is we will set up the matter for a hearing, a  
25 formal hearing, which is conducted much like a trial.

1 It's an administrative hearing, generally a long  
2 complicated process, much like a trial, except that  
3 instead of going to court and having a judge that you  
4 appear before, you would be appearing before the  
5 Commissioners or a panel of the Commissioners, and we  
6 would conduct the hearing down here in this general area,  
7 possibly in this room.

8 At that point, if we go to a formal hearing,  
9 the parties, including any customers, would need to prove  
10 up their cases. And parties generally do so by using  
11 attorneys and expert witnesses, such as consultants,  
12 engineers, accountants and the like. And the hearing  
13 could involve pre-hearing activities, such as motions,  
14 filings and formal discovery, but much like in a trial.  
15 And all witnesses who give commentary at the hearing  
16 would be testifying rather than just coming up and  
17 speaking informally. You would come to the witness stand  
18 and you would be testifying under oath, and your  
19 testimony would be subject to cross-examination by any of  
20 the attorneys appearing on behalf of any of the parties.

21 Then following that hearing process, staff  
22 would formulate another recommendation for another  
23 Commission Agenda Conference. The Commissioners would  
24 make another vote and another order, but at that point  
25 that order would be final since we've already gone

1 through a hearing. There wouldn't be another opportunity  
2 for a protest. What would happen is the order would be  
3 issued as the final action. If you're still dissatisfied  
4 after that process, your recourse at that point would be  
5 to appeal it in the courts.

6 With that, I just would like to remind you that  
7 because we do have a court reporter here, if you have  
8 signed up to speak this evening, that you do wait until  
9 you would be called. You come up to the microphone and  
10 speak directly into the microphone. The court reporter  
11 can only record one person speaking at a time. We do  
12 request that everybody who signed up to speak get an  
13 opportunity to speak the first time before we -- before  
14 we bring people up the second time. If you think about  
15 something you maybe didn't say that you would like to  
16 say, we request that you wait until everybody's had an  
17 opportunity to have their say before we would do that.  
18 Then we'll take further commentary.

19 When you come up to the microphone, again, I'd  
20 just like to remind you, please first state and spell  
21 your name for the court reporter, and then give your  
22 address, and then proceed to make any comments that you  
23 wish.

24 Thank you very much for your time. And with  
25 that, I'll turn it over to Mr. McLean with the Office of

1 the Public Counsel.

2 MR. McLEAN: Can you hear me, folks? How about  
3 now?

4 SEVERAL MEMBERS OF THE AUDIENCE: Yes. Yes.

5 MR. McLEAN: Good evening. Thank you very much  
6 for coming out. You're probably wondering how I got to  
7 be a lawyer. Let's see if I can explain that to you. I  
8 work for the Florida Office of Public Counsel. That is  
9 an organization with several lawyers in the organization.  
10 It is a State agency. We're all appointed by the Florida  
11 Legislature. My boss, Mr. Shreve, answers directly to  
12 the Legislature, so in a very direct sense Mr. Pruitt,  
13 who we're mighty glad to see, is my boss' boss.

14 We are here -- may make him a little nervous.  
15 We are here on behalf of customers such as you, very  
16 frequently before the Public Service Commission and  
17 before the various courts of Florida in a number of  
18 capacities. We try to look out for your interests as  
19 best we can.

20 A couple years ago the Legislature became a  
21 Public Service Agency, and we noticed there was the  
22 utility on one side of the room and the Public Service  
23 Commission in the middle, and really no one there to  
24 represent your interests. So in their wisdom, back in  
25 about 1977, they established our office, and I'm mighty

1 happy to help you.

2 Now, Ms. Chase -- I'm sorry, Ms. Gervasi  
3 explained to y'all the procedure which sounded fairly  
4 complicated to me, even though I've been around about 20  
5 years listening to it. Let me see if I can simplify it  
6 just a little bit for you. Ms. Gervasi did a good job of  
7 telling you all the details. I'd like to tell you the  
8 highs.

9 There is a proposal by which the Public Service  
10 Commission can change your rates here in the park. They  
11 came down here tonight to hear what y'all have to say  
12 about that. I'm going to tell you that the Public  
13 Service Commissioners in Tallahassee are always  
14 interested about a number of subjects and a number of  
15 concerns you have about the utilities, and I'll say to  
16 you this is a good opportunity to present that to them  
17 because the court reporter sits here tonight and  
18 ultimately the Commissioners will hear what you have to  
19 say tonight. They'll have the opportunity to read  
20 precisely what you said word for word. That you have  
21 concerns, please do make them known; okay?

22 So the Commission staff is going to hear what  
23 you have to say tonight, and they will form a  
24 recommendation and take that to the Public Service  
25 Commission for their recommendation based in part on what

1 you have to say (indicating audience), based in part on  
2 what the Utilities' concerns, and based upon their own  
3 expertise. So they will make a recommendation to the  
4 Commission. That's the things you heard about  
5 March 10th. On March 10th, the Commission decides  
6 whether the staff recommendation is a good idea. You can  
7 come to Tallahassee and say what you think about that  
8 recommendation.

9 Now, our office has worked with Mr. Simpson  
10 here, with Ms. Greene, and we will continue to work with  
11 them. Any of you that's worried about getting the  
12 Proposed Agency Action Order, we'll make sure that your  
13 community leaders get that, and any of you who want to  
14 get it, contact the community leaders, and we'll make  
15 sure. We'll also make sure that you have access to that  
16 staff recommendation that the Commission is going to  
17 review.

18 Now, when the Commission considers that,  
19 they'll try to determine whether the staff recommendation  
20 is a good idea or not. They have full latitude to do  
21 anything else that they care to do about it, that  
22 particular file. Sometimes they go with staff, sometimes  
23 they don't.

24 You have an opportunity to come to Tallahassee  
25 on March 10th. Tallahassee is a long way off, which is

1 why Florida laws provide you with yet another opportunity  
2 to make your concerns known. If and when the Commission  
3 votes out their final order -- when they vote that out,  
4 that's called a Proposed Agency Action Order. The reason  
5 it's proposed is that if something is breached, something  
6 is not right, someone is injured by that order, they have  
7 the right to suggest to the Public Service Commission  
8 that they want a hearing on the specifics on the way in  
9 which they feel themselves injured. They have the right  
10 to demand from the Commission that they get a hearing and  
11 they get a hearing as soon as their protest is legal and  
12 sufficient. My job is to make sure that any protest you  
13 folks want to file is legal and sufficient. That's what  
14 I do. When and if that protest is filed, the Commission  
15 has to have a hearing and the Commission hears your  
16 concerns again at that point perhaps, if you care to  
17 protest.

18           At the end of that protest period, the whole  
19 smear goes back before the Commission and they decide  
20 what to do then. What happens after that? We lawyers  
21 like to take things to court. If we feel it's your  
22 brief -- you tell us it's your brief and you don't like  
23 the work, what happens is we take measures, as we  
24 sometimes do, particularly where Southern States are  
25 involved. We have appealed many Southern States'



1 orders -- I'm sorry, Public Service Commission orders,  
2 and we're not strangers to the appellate process.

3 So to recap, my function here is to represent  
4 you folks as a competent lawyer. The Florida Legislature  
5 staff established our office to look after you folks in  
6 situations just like here.

7 Pursuant to that, tonight I'll call those of  
8 you who have signed up to testify and give your view of  
9 things to the Commission staff. I will call you as if  
10 you were my witnesses, as in many respects you are.

11 Are there any questions of me, any questions of  
12 what I do in the process?

13 Thank you very much for coming out. It's  
14 wonderful. That never happened when I was in private  
15 practice. Thanks a lot.

16 (Applause.)

17 MR. FEIL: Thank you. My name is Matt Feil,  
18 attorney for Florida Water Services. With me tonight is  
19 Tracy Smith, who is with our Public Relations Department;  
20 Mr. Jake Rohrich, who is the regional manager; and  
21 Mr. Wayne Vowell, who is area supervisor for this area.  
22 Conspicuously absent tonight is our rates manager.  
23 Unfortunately he had a respiratory infection. He had 103  
24 degree fever this morning, so he could not come with us.  
25 To the extent that you have detailed questions concerning

1 billing, I'll make every attempt to try to answer those  
2 questions. Bear in mind the source.

3 I'm not going to talk about procedure, as has  
4 been explained. I want to focus in on a few things  
5 basically. First, what Ms. Chase mentioned, why we're  
6 here tonight. We're here to talk about changing your  
7 rate structure.

8 As you mentioned in the last rate case, some of  
9 you expressed concerns with the rate structure, why you  
10 were on a flat rate structure. In the way of background,  
11 in that rate case the Commission has to consider two  
12 things. First is how much revenue the company is  
13 entitled to receive from all of the customers. The  
14 second thing is how do we divide up that pie. How you  
15 divided up the pie is the rate structure question. So  
16 what we're here tonight to talk about is the second part  
17 of that equation, how do we divide up the pie.

18 We sent out in the notice an explanation, or a  
19 brief explanation of how that breaks out for you. You'll  
20 notice on the last page of that notice there is a listing  
21 of what your current rates are, your flat charge, plus it  
22 shows on there what Ms. Chase would refer to as the  
23 metered rate, which contains what's called a base charge,  
24 which is a fixed monthly charge, plus a gallonage charge.

25 We just want to make sure that you all know

1 that if there is a change from a basic charge -- excuse  
2 me, a change from a fixed charge to this new rate  
3 structure, the metered charge, that means that some of  
4 you are going to pay more and some of you are going to  
5 pay less. Those of you who would pay less are the ones  
6 who are not here living at Tropical Isles full time. The  
7 ones that would pay more are the permanent residents of  
8 Tropical Isles. Why is that? Because of the way the  
9 charges break down. If they're not here, you would only  
10 be paying the base charge, which is listed here as \$15.77  
11 for the months while you were not here. Whereas  
12 currently for the months that you are not here, you are  
13 paying \$35.77.

14 So I want to make sure that you all understand  
15 that. The sum and substance of what I'm saying is that  
16 groups of you will have divergent interests in this  
17 matter.

