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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

IN RE:
APPLICATION FOR STAFF-ASSISTED DOCKET NO. 140186-WU
RATE CASE IN BREVARD COUNTY, BY
BREVARD WATERWORKS, INC.

PROCEEDINGS: CUSTOMER MEETING

COMMISSION STAFF
PARTICIPATING: KELLY THOMPSON
ANA ORTEGA
ANJOELLE POOLE

DATE: April 9, 2015

TIME: Commenced at 6:00 p.m.
Concluded at 6:24 p.m.

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

2 **MS. THOMPSON:** -- time out of your day to
3 come. I appreciate it.

4 This is the Customer Meeting for Brevard
5 Waterworks, Docket No. 140186-WU, and this is the
6 meeting on their staff-assisted rate case. I'm Kelly
7 Thompson with the Florida Public Service Commission and
8 I'm an analyst in the Division of Economics. We have
9 Ajonelle Poole with our Public Information Office, and,
10 also, we have Anna Ortega, which is in the Division of
11 Economics, and we are both rate analysts. We also have
12 Troy Rendell.

13 **UNIDENTIFIED SPEAKER:** (Inaudible.)

14 **MS. THOMPSON:** And Ron with US Water. They're
15 the representatives for Brevard Waterworks. They are
16 here just to hear your concerns. They're not here to
17 speak. They just want to listen to the customer
18 concerns and take notes and listen.

19 We are here tonight to explain the customer --
20 the Commission's rate case process and to receive your
21 comments. You will be called up to speak in the order
22 in which you signed up. If you would like to speak and
23 didn't sign up, just please let Ajonelle know and we can
24 certainly get you signed up. Also, please remember that
25 this meeting is being videoed, as well as recorded.

1 During the presentation, I will explain the
2 staff-assisted rate case process. We call it a SARC.
3 We will review staff's preliminary rates and describe
4 what you, as a customer of Brevard Waterworks, can do.

5 First, let's review a little history on the
6 company. The utility was transferred from AQUA
7 Utilities Florida to Brevard Waterworks in June of 2014.
8 The utility's last rate increase was approved in the
9 2011 AQUA rate case. Brevard Waterworks applied for the
10 current rate increase in September of 2014.

11 What is a SARC? It's the process where
12 Commission staff assists small water and wastewater
13 utilities with its rate relief request. Staff
14 assistance usually eliminates the utility's need to hire
15 outside accountants and engineers. This will help
16 reduce the rate case expense that the company can pass
17 on to its customers.

18 Now that you understand what a SARC is, let me
19 explain to you how the process works. The utility's
20 application was filed in September. A staff auditor
21 conducted an examination of the utility's books and
22 records. We had an engineer conduct a review of the
23 utility's operations and has been in contact with the
24 Department of Environmental Protection. A staff report
25 was then prepared, which contained staff's preliminary

1 finding and preliminary rate increase. We, then, hold
2 this customer meeting in order to get input from you,
3 the customers. After the customer meeting, staff will
4 prepare and file a recommendation that details staff's
5 proposed rates. The recommendation will then be heard
6 by the Commission at a Commission Conference.

7 When preparing the staff recommendation, staff
8 considers customers input and information obtained
9 subsequent to its preliminary staff report for its
10 recommendation to the Commissioners. The rates and the
11 final recommendation may be different from what you've
12 seen in the staff report. We, then, continue to the
13 Commission Conference.

14 At the Commission Conference staff will
15 present the recommendation and the Commissioners may ask
16 questions of staff prior to voting on staff's
17 recommendations. The Commission may approve, deny or
18 modify the recommendation. The utility and customers
19 are allowed to speak at the Commission Conference. If
20 you plan on making the trip to Tallahassee and wish to
21 speak, please let one of the staff members know you're
22 going to be there, preferably the attorney whose name
23 and information is on Page 2 of the staff report and
24 that way we can make sure arrangements are in place that
25 will allow you to speak.

LINDA CUNNINGHAM, RPR, (850)294-4864

1 Now, that you understand the SARC process,
2 what happens next? After the Commission votes, a
3 Commission Proposed Agency Action Order is issued within
4 20 days. This just memorializes the Commission's
5 decision at the Commission Conference. After the PAA
6 Order is issued, we have a 21-day protest period where
7 any substantially affected party, other than the
8 utility, can protest the order and request a hearing.
9 The utility must agree to accept the final rates and
10 charges set by the Commission, unless they produce less
11 revenue than the existing rates and charges.

12 If a timely protest is filed, a hearing will
13 be held in the service territory or as close in
14 proximity as possible. The hearing will be conducted
15 before at least three of the five Commissioners. The
16 utility and protesting parties will litigate the issues
17 and customers can testify before the Commissioners at
18 the hearing.

19 Now, let's get into the specifics of the
20 Brevard Waterworks case. This slide is a representation
21 of the utility's test year revenues and expenses along
22 with staff's preliminary calculations. The test year
23 indicates what the company recorded in its books and
24 records and staff's preliminary rate calculations
25 encompass any prudently incurred expenses.

1 Based on the revenue and expense information
2 from the previous slide, we then calculate the
3 preliminary rates. And please remember these are just
4 preliminary in nature. They are based on information we
5 know at a time certain. Once this is over and we
6 complete our investigation, these rates will most likely
7 change. They can also be found on Page 3 of your staff
8 report. Here is a rate comparison at different
9 consumption levels. And, again, please remember that
10 these are just preliminary in nature.