18 The other thing I wanted to mention briefly is  
19 to dispel quickly a few misunderstandings. There is no  
20 malevolent plot to defraud you people, no plot on behalf  
21 of any of the people here or anybody else in the company.  
22 We received some criticisms, for example, as to when this  
23 meeting was initially scheduled. You all may recall  
24 receiving a notice, I believe it was in the April/March  
25 time frame suggesting that scheduling a meeting in the

1 summer months was a bad idea. For example, I received a  
2 return receipt from Ms. Nadine Ginn who indicates "Notice  
3 you're up to your old tricks scheduling meetings when  
4 there are so few people that are here."

5 (Applause.)

6 MR. FEIL: Well, I appreciate Ms. Ginn's  
7 comment. However, you all should know we had absolutely  
8 nothing to do with scheduling this meeting. The  
9 Commission staff was concerned with getting the meeting  
10 scheduled as quickly as possible after we had received  
11 information from the Fort Pierce Utility Authority. Once  
12 the Commission staff who had initially proposed a summer  
13 meeting saw the interest of the individual customers,  
14 they decided, plus we received a request from Ms. Greene  
15 on behalf of y'all to reschedule the meeting. The  
16 Commission staff decided it was better to have the  
17 meeting today. So again, there is no malevolent plot to  
18 trick you. We did not schedule the meeting; okay?

19 The second thing is -- and this is more of a  
20 minor point -- is that there's been some suggestion that  
21 we were dragging our feet for getting information from  
22 the Fort Pierce Utilities Authority. Not so. We made  
23 three separate requests from the Fort Pierce Utilities  
24 Authority, two by telephone, one in writing. We got the  
25 information from them, I believe it was late -- late

1 February or March. But we were not dragging our feet.  
2 We were waiting to hear from the Fort Pierce Utilities  
3 Authority. I don't know if anybody is here representing  
4 the Fort Pierce Utilities Authority. Apparently not.  
5 But that is the case.

6           There has been some suggestion that  
7 representatives of the Association went to the Fort  
8 Pierce Utilities Authority and got the information, no  
9 problem. Why did it take Florida Water so long? Again,  
10 not the case. We had to ask for a full year's worth of  
11 billing data for every customer in this area in order to  
12 properly calculate what the meter rates would look like.  
13 I'm sure all of you can understand why. From what the  
14 Fort Pierce Utilities Authority has told us is that  
15 representatives of the Association asked for one month's  
16 worth of consumption for only a small range of customers,  
17 and so that's significantly less information than we  
18 required in order to calculate the proper rates.

19           Again, we're here to answer your questions. We  
20 look forward to hearing what you have to say about going  
21 to a metered rate versus a flat rate. Thank you for your  
22 time.

23           MS. CHASE: Are there any questions before we  
24 get started to take customer testimony?

25           Mr. McLean?

1           MR. McLEAN: If any of you folks signed the  
2 yellow form, you need to get them up to me so I can call  
3 you, make sure you're called. I'm going to call the  
4 first witness up right away.

5           Our first witness is Mr. Robert J. Simpson.

6           Ms. Chase, Mr. Simpson has his materials right  
7 here with him. I'd like for him to be able to talk right  
8 from his spot, if that's all right?

9           MS. CHASE: Sure.

10          MR. SIMPSON: I don't think we're at the same  
11 meeting, Matt. The -- my understanding is that if they  
12 did have a metered rate, you don't need to worry about  
13 vacation, the meter will tell you when somebody is on  
14 vacation.

15          (Applause.)

16          MR. SIMPSON: Item 2, no place in that 120-day  
17 order did they say anything that the structure had to be  
18 fixed. If it had a set uniform structure the First  
19 District Court of Appeals said "It ain't no good no how,"  
20 and doesn't even go under catband. In fact, your own  
21 staff members have written a letter saying that we didn't  
22 like catband. We had no input in catband. It was  
23 staff's idea. We know it's working a hardship on senior  
24 citizens like in Tropical Isles.

25          You wonder why this has been so contentious, as

1 Commissioner Kiesling has been quoted in the Associated  
2 Press? It's simply because of this. There's an order  
3 coming out in good faith that this will be 120 days, in  
4 which time there's going to be a bond. We got a letter  
5 the 120 days was up February 20th. We got a memo from  
6 Ms. Sweat or Sweet or whatever her name is, at Florida  
7 Water Services March 15th, saying "Oh, it's -- we're only  
8 going to discuss whether you're going to pay this high  
9 fee on a vacation rate basis or not at all. We have not  
10 accepted the fact of paying this amount of money, this  
11 exorbitant amount of money, triple what you were paying  
12 before.

13 (Applause.)

14 MR. SIMPSON: And if that's not going to be  
15 open for discussion, we might as well quit right now and  
16 save our time because too much time has been wasted, and  
17 we'd save all the time and paying attorneys and everyone  
18 else who probably who got a rate reduction.

19 (Applause.)

20 MR. SIMPSON: So it is contentious. We have  
21 not given up our rights. Your Chairperson Johnson  
22 assures Representative Pruitt that we would be involved  
23 in every step, and Representative Foley. Suddenly we  
24 hear from Ms. Sweat or Sweet, or whatever her name is,  
25 that it's only looking at how much, what way the pie is

1 going to be carved up. The FWS, SSU, or whatever, has  
2 already decided how hungry they are, and staff's agreed  
3 with the voracious appetite. We haven't. We have not.

4 Now, you know, if this is not open to set a  
5 fair rate, if you will look on this little chart that's  
6 in your handout, we have a bid to operate this plant at  
7 \$8 per resident per month. They want \$44 and something  
8 per resident per month. They used figures like there's  
9 four people in the average home in Florida. We aren't  
10 the average home in Florida. The average resident here  
11 is one person on the average over a year, not four.

12 (Applause.)

13 MR. SIMPSON: Every time we hear about the  
14 gallons per month, or RWO, residential water -- had to  
15 use a whole new vocabulary here PDQ -- the whole thing is  
16 they kept saying "Well, for 6,000 to 10,000 gallons a  
17 month." Again contentious. Take a look at Florida Water  
18 Services' report to the Department of Environmental  
19 Regulations, which claimed that we use 500 gallons a  
20 month. Not 6,000, 500 gallons a month. And suddenly  
21 after this litigation started, it's jumped as high as  
22 3,000, 3,400 gallons a month.

23 We use Fort Pierce Utilities Authority's data  
24 and take 80 percent -- which, by the way, we got  
25 immediately -- and we're told by Fort Pierce Utilities



1 that after a couple phone calls, "We didn't know what  
2 they wanted," and then Matt Feil has a letter from Maggie  
3 O'Sullivan saying that this had been filed on  
4 February 8th. What happened, it was filed February 27th,  
5 seven days after the deadline, and Maggie nicely gets to  
6 the rates office, and it did not answer the question.

7 But suddenly we hear that without being  
8 involved, without even being given the courtesy of how  
9 these rates were computed, this whole pie has been fixed.  
10 It's got nice little whipped cream on it and everything.  
11 Now, who wants to slice it? This is not a public service  
12 if it does this to the public, it's a public utilities.

13 Further, you know, the whole thing, your rate  
14 schedule, the little booklet, it lists the main party as  
15 a Commission Utility Company. We're the ones who pay for  
16 it and pay the taxes. We're listed as intervenors, not  
17 full parties, not full citizens in this thing. Who pays  
18 the bill? We do. We pay your bill and their bill, and  
19 we're objecting to the procedure of the whole thing.

20 Sorry if I sound a little angry, but I am.  
21 There is one thing. You want to shoot the messenger, and  
22 if you're not the messenger, not the one involved, accept  
23 how we feel about this. But there is an old adage: If  
24 the shoe fits, wear it.

25 It would seem that had we sat down on this

1 right at the start and figured it out, the rates could  
2 have been much cheaper. I can't see how they can ask for  
3 \$44.27 to run a big septic tank.

4 SEVERAL MEMBERS OF THE AUDIENCE: That's right.

5 MR. SIMPSON: Here I was getting upset with  
6 Florida and thinking about moving to North Carolina. I  
7 have folks in North Carolina with septic tanks, and they  
8 ain't going to touch it.

9 (Applause.)

10 MR. SIMPSON: It would be nice if we had data  
11 that we requested since their information meeting in  
12 Stuart in January 1996, at a public hearing in Stuart on  
13 February 1st, and we still never got data on how the  
14 rates are figured for Tropical Isles, even though they  
15 have it. Now, if they have it, why don't they use that  
16 to compare it to our other bid to St. Lucie County  
17 Utilities to run a line up the road to provide us service  
18 for a lot less. Right up to the light, U.S.1 at Midway  
19 Road, and we'd be glad to jump in. Right now we'd jump  
20 in for less or about the same fee and get rid of this  
21 problem.

22 It seems to me, you know, their chief executive  
23 officer in January 1997, came out with a memo to all of  
24 us about it's a new customer-oriented company.

25 (Laughter.)

1 MR. SIMPSON: But he was smart, he wasn't  
2 introduced as your friends and customers. He knew the  
3 difference.

4 (Applause.)

5 MR. SIMPSON: The only change that we've seen  
6 by FWS is a longer customer I.D number they want us to  
7 put on the check. I don't consider that an improvement.  
8 I agree with what Buddy MacKay said, it's an old  
9 organization. It tells us about loss, and yet its parent  
10 company, Minnesota Power, the same year the stockholder  
11 report reports an 11.1 million dollars unexpected  
12 increase, an unexpected increase. I think a loss means  
13 that that pie isn't as big as they expected it to be.

14 I'll rest for a minute and let some others come  
15 in, but we are angry. It is contentious. It's not  
16 cooperative. It's been a vicious cycle. We hope we  
17 don't have to go through all of this again, but we've  
18 gone this far, we're willing to go all the way to the  
19 First District Court of Appeals.

20 Matt, I'd like to have you just answer one  
21 thing that I asked you about before. I received a copy  
22 of a letter from Edith Sanders at the Public Service  
23 Commission to you wanting to know where you lost two  
24 million gallons of our wastewater, which is a five-year  
25 supply. I hope it isn't coming into our homes.

1 (Applause.)

2 MR. FEIL: I want to make sure you understand  
3 what that two million gallons was referring to. It's not  
4 two million gallons of wastewater. It was two million  
5 gallons of water that showed up on the Fort Pierce  
6 Utilities Authority's meter reading consumption that did  
7 not show up in our billing analysis when calculating what  
8 the metered wastewater rate should be.

9 As I said before, our rates person  
10 unfortunately was ill, but what information I did get  
11 from him when he showed up in the office all pale and  
12 sweaty this morning was --

13 (Laughter.)

14 MR. FEIL: -- pale and sweaty from the fever,  
15 not from this -- not from the meeting. But what -- what  
16 information I did get from him this morning is that at  
17 least half of that difference is attributable to the  
18 water use at our wastewater treatment plant. The  
19 remainder of the water concerns verification of which  
20 customers are metered. Fort Pierce Utilities Authority  
21 customers that may or may not be Florida Water customers.  
22 As Ms. Chase indicated, that's something that's going to  
23 have to be looked into a little bit further, and may  
24 cause the numbers on that green notice to change  
25 somewhat.

1 MS. CHASE: Mr. Simpson, this is -- this is  
2 something I would like to comment on as part of what you  
3 said because I believe it is a -- it is a misconception.  
4 I believe we need to mention that. I know that you have  
5 been talking about how much you pay for wastewater  
6 service as opposed to how you would take that rate and  
7 restructure it into a metered rate or incorporate a  
8 vacation rate. I need to tell you that the rate case  
9 that you are referring to, this is not that case. This  
10 is another docket, another case.

11 The rate case that you're referring to is  
12 currently on appeal over in the DCA. The Commission has  
13 no jurisdiction. There's nothing they can do in that  
14 rate case, so it's over at the court until it comes back.  
15 So I do understand that it's not that we are not trying  
16 to listen to you in that regard. That case -- at this  
17 point in time that case is out of the Commission's  
18 jurisdiction. It's over for now, at least as far as the  
19 Commission is concerned. They have entered their vote on  
20 that. That is not something that we can address in this  
21 case at this time.

22 MR. SIMPSON: So if the Commission's order,  
23 120-day order to Florida Water Services was ignored as  
24 far as involving us, like the appropriate rates or  
25 anything like that?

1 MS. CHASE: No. I think what you're referring  
2 to is that they need to file a report on how they would  
3 change the rate structure within 120 days of the order.  
4 Is that the 120 days --

5 MR. SIMPSON: It says that in 120 days that  
6 they are to involve the Tropical Isles people, whatever  
7 the metered rated information is available. The Public  
8 Service Commission refers to this as a uniform rate,  
9 which may do a hardship.

10 Further, when Matt Feil filed the order or the  
11 comments and so forth, he said that on the 28th, the  
12 residential wastewater customers' only problem had not  
13 been addressed by the Commission. We agree, for once and  
14 only, with Mr. Feil so far, that this rate, it has not  
15 been addressed. Our concerns have not been addressed.  
16 In fact, many people in this park feel we have been left  
17 out. We don't even get a chance to intervene, much less  
18 be informed that Florida Water Services and Public  
19 Service Commission staff -- excuse me, those who are  
20 here -- seem to have a nice friendly working relationship  
21 or they get increases. And there was just a callous  
22 disregard for our interests, our concerns, and the order  
23 that was given to Florida Water Services, SSU, or a rose  
24 by any other name smells the same -- to consider a fair  
25 rate. If you will look at these fair rates up here by

1 everyone else, Florida Water Services is given too damn  
2 big a piece of pie.

3 (Applause.)

4 MR. FEIL: Can I address one thing with respect  
5 to that report?

6 MS. CHASE: Very quickly.

7 MR. FEIL: At worst, the report that we filed  
8 was one day late, and before it was filed, I called the  
9 staff counsel at PSC and informed her when it was going  
10 to be sent in. Now, was it an oversight on my part to  
11 not inform Mr. McLean that? Yes, it was. I probably  
12 should have called him, but at the same time, I wasn't  
13 necessarily aware of the heightened interest that the  
14 association had. And if --

15 (Booing.)

16 MR. FEIL: I apologize for that, too, if I was  
17 in error in that regard. But at any time that the  
18 Association wanted a copy of the report, they were  
19 certainly free to get it from the Commission at any time  
20 after it was filed. I'm sorry. That's all I want to say  
21 in that regard. Again, if I am at fault, I apologize to  
22 you all wholeheartedly.

23 A MEMBER OF THE AUDIENCE: That doesn't help.

24 MS. GERVASI: Before we move on, Mr. Simpson,  
25 if you would please give your address?

1 MR. SIMPSON: It's on the yellow sheet. It's  
2 345 Seahorse Terrace, Tropical Isles, Fort Pierce,  
3 Florida, 34982. Phone number, 561-461-0414, and it will  
4 be a real pleasant surprise to hear from somebody.

5 (Applause.)

6 MS. GERVASI: Thank you, sir.

7 I would like to remind you, please remember to  
8 state and spell your name, particularly your last name,  
9 and give us your address before you take the microphone.  
10 Thank you.

11 MR. McLEAN: As your public counsel, I'd also  
12 point out the customers, these customers did, in fact,  
13 move to intervene on 0495 docket. Based on the staff's  
14 negative recommendation, Commission denied them  
15 intervenor status, and the First District Court has since  
16 had a great deal to say about it.

17 Be that as it may, I call the next witness,  
18 Armand -- and forgive me on this -- Chevigny.

19 MR. CHEVIGNY: Yes, sir.

20 My name is Armand Chevigny, C-h-e-v-i-g-n-y.

21 MS. CHASE: Okay. Your address, please, sir?

22 MR. CHEVIGNY: 205 Old Key West Drive Tropical.  
23 Phone number --

24 MS. GERVASI: That's not necessary. Thank you.

25 MR. CHEVIGNY: Now, on the paper -- when you



1 look on the paper you have just given us tonight, if you  
2 look at the bottom it says the "USA Today shows snowbirds  
3 have positive economic effect of \$6,000 a year, on  
4 Florida economy." That's for tourists. Next page on the  
5 bottom. That's for tourists.

6 How do you like to pay \$426 for six months of  
7 sewer. I explain. \$25.50 a month that -- by the way,  
8 that letter I sent last year to them, I didn't get an  
9 answer. And that's me. I pay \$49 a month, but I stay  
10 here only six months, that means \$98 per month. That's  
11 altogether it's \$426 for six months, and in Canadian  
12 money it's \$587.88 for six months of sewer. And by the  
13 way, we don't even use less than 1,500 gallons of water  
14 per month. Thank you.

15 (Applause.)

16 MR. McLEAN: Ms. Chase, the witness was  
17 referring to a pass-out that Mr. Simpson passed out,  
18 Tropical Isles versus Florida Water Services, Inc.  
19 That's the name of the docket. He was referring to the  
20 second page in the early part of his testimony, so that  
21 record is correct reflecting that.

22 Next is Mr. Ralph Smart, please.

23 MR. SMART: Thank you. My name is Ralph Smart,  
24 S-m-a-r-t, 344 Seahorse Terrace, here in Tropical Isles.

25 When I had made notes last year down in the

1 Holiday Inn in Martin County, I asked the question why  
2 this topic was passed around in Tallahassee for 60 days  
3 before we were aware that it was even taking place, and  
4 no one could answer me. I also asked why I had a 232  
5 percent increase, and no one could answer me. I also  
6 asked why Lieutenant Governor MacKay made a comment about  
7 our increase, but said no more.

8 Well, we didn't find out until almost three  
9 months that you were anticipating an increase, but yet it  
10 took Lieutenant Governor MacKay ten days to say he did  
11 not agree with the increase, but he was well aware of it  
12 and talked about it. But we still did not get an  
13 explanation as to why.

14 They took it to Tallahassee and kicked it  
15 around up there for 60 days before you made us aware of  
16 the fact that, okay, that you were going to increase this  
17 water, sewage. Ask Tom Foley for an answer. It could be  
18 based on water usage. I see a lot of numbers here, lot  
19 of numbers. They mean nothing to me. Dollars mean a lot  
20 to me; okay.

21 So if you take the water we use and then get a  
22 formula together on the rest of it, that's how you do it.  
23 You don't have to worry about summer residents. You  
24 don't have to worry about all-year-round residents. Just  
25 take the number from the Fort Pierce Utilities, and then

1 get your numbers from there. That's all. Then take it  
2 that we use so many gallons of water, boom, that's what  
3 you should pay sewage. You're kicking this around like  
4 it's a big football game here. We're using Las Vegas  
5 numbers. That's what I see. I still cannot get an  
6 answer.

7 Why did it go to Tallahassee and kick it around  
8 up there for 60 days or more at 232 percent increase  
9 before we were aware of it. But it only took Lieutenant  
10 Governor MacKay to say he was aware of it. He doesn't  
11 approve, but he was aware of it. Maybe -- I don't know,  
12 maybe we should write a letter to Jed Bush and ask him  
13 how he feels about it. I mean, if they want to play  
14 politics, play politics. We can get enough people to  
15 play that game. We need answers, and do away with the  
16 Las Vegas numbers on the wall. Get the numbers from the  
17 Fort Pierce Utilities of what we're using and come up  
18 with a formula. Thank you very much.

19 MR. McLEAN: Mr. Fred Salwan, please.

20 MR. SALWAN: My name is Fred Salwan, F-r-e-d,  
21 S-a-l-w-a-n, address is 484 Hemingway Terrace in Tropical  
22 Isles. My phone number is 466-4482.

23 Now, I -- I've been really ticked off about all  
24 of this. We go out to eat every day. Two people in the  
25 house. We don't have six people in the house. We don't

1 wash clothes and put all the water down the sewer so that  
2 these people have to pump out all the sewage. Now, I  
3 have two automobiles. I wash them at least once a week,  
4 one of them once a week. I water my grass from my water.  
5 I wash down the house every once in a while when I have  
6 some bugs on it. When I have my house cleaned, we have  
7 water that is used to wash the home, which does not go  
8 down into the sewer.

9 Now, I don't know why we should have to pay for  
10 somebody else. Where everybody else -- you want a  
11 standard rate for everyone, not everyone is the same.  
12 People live in homes, wherever you have your "Sewergate,"  
13 they have maybe four or five people in a home. We have  
14 one and maybe two in the home over here. We do not use  
15 all the water that comes into the house going into the  
16 sewer. We have -- we probably go to the toilet somewhere  
17 else.

18 (Laughing and applause.)

19 MR. SALWAN: I mean, this is really ridiculous,  
20 the rate that has been put on us. That's all I have to  
21 say.

22 (Applause.)

23 MS. CHASE: Mr. McLean? Excuse me.

24 Let me just respond a little bit to what he  
25 mentioned about how he uses water to wash his lawn --

1 wash his cars, wash down his house and it does not go  
2 into the sewer. That would be -- if this rate -- if this  
3 rate is restructured so it's based on water consumption,  
4 that would be taken into consideration.

5 Normally what happens is that you are billed  
6 for, on your sewer rate, all of the water up to 6,000  
7 gallons a month. We consider 6,000 as being used outside  
8 the home. So that is taken into consideration. If you  
9 take --

10 SEVERAL MEMBERS OF THE AUDIENCE: How? How?

11 MS. CHASE: If you think 6,000 is too much or  
12 too little, that's the kind of input we'd really like to  
13 hear tonight. That's what we would like to hear you talk  
14 about tonight. If changing this rate structure and how  
15 you feel about it, whether you would rather that be a  
16 flat rate, vacation rate, when you're home -- excuse me.

17 The court reporter, I'm sure, is having a  
18 difficult time trying to hear. You're all going to  
19 speak, so would you please try to hold it down. Please.  
20 Thank you.

21 MR. McLEAN: Thank you, Mr. Salwan.

22 Mr. Brophy, please. Ray Brophy.

23 MR. BROPHY: My name is Ray Brophy,  
24 B-r-o-p-h-y. I live at 5384 Hemingway Court, Fort  
25 Pierce. Phone number 464-4657.

1           Something is wrong here. Something is  
2 definitely wrong, and I don't know why we can't get to  
3 the bottom of it. I don't want to get off on a big  
4 tangent, but Mr. Smart put it real great. I don't use  
5 but about maybe 1,600 gallons of water, and I was --  
6 thought that I was coming to this meeting to see if the  
7 rates were being changed. Now we're going into next  
8 year.

9           When you go home and tomorrow in your letter  
10 from the mail you find out that you have been paying \$13  
11 a month for your sewage and all of a sudden it's up to  
12 almost 300 percent increase. 100 percent, fine.  
13 That's -- everyone has to make a buck or two. But, I  
14 mean, I think we're being sandbagged here.

15           We write letters. We do this, we do that.  
16 We're still not any further than when we first began.  
17 Something has got to be done. Something is definitely  
18 wrong somewhere. Nobody wants to do anything about it.  
19 Now we're going into the next year. What's wrong? Why  
20 can't the staff of the Commission find out and say  
21 "Listen, this is wrong, this is not right." We give them  
22 letters and wrote this and give you this, and everything  
23 that everybody asks "What's wrong?" And you end up  
24 saying "We can't do this, we can't do that," and we're  
25 still paying the same thing.

1           Something is wrong. You guys better fix it.  
2           That's it.

3           (Applause.)

4           MR. McLEAN: Mr. Gerace.

5           MR. GERACE: My name is Andy Gerace, 5531  
6           Hemingway Court, phone number 468-0604.

7           MS. GERVASI: Will you please spell your last  
8           name?

9           MR. GERACE: G-e-r-a-c-e. I've been sitting  
10          over there kind of listening to what the folks have to  
11          say. I'm here to just observe what's going on. I feel  
12          that way being a homeowner in the place.

13          I think basically what we really need is a  
14          ratio of wastewater to metered water, for one thing. As  
15          has been stated already, we spray our lawns, we wash our  
16          houses, we wash our cars, and an awful lot of this gets  
17          wasted.

18          Now, I was at one time, about ten years ago,  
19          manager of a condominium, and we found that we were being  
20          charged for metered water, but unfortunately we were  
21          wasting close to a million and a half gallons a month on  
22          air conditioning, for 180 AC conditioners. We finally  
23          settled that by putting in a meter for air conditioning  
24          water, water that doesn't go down. We would like to see  
25          something being considered by the Board here.

1           And another thing, too, for the last year and a  
2 half or so we've been paying an awful high rate of \$13.  
3 What is being done about a possibility of a refund or a  
4 payback?

5           (Applause.)

6           MR. GERACE: (Inaudible.)

7           MS. CHASE: Can you repeat that?

8           MR. GERACE: I said what would happen is we'd  
9 wind up with a refund or monthly percentage of payment  
10 or -- I'm sure there will not be a payback cash.

11           Now, I'm here just to observe for the FMO. On  
12 the 25th of this month I will be attending a meeting of  
13 our own people here, representing them, but also  
14 representing about four or five counties right here of  
15 the mobile parks. These people also send  
16 representatives. Boy, do we get rolled over the coals  
17 there. The information I pick up here I will present  
18 there also for discussion, and get an input of what they  
19 are doing. Right now there's no sense in my repeating  
20 everything that's going on there. But this is what I'm  
21 looking for right now, an answer here of what we're going  
22 to expect in the very near future. Thank you.

23           (Applause.)

24           MS. CHASE: Mr. Gerace, tell me what FMO stands  
25 for.



1 MR. GERACE: Yes. Florida Mobile Homeowners  
2 Association.

3 MS. CHASE: Let me see if I could respond to  
4 that refund issue.

5 MR. GERACE: Thank you.

6 MS. CHASE: Again, this is not the rate case.  
7 We're not here to look at the Revenue Department. I know  
8 you want us to, that's not what we're here for. Whatever  
9 happens to the rate structure in the case, the rates will  
10 change on a prospective basis to a metered rate or to  
11 whatever we come up with here. The staff recommendation  
12 that we will be sending you will clearly explain how that  
13 was calculated and what went into doing this. Again,  
14 this is not rehashing the rate case. I know you want us  
15 to, but that's not what we are going to be doing in this  
16 case. I don't want to mislead you, unless you think that  
17 is what we were doing.

18 That case is on appeal, and we don't know  
19 what's going to happen with the revenue requirement. It  
20 certainly may be revisited, but it won't be on the docket  
21 of this case.

22 A MEMBER OF THE AUDIENCE: Because the State  
23 said so.

24 MR. McLEAN: Ms. Chase, I will come clean here.  
25 I probably neglected earlier to tell you something. Both

1 Southern States and our Office of Public Counsel appealed  
2 that order to which you're referring, so the revenue  
3 requirement is not a done deal. But as a lawyer who has  
4 been involved in the case for some time, these customers  
5 should rest assured that the Commission will have a great  
6 deal of momentum before the court, and the court may make  
7 some adjustment, but it's reasonable to expect the order  
8 will ultimately be approved by the court, certainly over  
9 our objection and over our appeal. It is true, and the  
10 customers should know, both Southern States and the  
11 Office of Public Counsel have appealed that order.

12 Next witness is Ms. Lynn Greene.

13 MS. GREENE: My name is Lynn Greene,  
14 G-r-e-e-n-e. I live at 508 Thames Bluff Ridge,  
15 T-h-a-m-e-s.

16 As the president of this homeowners  
17 association, I have been asked to read two very short  
18 letters from members who are out of State at this point  
19 in time. I'd like those in the record, and then I'll  
20 have my own statement.

21 "As a part-time -- " first letter is from Marie  
22 Jones. Well, isn't that -- she didn't put her address in  
23 the park. She lives here in Tropical Isles Park.

24 I'm sorry?

25 A MEMBER OF THE AUDIENCE: Seahorse Terrace.

1 MS. GREENE: Seahorse Terrace.

2 "As a part-time resident of Tropical Isles, I  
3 feel that the present rate of \$35.68 per month is  
4 excessively high. In view of the fact that I only use  
5 the sewer about four months a year and have to pay the  
6 same high rate all year, it would be better if we were to  
7 pay per usage. Please consider my request for a lower  
8 rate for sewer use and not a flat rate per month without  
9 regard to usage. Thank you for considering my request.  
10 Sincerely, Marie Jones."

11 From Russell K. Stetser, also a resident of  
12 Tropical Isles -- soon to be a resident of Tropical  
13 Isles. He's owned a house for three years. Three years.  
14 Hasn't lives here yet.

15 "I wrote this letter to urge you to consider  
16 favorably a change in the rate structure for service  
17 supplied to wastewater customers in Tropical Isles. As a  
18 retiree and combat Navy veteran of World War II, I looked  
19 forward to the day I could spend my years in Florida. To  
20 date, this has not been possible, even though I've owned  
21 property in Tropical Isles for three years. Finally, in  
22 December, that dream will be realized.

23 "The present rate of \$35.68 per month is a  
24 burden on my limited pension income, and I believe it is  
25 unfair to those of us who realize very limited service,

1 and therefore restructure based on usage would pay more  
2 than a separate rate, part-time residents would pay a  
3 minimum rate, would also seem more equitable.

4 "I am sorry I will be unable to present my  
5 views at the scheduled meeting on November 19th, 1997,  
6 but hope that this communication can be read or at least  
7 considered at that meeting. I thank you for taking the  
8 time to read and consider my request. Sincerely,  
9 Russell K. Stetser," S-t-e-t-s-e-r.

10 The thing that should be realized that  
11 Mr. Stetser -- that goes for a lot of the people in here,  
12 that gentleman has owned his home for three years and has  
13 possibly spent two weeks a year down here and is paying  
14 \$35.68 a month for two and a half years and never had a  
15 drop of sewage, never used a drop of water, unless he had  
16 it on an automatic lawn system.

17 I believe what you're trying to find out, I  
18 live in a household with two people. We don't have a  
19 washer and dryer. I prefer to go to the laundromat. We  
20 use a dishwasher maybe every two days. We're only two  
21 people. Our -- I doubt if we use over -- if we even use  
22 1,600 gallons a month, and yet we're being charged  
23 \$35.68. I think you're actually charging \$35.77.

24 Just once again, we understand the cost of  
25 living increases, but 20 some cents, we can handle that,

1 but it's being very, very difficult on a great many of  
2 our residents, most of whom are on a fixed income,  
3 especially when you stop to consider the women in the  
4 park who are widows, who have a very limited income, and  
5 they just cannot possibly use that much water to create  
6 that much sewage.

7 I don't like the idea of a meter, because we  
8 have been told by Senator Ann Cowin that that's just  
9 another way of saying "Your rates are going to go up."  
10 And so with her advice, I really don't -- well, with  
11 conversations that I've had with her, I don't think a  
12 meter is that good an idea, but I do think we need to do  
13 something.

14 I think Mr. Shacket is going to be able to  
15 suggest something to all of you that we can do. I think  
16 it should be very strongly taken into consideration by  
17 the staff and by FWS, because it's very contentious.  
18 We're a very angry group, and we're usually very nice  
19 people.

20 MR. McLEAN: Thank you, Mrs. Green.

21 Mr. Roger Shacket, please.

22 (Applause.)

23 MR. SHACKET: Yes. Thank you very much. My  
24 name is Roger Shacket. That name is spelled  
25 S-h-a-c-k-e-t. That is an entity on Tropical Isle

1 Circle, Fort Pierce. I'm one of the owners of your  
2 mobile home park. I -- Ken Pruitt, who is the  
3 representative, I'm glad to see him. I hope we can give  
4 you some insight of what's going on, and hopefully we can  
5 do something about this fraud being perpetrated purposely  
6 against the residents of the park.

7 (Applause.)

8 MR. SHACKET: Those are very strong words,  
9 "fraud," but I'm using that term because I can prove it.  
10 I don't -- I don't use that term lightly, okay. The  
11 Public Service Commission has to understand and the  
12 people have to understand -- they don't understand what's  
13 going on. They don't know, they don't see what's going  
14 on. They don't know.

15 Do you know why your people don't see? Because  
16 all the information that the Public Service Commission  
17 receives is from the utility, Florida Water Services. So  
18 they can tell the Public Service Commission whatever they  
19 want, and, you know, the Public Service Commission  
20 believes them. The Public Service Commission does not  
21 check or look into or investigate these reports they  
22 receive from Florida Water Services. They take it as  
23 gospel. I've got to tell you the attorney, Matt Feil,  
24 got up and defended his position immediately saying there  
25 wasn't a conspiracy and doesn't understand what it's all

1 about.

2 Mr. Feil, I have a letter that you wrote, sir,  
3 okay, with your signature on it, that you wrote, it is  
4 signed by you. The letter is dated February 6th, 1997.  
5 You wrote the letter to Maggie O'Sullivan, defense lawyer  
6 for the Public Service Commission. In this letter you  
7 state that Fort Pierce Utilities is not cooperating with  
8 you. They're not giving you the information you  
9 requested.

10 Sir, I've got to tell you, I called  
11 Mr. Abramowicz's office on the telephone -- the same  
12 gentleman that you referred to in this letter -- and back  
13 in December, okay, two months before you wrote this  
14 letter, and I said to Mr. Abramowicz, "Can I get the  
15 meter readings for Tropical Isles Mobile Home Park?" He  
16 said, "Sure. When do you want to come pick it up?" I  
17 said, "How about tomorrow?" He said, "I can have it for  
18 you today."

19 Sir, this document is dated December the 19th,  
20 1996. We know exactly how much water everybody in the  
21 park was using, okay. The letter -- you wrote the letter  
22 to the Public Service Commission complaining that you  
23 weren't being cooperated with. I have a letter here -- I  
24 called up the Fort Pierce Utilities and said, "What's  
25 going on? Aren't you cooperating with Florida Water

1 Services? They claim you're not giving them the  
2 information they want." They were appalled, "What do you  
3 mean?"

4 They sent me a letter here, I've got a letter  
5 that was signed by Glenn Bayne, B-a-y-n-e, the  
6 Information Service Manager. He told me they cooperated  
7 fully, that they've given you information over the phone.  
8 Now they're going to give it to you in writing. There  
9 was a one-time charge of \$2,020, okay. That was to write  
10 the program, to do the software program, and then it was  
11 a recurring charge of \$25 a month to provide the  
12 information that you needed to give to the Public Service  
13 Commission.

14 Funny thing was, I mean, this was -- you  
15 managed to drag this out until March. I got the  
16 information in two days -- one day, okay. Now that's --  
17 you have to get your facts straight first. That's number  
18 one.

19 Number two -- I listened to you, now you listen  
20 the me, okay.

21 The information that you give the Public  
22 Service Commission, you have, the Public Service  
23 Commission have, I don't understand it. I saw -- and I  
24 will testify in court when the time is right. If we need  
25 to go to court, we need to subpoena the employees of SSU,



1 or Florida Water Service, and then we need to subpoena  
2 their documents. You will find out what the truth is.  
3 The truth is these people are tampering with the flow  
4 meter.

5 I was in that plant in November and December.  
6 They have a two-inch hose clamping the sluice gates that  
7 causes the flow meter to read enormously. But  
8 irrespective of that, the whole issue is money. The  
9 problem is that Florida Water Services is telling the  
10 Public Service Commission "We are losing money." And  
11 they are telling the Public Service Commission -- and  
12 we'll back it up in statements with all these documents,  
13 okay. Yes. Anybody -- you can make anything look any  
14 way you want. They say they're losing money. You people  
15 believe them because they gave you documentation to prove  
16 it, okay.

17 That's not okay. That's not the fact. I  
18 called in some private utilities back in November and in  
19 December to go out there and survey the plant for me.  
20 Your people out there stand and talk about a sewer plant.  
21 It's not a sewer plant. Let me explain what it is. It's  
22 six big septic tanks with a drain field. They have two  
23 pumps and a lift station at the end of the circle, and  
24 two blowers up there at the other plant. That's what  
25 they call a sewer plant. That plant cost \$300,000 to

1 build. That's all. These -- you're allowing these  
2 people to bilk these people \$100,000 a year, \$100,000 a  
3 year. The whole thing cost \$300,000.

4 Now, I had experts in here, which I can provide  
5 you with the documentation if you want to see it. I call  
6 them experts because they are licensed by the  
7 Environmental Protection Agency, EPA. There's a Bill  
8 Thiel at the EPA that gave me these people's phone number  
9 and told me to call them. He said they were highly  
10 recommended plant operators, he had the least amount of  
11 problems with them.

12 They came out to inspect the plant, and they  
13 told me the plant was being operated incorrectly, the  
14 plant was being maintained poorly, and they said they  
15 could increase the efficiency of the plant by making a  
16 simple modification, and gave me in writing quotations to  
17 operate the plant.

18 Bottom line is -- Ken, the bottom line is one  
19 of these utilities services said he would be more than  
20 happy to operate this plant for \$4,000 a month, including  
21 repairs. He said he would put \$1,000 a month in reserve  
22 for repairs, and then after we had accumulated \$50,000,  
23 then he would lower the rate to \$3,000 a month.

24 Now, the -- if those two motors went out in the  
25 lift station and the two pumps burn out at the top of the

1 plant, and lightning hits the plant, poof, it blows it  
2 and all the centers are destroyed, you can replace the  
3 whole thing for about 10 grand -- 10 or 20 grand. The  
4 rest of it is -- I can't describe it.

5 Now, the Public Service Commission has to find  
6 out what's going on. You cannot believe the information  
7 that you are receiving from Florida Water Services. It  
8 is not correct. It is correct to their way of thinking.  
9 It's correct to their truth. I'm going to tell you what,  
10 that's not the fact. The fact is that plant can be  
11 operated with reserves of \$4,000 a month, \$11 a person a  
12 month. Now that's fair. He said to me, "At \$4,000 a  
13 month I will make \$20,000 a year profit." Isn't that  
14 great?

15 (Applause.)

16 MR. SHACKET: He wanted to buy the plant. He  
17 said "Will you sell the plant?" I said, "We gave the  
18 plant to the Southern States Utilities because they  
19 conveyed to us that they were a sewer plant operator.  
20 They were professionals, and they told us they could  
21 operate the plant better than we could and keep the costs  
22 down." I operated the plant for \$13, okay. Now where is  
23 the rate?

24 These people are not honest with you. They're  
25 not giving you the correct information. They weren't

1 honest with us. I gave that plant for \$10. The Public  
2 Service Commission saw fit to give them a write-off of  
3 over \$500,000. That makes a lot of good sense, don't it?  
4 They got it for ten bucks, and provide \$500,000 negative  
5 profit into your plant and defer any income tax on that  
6 they do not have to pay, then charge you \$500,000 a year  
7 to operate the plant. That's great. I tell you what, I  
8 would love to be in that business. They're making more  
9 money in that sewer plant than I'm making on this part.

10 (Applause.)

11 MR. SHACKET: Now, if Florida Water Services  
12 claims that they can't operate that plant at a profit,  
13 they're losing money, then I say Florida Water Services  
14 needs to give my plant back. I'll give it to the  
15 association and let them run it.

16 (Applause.)

17 MR. SHACKET: Now, we're -- because there is  
18 much money involved here. I say to you, "Fine. You keep  
19 the plant. You keep your \$500,000 write-off that you're  
20 getting. Let the homeowners association operate the  
21 plant. You don't have to worry about nothing. I'll give  
22 you a profit on the \$10 you spent. You still have your  
23 \$500,000 write-off. They operate the plant. Whatever  
24 the cost necessary to repair it, they'll pay for it.  
25 Whatever it costs to operate it to do so, and they will

1 be off of your back." Isn't that a good deal?

2 SEVERAL MEMBERS OF THE AUDIENCE: Yes.

3 (Applause.)

4 MR. SHACKET: And if that's not good enough,  
5 let's call in a third party. Let's call in a private  
6 utility and let them operate the plant for one year, and  
7 let's see what their figures look like. There's got to  
8 be a way to resolve this. You cannot believe what these  
9 people are telling you. It's not true. You need to find  
10 out what the truth is, and these people are being taken  
11 to the cleaners, okay. Not fair to these people. They  
12 came here, and they're entitled to live without this  
13 terrible burden of worrying about the sewer plant, and  
14 worrying about the sewer prices going up, and possibly  
15 paying \$60 a month for sewage. That's ridiculous.  
16 That's ludicrous. Not for a plant that cost \$300,000 to  
17 build and a plant that has two lousy motors and two lousy  
18 blowers. Now come on. We need to find out what's going  
19 on, and I'll be more than happy to help you. I really  
20 will.

21 I mean, I can go on and on and on about what  
22 these people have done. I can document it. You know, I  
23 tried to get the flow meter reading. I called their  
24 office. I called their regional manager. I sent them in  
25 writing, I asked for -- I've got the document -- asked

1 for a meter reading. They never gave them to me. You  
2 know what they told me? "Well, the meter was broken,"  
3 okay. What they were doing -- let me tell you about --  
4 this plant never had a flow meter on it. What they were  
5 doing was going down to the lift station. They were  
6 taking -- reading off the hour meter. They were  
7 multiplying that by figures they pulled out of thin air,  
8 because they know no pump will flow running water for a  
9 minute, so somebody found a theoretical figure, and  
10 that's how they were determining the flow. The figures  
11 they were giving the EPA, which were false figures,  
12 because there wasn't a flow meter. When they installed a  
13 flow meter, they told me it wasn't working. I went over  
14 to the plant. I got the information off the flow meter  
15 and called -- I got the book, okay, on how that flow  
16 meter operates. When they put a two-inch hose in the  
17 sluice gate, they flood the flow meter to double and  
18 triple the readings. I've got to tell you how to read  
19 it. I've got no problem with that.

20           You're shaking your head. I saw it and so did  
21 my manager, okay. We were there. That hose was in that  
22 sluice gate.

23           The Public Service Commission has to find out  
24 what's going on. You can't believe the figures these  
25 people give you. You just can't. You're giving the

1 enemy carte blanche. You're saying to them, "Yeah, okay.  
2 Give us the figures. We'll look at them, you're right.  
3 You poor people are losing money. We're going to give  
4 you -- you're entitled to an increase because you're  
5 losing money."

6 They're not losing money. Absolutely not. Let  
7 the homeowners run the plant. That's all. Let them --  
8 let them retain ownership of the plant. Let them keep  
9 their write-off. Let them keep the \$10, and let the  
10 people run the plant. That's fair.

11 I reserve the right to comment later. Thank  
12 you.

13 (Applause.)

14 MR. McLEAN: Representative Ken Pruitt.

15 MR. PRUITT: My name is Ken Pruitt,  
16 P-r-u-i-t-t. I reside at 3012 Collings Drive in Port St.  
17 Lucie. I am Chairman of the Appropriations General  
18 Government Committee in the House of Representatives. We  
19 oversee the Governor's budget, as well as the PSC budget.

20 Let me first begin by saying, Roger, you said  
21 the term rogue and fraud were strong terms. I can't  
22 agree with you more, but my mother and father always told  
23 me if it quacks like a duck and walks like a duck, it  
24 must be a duck.

25 (Laughter.)

1           MR. PRUITT: Something is stinky and it's far  
2 beyond the wastewater treatment plant. It's right here  
3 with what's happening here. The PSC staff, when you say  
4 you sense frustration here, it is very real and very  
5 sincere. What's happened, these are good-hearted,  
6 salt-of-the-earth people who have just had it. They  
7 basically are telling you that they are so frustrated  
8 they're looking to us to defend them and take care of  
9 them, and what's happening is perhaps we're not doing  
10 such a great job. I count myself as one of them. We  
11 need to do a better job.

12           The Jax Street office -- Harold, you are doing  
13 a marvelous job. I can't say enough about what your  
14 staff has done, and I can assure you this year we're  
15 going to look to give you a lot more staff out there,  
16 because if there is activity going on like this  
17 throughout the State, you all need a lot more people  
18 defending constituents just like Mr. Simpson and  
19 Mrs. Greene. And to you, Roger, I can't say enough about  
20 what you're doing to defend these good folks here.

21           You know, what I have experienced in my six  
22 years since I have been in office, I have fought as a  
23 pro-business legislator, as a free enterprise legislator,  
24 but these people -- many of the men and women here  
25 actually have given their blood, shed blood for that free



1 enterprise system that today is part of our service  
2 corporations. We're really making a mockery of it.

3 You know, I have witnessed and fought this for  
4 six years, and you people have been doing the same. I've  
5 told you "All in due time, all in due time. It's all  
6 going to work out. It's all going to level off." And  
7 six years later, from the time I was at Leilani Heights  
8 until tonight, it's never happened. It's just a  
9 continual nightmare, which we never seem to find a  
10 solution to it.

11 You know, the -- it has made the Legislature  
12 very disappointed and disillusioned, and we've taken a  
13 hands-off approach to these issues. We have allowed the  
14 PSC to do their job. But I think that what is happening  
15 is that you're going to see a sleeping giant awaken,  
16 because we are absolutely fed up with it.

17 (Applause.)

18 MR. PRUITT: I can tell you, if you don't think  
19 we don't have the horsepower for it, Ann Cowin or myself,  
20 we're going to be at the very forefront, and this is not  
21 a litmus test or whim, this is an issue of fairness, an  
22 issue of being right. These people are right. No  
23 matter -- they may not have the specifics in information.  
24 Mr. Simpson, you have provided the most specific  
25 information I've ever seen, and I've been impressed with

1 in my six years.

2 (Applause.)

3 MR. PRUITT: So whatever is happening, it  
4 doesn't happen just here. I've seen it in my term as a  
5 legislator. These corporate giants come in here, they  
6 throw everything against the wall knowing that they are  
7 going to accept what sticks, and that stinks. It just  
8 isn't right any more.

9 I think that what's going to have to happen  
10 here -- and not to get on my soapbox -- is that we're  
11 going to have to allow a non-profit organization to come  
12 in and operate these plants, just as you had spoken  
13 about, allowing homeowners associations -- that's one  
14 thing that I'm advocating, because it needs -- just as  
15 for Florida utilities and whatever, it has got to have  
16 accountability. There is no accountability with FWS.

17 Let me give you a little bit about my  
18 background. I am a water systems contractor, water well  
19 contractor license #2031. I have my water distribution  
20 certification from the Treco Center from the University  
21 of Florida. I have my water and wastewater certification  
22 from IRCC, so I know what's happening here. What you're  
23 doing is not right.

24 (Applause.)

25 MR. PRUITT: And, Roger, let me tell you

1 something, I'll take you up on that. I'll operate this  
2 system for now. With my certification I'll operate this  
3 system with you, sir, and I know -- heck, we may be able  
4 to do it for less than \$4,000 per year (sic) that we  
5 have --

6 MR. SHACKET: We can operate that plant for  
7 2,000 a month. No question about it. You know it and I  
8 know it.

9 MR. PRUITT: It is true. My initial capital  
10 outlay -- the initial capital outlay when I operated that  
11 system and when I maintained the system, my costs were  
12 always kept at a minimum, and if the system wasn't used,  
13 my costs were nil. You have people being charged for  
14 this, and it's just flat unfair.

15 You know, when we look at the assumptions --  
16 and, Roger, this is where it all comes to the PSC staff,  
17 this is where it all comes down to -- is that the  
18 assumptions are wrong. You're taking their assumptions,  
19 and their assumptions are inflated. And I'll be glad to  
20 take you out and show you the pipe and the glue and the  
21 motors to have everything rebuilt, because I've done it.  
22 I have been in those trenches. I have been out there  
23 slinging the sewage out of the plant, so I know exactly  
24 what I see when I tell you what they're doing is that the  
25 figures you're using to get to their costs are flat out

1 inflated and they're flat out wrong.

2 (Applause.)

3 MR. PRUITT: You know, it just amazes me,  
4 inflation has been flat, the interest rate has been flat,  
5 certainly the raises, talking to some employees, I know  
6 they have been flat. So what I just can't understand is  
7 as they play with these numbers, footloose and fancy free  
8 with these numbers, I can't -- I find it amazing that you  
9 can't bring another numbers person, as large as your  
10 corporation is, to face these folks. That's what it is.  
11 You need to be accountable and face these folks eyeball  
12 to eyeball.

13 You know, these folks, most of them have been  
14 business people. They understand the value -- in fact,  
15 they know more of the value of money than future  
16 generations, and I hope we can change that course -- but  
17 they understand the value of a dollar. But, you know,  
18 they don't mind companies making money. They understand  
19 that free enterprise is better, because most of them went  
20 out and fought for it. But what is happening here is  
21 we're letting these corporate giants, who have no  
22 corporate conscience anymore, and we're letting them get  
23 away with absolute corporate nightmare here.

24 So what I'm asking you is do not allow the  
25 blackmail. And that's what it is, a single company

1 coming in here without the competition, to come in here  
2 and to keep doing this to these good people here.

3           You know, they have come here to enjoy their  
4 golden years, and what is happening in our great State of  
5 Florida, which I am so proud of, is that these are their  
6 nightmare years. Because these are individuals -- and I  
7 hope, Mr. Feil, I hope that your corporate guys -- you  
8 know, I have taken the month of November to live off food  
9 stamps, and my family is, just to see what it's like.  
10 What I want your corporate guys, who are up there in  
11 their corporate offices, what I want them to do, I want  
12 them to come down here, live off a fixed income like  
13 these individuals are doing, and just try it for a month.  
14 You know what? I don't think that they would ever be  
15 able to do it, because they don't have a soul, they don't  
16 have a heart to be able to do it. So I encourage you to  
17 please, the PSC, you've got to go back to the assumption,  
18 what they are basing their original numbers on. And I  
19 will be glad to use my expertise, and I have an awful lot  
20 of it. This is all I've done my whole life, you know,  
21 slinging water, drilling wells. It's all I have done my  
22 entire life. So I ask you, please, let Roger and I, and  
23 other experts like Mr. Simpson come forward, and we'll  
24 show you the right numbers.

25           Let me tell you, to FWS, this is all going to

1 backfire on you. Because I tell you, I have sat back --  
2 I have sat back, but no more. And I gave my commitment  
3 to the residents here, I gave you my commitment. I will  
4 use my chairmanship in whatever way that I have to to  
5 make it right for each and every single one of you.

6 (Applause and a standing ovation.)

7 \* \* \* \* \*

8 (Whereupon, a recess was taken, and the  
9 proceedings continued as follows:)

10 MR. McLEAN: Robert R. Clemens.

11 MR. CLEMENS: Okay. My name is Robert Clemens,  
12 C-l-e-m-e-n-s. I live at 476 Thames Bluff Ridge, Fort  
13 Pierce. My occupation has been an accountant. I have a  
14 couple of questions about money, and I think all of these  
15 people back here are going to understand my figures.

16 You folks got a company for \$10. Now, the way  
17 I keep books, assets equal liabilities. So if you bought  
18 a company, you spent \$10, and you took \$10 out of the  
19 bank. If you build a company -- build a building, you  
20 build an asset, and the money comes out of the bank.  
21 Now, how can you amortize \$500,000 a year on a \$10 asset?

22 I am really disappointed. I'm sorry, first of  
23 all, that your figure man, money man was ill. That's too  
24 bad. But I question your company not having an adequate  
25 assistant that would be able to fill in, even on short

1 notice. Even small companies I have been with, I had an  
2 assistant. Okay. Can you answer that question?

3 MR. FEIL: By the way, the figure man I was  
4 referring to was a gentleman who is in charge of rates,  
5 not accounts, okay? Just so we're clear on that.

6 Secondly, I'm not an accountant, so I can't  
7 explain your situation probably to your satisfaction.  
8 But what I can tell you, my understanding is, the  
9 difference between the original net value of the asset  
10 and the cash paid for the asset is booked to an account  
11 referred to as an acquisition adjustment.

12 MR. CLEMENS: Uh-huh. Thank you. In other  
13 words, the acquisition adjustment account is a liability  
14 account. It's on the right-hand side of the book. You  
15 all understand the left and right hand. That becomes a  
16 credit, probably thinking in terms of replacement costs  
17 down the road to you. In other words, at some point you  
18 might have to replace this whole thing, so you put this  
19 money in escrow. You put it in as a liability for future  
20 expenditure, but you're debiting the expense and putting  
21 it -- taking it out of these people's pockets for  
22 something that's probably never going to happen.

23 I don't understand how the Public Service  
24 Commission can allow a company to take a \$10 asset and  
25 amortize \$500,000 a year. Can the Public Service -- you

1 probably can't answer that question either.

2 MS. CHASE: I cannot answer the specifics of  
3 this case. What I will tell you is when a utility is  
4 purchased by another utility, the practice is that  
5 nothing should change for the customers, as far as their  
6 service, as far as their rates, and we try to take the  
7 company at its word. That's our main concern with a  
8 change of ownership. That includes the investment.

9 In other words, if the previous owner had --  
10 whatever they had invested -- let's just say \$100,000 --  
11 I think that is a number we heard. If the plant cost  
12 \$300,000, if they continue it and the rates were set at  
13 that, they would be able to earn on \$300,000 worth of  
14 investment. When it's purchased by another one, it's  
15 still worth \$300,000. The purchasing utility may have  
16 been able to get a good deal, but it's still worth  
17 \$300,000. That is what we call the rate base for that.  
18 That is what the customers continue to pay on, as a rule.  
19 There are exceptions.

20 MR. CLEMENS: Okay. I'll -- that kind of makes  
21 sense from an accounting standpoint, but the only thing  
22 is the net worth originally was \$300,000, but you're  
23 writing off \$500,000. There's still \$200,000 there,  
24 okay. You got my point.

25 The second thing is I understand that any



1 business has to make a profit, and this is a fixed  
2 operation here of a sewage plant that costs "X" number of  
3 dollars to operate a year. There's "X" number of dollars  
4 amortization, which is being allowed without question.

5 Now, there is a certain amount of profit that  
6 needs to be made. What it is, I don't know, five  
7 percent, ten percent. I don't know. But whatever it is,  
8 the profit over and above the costs, that's added to the  
9 costs, and you have "X" number of dollars that have to be  
10 received each year.

11 You're shaking your head. You're agreeing with  
12 me. You've got to have "X" number of dollars, okay.  
13 I'll buy that. Now, there's two ways to do this. Divide  
14 the number of houses in the place into the money to get  
15 your money back, or divide the total number of gallons  
16 that everybody uses into that figure and you determine  
17 the rate per gallon, with an adjustment for a fixed rate  
18 because everybody has got to pay something, okay.

19 So the next thing is is what your costs are,  
20 what you're claiming your costs are to come up with that  
21 money that you have got to have. You've got it inflated.  
22 Everybody is telling you that. And I'm telling you if  
23 you didn't spend \$500,000, and you're not going to spend  
24 \$500,000, you're inflating your costs by that rate.

25 Thank you. That's all I have to say.

1           MR. McLEAN: Ms. Chase, consistent with a  
2 comment I made somewhat earlier, I would like Mr. Clemens  
3 and the other customers to know that the acquisition  
4 adjustment principle to which he just referred is the  
5 subject of our appeal before the First District Court of  
6 Appeals. Besides the fact that we have fought that issue  
7 for better than 20 years, the Commission generally sees  
8 fit to permit positive acquisition adjustments and deny  
9 negative acquisition adjustments. So I'd like you to  
10 know that's a live issue in this case.

11           Ms. Gloria Torrez, please.

12           MS. TORREZ: Hi, my name is Gloria Torrez,  
13 G-l-o-r-i-a, T-o-r-r-e-z. I heard some say that they  
14 live here -- I'm by myself. The job that I do usually  
15 keeps me away from home maybe three, four days a week,  
16 and I feel that I shouldn't be paying what everybody --  
17 you know, just like it's a big family or something. I  
18 pay a lot every month for sewer, and thinking about it  
19 all the time, how far it's going to go, you know. And I  
20 don't feel it's right because, you know, I live -- and I  
21 know most of the people live on a fixed income like I do.  
22 I don't think it's fair.

23           That's all I have to say.

24           (Applause.)

25           MS. GERVASI: Ms. Torrez, may we get your

1 address, please?

2 MS. TORREZ: Sure. 448 Tropical Isles Circle,  
3 right here in Fort Pierce.

4 MS. GERVASI: Thank you.

5 MS. TORREZ: You're welcome.

6 MR. McLEAN: Ms. Chase, that concludes the  
7 number of customers who have signed up previously.  
8 Mr. Simpson wants to make a closing statement, but, of  
9 course, he defers to anyone who wants to come up now who  
10 has not yet signed up.

11 MS. CHASE: I would like to ask at this time,  
12 is there anyone in the audience who didn't speak, but who  
13 would like to come up and make a comment at this time?  
14 Raise your hand if there's anyone.

15 I don't see any response to that.

16 MR. McLEAN: Thank you, Ms. Chase.

17 Mr. Simpson, please.

18 MR. SIMPSON: Commission staff or FWS staff,  
19 there was a meeting called for November 5th over in  
20 Apopka, and then what was that meeting to be?

21 MS. CHASE: That was a meeting staff had  
22 called, and what we were going to do -- I think it's kind  
23 of been touched on a little bit. We have a billing  
24 analysis that we got from the company that came from the  
25 City of Fort Pierce, the water --

1 MR. SIMPSON: Control.

2 MS. CHASE: There was some questions about  
3 that, and we decided we needed to sit down and kind of  
4 hash it out there.

5 MR. SIMPSON: That was the two million gallons  
6 I was so mad about. Thank you. I just wanted to be sure  
7 we didn't miss anything.

8 MS. CHASE: Excuse me. I will say that we did  
9 not have that meeting. Instead we sent a letter -- we  
10 asked for information by letter.

11 MR. SIMPSON: Good. I think Tropical Isles has  
12 missed a few meetings already, so I didn't want to miss  
13 any more.

14 Again, we're assuming the need for a fair  
15 metered rate that will take care of vacations. The pie  
16 that they have set up for themselves and the Public  
17 Service Commission staff cooked is too big. Compare it  
18 to their own rate when Tracy Smith, sitting here, is  
19 quoted in the Fort Pierce Tribune on February 1st, that  
20 they need about a \$5 increase, or Ida Roberts saying the  
21 same thing in the January information meeting in Stuart,  
22 but to get no definite data then because their finance  
23 person wasn't available. I don't know whether he had the  
24 flu that day or what.

25 She said she would send information to me. The

1 only information she sent was that environmental mandates  
2 were 75 percent of the need -- of 75 million dollars in  
3 the State. It may be in the State. It adds up to six or  
4 \$7,000 here in our little septic tank, most of which was  
5 done before they bought the plant for \$10. But again,  
6 that's just a minor fact, I'm sure.

7           Maybe you are seeing why we are so contentious  
8 about this. We've been, you know, glued, tattooed and  
9 lied to all the way through with a callous disregard  
10 which was obvious by the lack of answers. We have been  
11 waiting since the January meeting in '96 for this data on  
12 what it costs to operate this plant. The only thing  
13 we've heard is divided.

14           So now we go over to the Department of  
15 Environmental Regulations, the State of Florida. What  
16 does Florida Water Services or SSU use? What do they  
17 report for this Tropical Isles plant? In April of '95,  
18 it was -- they reported they pumped 6,000 gallons, not  
19 6,000 gallons per resident as you're allowed, 6,000  
20 gallons for the entire park. It's in your Department of  
21 Environmental Regulations report, Matt.

22           Now, that stays the same through '95, the same  
23 into '96. About mid '96, they found a flow meter --  
24 probably a squirrel in a cage swimming or something like  
25 this, I'm not sure -- and suddenly they've got 22,000.

1 It jumps -- quadruples. That was when things were  
2 getting a little heated, and the sums per day went up,  
3 and it hit a high of 38,000 for the whole park. But you  
4 realize even the high 38,000, if you accepted that and  
5 used the eight percent rate, that's about 3,600 per  
6 house. And here you're saying "Well, the way we handle  
7 sewage if the sewage should hit 6,000, we don't count it  
8 any more. Anything over 6,000, that's not wastewater.  
9 That's when you were out washing your car." We don't hit  
10 6,000, not one of us.

11 When are you going to stop listening to the  
12 data that they provide and they don't provide us. When  
13 their own information to the Department of Environmental  
14 Regulations is different, when Tracy Smith and Ida  
15 Roberts are quoted five bucks is enough. Do you have any  
16 accounting responsibility or management responsibility  
17 for this firm, other than a little slap of the wrist for  
18 sloppy management?

19 They did file data late. They could get data  
20 earlier from Fort Pierce Utilities Authority. It's  
21 optional whether you allow the depreciation on the full  
22 amount. Now, we stretched the point a bit, it wasn't  
23 \$500,000. It was only 457,430, you know, much lower  
24 depreciation. You allow them to go over an ER unit,  
25 equivalent regulation unit for four people. One, six to

1 10,000 gallons. Judy Sweat -- Sweet, whatever her name  
2 is -- sends all the stuff over and compares it to Fort  
3 Pierce Utilities, St. Lucie County. One month total was  
4 just 6,000 for the whole park, according to their own  
5 reports to the Department of Environmental Regulations.  
6 We don't get that much, kid.

7 They hurried to get some metered rate out and  
8 provided it to us. We didn't know for sure what it was.  
9 It was just attached, and, of course, it comes out to the  
10 same size pie. It said some of us would, you know, pay  
11 more and some would pay less if you allow this whole  
12 organization to pull -- continue to pull a con job on the  
13 staff. Compare these other rates with us.

14 They're considering selling their three plants  
15 in Martin County because they're unique and remote. We  
16 have one plant in St. Lucie County. We're uniquer (sic)  
17 and remoter than those three are down in Martin County.  
18 Also we're a hell of lot ornerier. And we don't like to  
19 be that way, but we're going to keep fighting you right  
20 down the line, legislatively, judicially,  
21 administratively, whatever it is. We think we have been  
22 left out of Chair Johnson's information loop that she  
23 tells Representative Pruitt and Representative Foley  
24 about in the press. We think we're still seen as  
25 intervenors, which means you folks -- butt-inners -- in

1 this entire process, we're butting in, and we really  
2 prefer Florida Water Services to butt out.

3 We'll pay them back the \$10 and give them their  
4 200 percent increase. We'll maybe pay them \$30. Let  
5 them keep the plant and depreciate their \$457,000. Turn  
6 it over to us, and indebt (sic) the lease for \$1 a year.  
7 We'll operate it ourselves, as Mr. Shacket told you.  
8 They'll be happy. They won't be having a loss on the  
9 plant anymore. They're having a loss on it.

10 Did you ever look at efficiency management?  
11 The two people that we got bids from don't have a staff  
12 or attorneys or lobbyists that are in Tallahassee all the  
13 time. They're out here operating a sewer plant to keep  
14 the costs down a little bit. I'm just afraid, you know,  
15 if this keeps up, and we do get ornery, this group over  
16 here (indicating), who are doing their job, will probably  
17 be back before the Commission because they want a higher  
18 rate from Tropical Isles because of all the trouble we  
19 have caused them having to go to court.

20 We will continue to argue this. We would  
21 really appreciate being informed about when these things  
22 come up and getting copies of how they compute their  
23 rates. We haven't been able to get them from them. They  
24 talk about an administrative nightmare, the vacation  
25 rate. Hello, the meter will tell you that. Or as the



1 park owners notify the garbage pickup company when you go  
2 on vacation, because we tell them when we're going, that  
3 might be another way. The only administrative nightmare  
4 for vacation is because the office can't get the changes  
5 of address straight.

6 And then one person got a notice of a refund  
7 because of this overcharge that we're talking about  
8 coming up, said right here at Tropical Isles, except the  
9 person doesn't live in Tropical Isles, and the address is  
10 nonexistent. I see an administrative nightmare. You've  
11 got it in your billing office, and probably costing you  
12 quite a bit.

13 We're contentious. We're ornery. We're  
14 unique, and we're remote. We'd just as soon you stayed  
15 in Apopka.

16 Thank you.

17 (Applause.)

18 MR. SHACKET: I need to make a correction. It  
19 was pointed out to me, the document that I'm holding here  
20 that I received on December 19th, 1996, from Mr.  
21 Pronowitz, who is the head of the Fort Pierce Utilities  
22 Water Division, it was -- it was the actual computer  
23 printout for the entire year, month by month, for each  
24 resident in the park. So this actually shows you by  
25 meter number, and the meter number can be crossed over to

1 an address. This actually shows you, this document, who  
2 uses what, how much water each resident uses every month.

3 Yes, this is about 3,780. If you take 80  
4 percent, you're around 3,300 gallons per month as an  
5 average. You are talking about -- you mentioned that --  
6 you said that the rates right now that were proposed was  
7 6,000 minimum gallons; is that correct?

8 MS. CHASE: Not 6,000 now, but it would not  
9 apply to anything over 6,000 gallons.

10 MR. SHACKET: What you need to do is lower the  
11 rate and change the minimum, because you have a situation  
12 here where you have 1.6 residents per home. You have a  
13 situation here where you only use 3,200, 3,300 gallons  
14 average a month. It would be more fair to come up with a  
15 different way of structuring that. You can't -- you  
16 would have to go with some other type of minimum charge.  
17 Based on what's here, that should go way down, okay, to  
18 make it fair, if you're talking about what's fair.

19 The other thing, of course, of what's fair is  
20 find out what the real truth is with respect to the costs  
21 of operating this plant.

22 I guess that's it. I want to thank you very  
23 much for listening. I hope that this doesn't fall on  
24 deaf ears, because I must tell you in all sincerity, this  
25 is not a veiled threat, this is a fact. These people

1 here will not put up with this. They will not take it.  
2 They have taken it too long.

3 (Applause.)

4 MR. SHACKET: And we know what we're talking  
5 about. We know what it does cost to operate this plant.  
6 You have to understand, you have to find out what the  
7 real truth is in that respect. These people here are  
8 ready to file into a lawsuit. They're ready to withhold  
9 the payment from Florida Water Services, put the money in  
10 escrow, and Florida Water Services is going to be  
11 deprived entirely of any revenues.

12 Let the local judge in St. Lucie County see the  
13 figures and see the facts. They will let the local judge  
14 listen to expert witnesses. They will let the local  
15 judge subpoena the employees of Florida Water Services,  
16 subpoena the records of Florida Water Services, and he'll  
17 find out what's really going on. I would like to see  
18 what a judge in this county is going to say to these  
19 people when he finds out what's going on. I know Florida  
20 Water Services doesn't want that to happen. That's not a  
21 veiled threat, that's a reality.

22 These people will not put up with it, okay.  
23 You have to understand, they will do it. Whatever it  
24 takes to resolve this, they will do it. But the Public  
25 Service Commission has it within their power to make it

1 right now, to do right by these people. And the  
2 Representative and myself are more than happy to help you  
3 with the expertise. We can -- we're more than happy to  
4 provide you with names and the documents and expertise,  
5 third-party experts.

6 I talked to the people, to McNeil, the people  
7 that designed the sewer plant -- that built it. I talked  
8 to the engineer, Culpepper, that designed it. I know  
9 what I'm talking about. I have done a lot of research.  
10 I know what it takes to operate the plant. I know what  
11 it cost to build it, okay, and I know what these people  
12 are doing. When I say it's a fraud, it's a fraud. You  
13 have to understand that.

14 I want to thank you very much for listening.

15 (Applause.)

16 MS. CHASE: Thank you very much ladies and  
17 gentlemen for coming tonight. We really do appreciate  
18 it. We were here to hear about the rate structure. I  
19 think we heard some things about that. We heard a lot  
20 more. Your frustrations were noted.

21 MR. SMART: Ralph Smart. Sorry to interrupt  
22 you. Will you --

23 MS. CHASE: Will you please come to the  
24 microphone?

25 MR. SMART: Ralph Smart. I'm on record.

1 Will you be requesting this from the Fort  
2 Pierce Utilities to help you evaluate what's going on?  
3 You didn't mention that.

4 MS. CHASE: We actually do have a copy of it.  
5 It doesn't look like that. It's a legal-sized document.  
6 We do have a document from the Fort Pierce Utilities  
7 Authority that we are reviewing. That is what caused us  
8 to write the letter and ask for some details on some of  
9 the billing analyses.

10 MR. SMART: One other thing -- I'll use the  
11 microphone. I don't like microphones.

12 If you take the numbers from here, all right,  
13 for what we are paying for our water usage, all right,  
14 see how much we're paying for the discharge, see what the  
15 percentage difference is, you got to know there's a  
16 problem somewhere. We don't have to tell you folks that.  
17 You can do it for us. We don't have to wait for this  
18 thing to go through litigation and courts and everything  
19 else. Your recommendation, okay, can resolve this thing  
20 faster than going to court. If this thing goes into  
21 court, it can drag on and on and on, okay. We don't want  
22 that. We want you, our representatives also, to resolve  
23 this thing as soon as possible. That's all we ask you.  
24 Thank you.

25 (Applause.)

1 MS. CHASE: Let me just say again, your  
2 comments did not fall on deaf ears. We will be bringing  
3 it back. I can't -- I do not have any authority here to  
4 stand and tell you we're going to -- once again, this is  
5 not the rate case. This particular thing we're down here  
6 to talk about is rate restructuring. I will bring all  
7 the information back. Your frustrations are well noted.  
8 We have a record here. I will bring it to the people who  
9 need to hear about it, and we do have names, phone  
10 numbers, addresses, and we will be in touch.

11 I do appreciate the offer of assistance that's  
12 been given by the gentlemen and Representative Pruitt,  
13 and we will be in touch.

14 Also, let me remind you, anybody that does want  
15 to get the staff's recommendation in this case, you do  
16 need to come sign up for that, and we will be sending  
17 copies of it. So if any of you do want to get a copy and  
18 are willing to share it with some of your residents,  
19 please come and sign up. We'll be happy to send a copy  
20 of the recommendation, and you'll also be getting a copy  
21 of the order that the Commissioners do issue in this  
22 particular case.

23 Thank you again for showing up. We do  
24 appreciate it.

25 (Whereupon, meeting concluded at 8:45 p.m.)

1 STATE OF FLORIDA )  
2 COUNTY OF MARTIN ) SS.  
3 )

4 CERTIFICATE

5 I, LINDA L. BAGGETT, Professional Reporter, do hereby  
6 certify that in the matter of **TROPICAL ISLES vs. FLORIDA**  
7 **WATER SERVICES, INC.**, DOCKET NO. 970409-WS, a public meeting  
8 was held at the Tropical Isles Auditorium, beginning at the  
9 hour of 6:33 p.m. on the 19th day of November, 1997; that I  
10 was authorized to and did stenographically report the  
11 proceedings in that public hearing, and that the foregoing  
12 pages comprise a true and correct transcript of those  
13 proceedings.

14 DATED this \_\_\_\_\_ day of \_\_\_\_\_ 1997.

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17 \_\_\_\_\_  
18 LINDA L. BAGGETT  
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