11 Now, let's get some specific case details.
12 Staff's recommendation on Brevard Waterworks' SARC is
13 tentatively scheduled to be filed on July 9th of 2015.
14 Staff's recommendation is tentatively scheduled to be
15 heard by the Commission at its July 21st Commission
16 Conference. The Commission can either approve, deny or
17 modify staff's recommendation.

18 I know after hearing all of this information
19 you're curious as to what you as a customer can do. You
20 can provide comments at tonight's meeting, your
21 experience with the utility, your billing issues,
22 quality of service issues. You can provide written
23 comments on the form that is attached to the special
24 report and you would complete your written comments,
25 fold -- it's pre-addressed -- stick it in the mail, put

1 a stamp on it. There are also ways that you can follow
2 on the internet and obtain a copy of staff's
3 recommendation and monitor the agenda.

4 This is just a layout of the staff report.
5 Keep this, it has all vital information on it. It has
6 the docket number on it, which will be needed on any
7 correspondence that you were to send to the Commission.
8 And that's the Customer Complaint Form or Comment Form.

9 All right. This is our website. The website
10 address is also listed on Page 2 of the staff report.
11 And I don't have a clicker, but if you click on the --
12 either the Clerk's Office tab, you can type in the
13 docket number that's found on the special report and it
14 will pull up any information that's contained in the
15 docket file. It will give you all of the information
16 that the Commissioners have to consider when making a
17 decision on this rate case.

18 You can also click on the Conferences and
19 Meeting Agenda's tab at the top and it will take you to
20 this screen. If you -- if you click on this blue
21 agenda, it will bring up the agenda that's going to be
22 discussed at that particular Commission Conference. If
23 you click on the video link, it will actually bring it
24 up live, in live time, and you can hear it and watch it
25 as it is happening.

1 The next couple of slides are some useful
2 contact information for you as a customer. The Office
3 of Public Counsel, who are they? They are an advocate
4 for you the consumer before the Florida Public Service
5 Commission. I have listed their phone telephone number
6 and their website.

7 This next slide is our Consumer Assistance
8 Hotline at the Commission. If you have any information
9 or would like to file a complaint, this is the number
10 that you would contact, and it's also on Page 2 of the
11 staff report.

12 And, finally, I would like for you to remember
13 that this meeting is being videoed and recorded. You
14 will be called up to speak in the order in which you
15 signed up. When you -- when you stand -- I guess we
16 will just stand up since we are such a small group, but
17 please be loud so we can hear it on the video and on the
18 tape recorder. And I need you to state your name, your
19 address, and spell your last name, so when we get back
20 to the office we can -- when we listen to it we will
21 know who you are and how to reach you, if we need to.

22 And that concludes my presentation. And now
23 we will take your comments.

24 **UNIDENTIFIED SPEAKER:** We will begin with
25 Mr. Karl Krupp.

1 **MR. KRUPP:** My name is Karl Krupp. 3535
2 Brockett. K-R-U-P-P.

3 I don't believe there should be a rate
4 increase. While this was still under AQUA Utilities,
5 they quoted for their last rate increase, where they
6 were upgrading the infrastructure and assisting in
7 putting money into Brevard County's water treatment
8 systems, they never did. The waterlines are maintained
9 by Brevard County. We all pay property tax. Our tax
10 money is going to Brevard County for them to maintain
11 the water system.

12 AQUA Utilities went in and put the smart
13 meters in. The meter readers don't even stop, they just
14 drive by. I have talked to their service technicians.
15 There is one service technician for three counties. He
16 will hire day labors. Usually the ones I have seen him
17 get, Spanish-speaking, for like 20, \$25 a day, do all of
18 their digging. I mean, if they are actually increasing
19 the waterlines or doing, I would concede them getting a
20 rate increase, but everything they've done to save money
21 they have done.

22 The water rates are as high as the county's
23 water rates are. The quality of the service at my
24 house, standing water pressure is 25 pounds. You turn
25 on a faucet it drops to 20. That's below state

1 standards. I have argued with AQUA Utilities and that's
2 on a good day.

3 Tuesdays and Thursdays when the water
4 treatment system is flushing their lines, my water
5 pressure drops down. In the mornings I won't take a
6 shower because I barely get any water pressure. And I'm
7 the first line after the meter for their system, going
8 back into the Oakwood Subdivision. So, if my water
9 pressure is that bad, what is everyone else's that's
10 further down the line? And most people don't realize
11 that.

12 **MS. THOMPSON:** Thank you very much.

13 **MS. ORTEGA:** Ms. Victoria Leiter.

14 **MS. LEITER:** Victoria Leiter, L-E-I-T-E-R.
15 3137 Dedham Street.

16 My big thing about this company is that it
17 says, after 1,000 gallons then you pay that extra
18 amount. And I've never used 1,000 gallon in a month,
19 never, but as soon as that third number on meter turns
20 over, it says, you used 1,000 gallons, you got to pay
21 that extra charge, and I've never had a water company
22 that operated that way.

23 And I'm so upset, I've learned how to really
24 save water, because I don't want you guys to get my
25 extra money. I mean, I'm the person that turns the

1 faucet off when I'm brushing my teeth. I'm in the
2 shower, I wash, I get out. I rinse my dishes with the
3 slowest amount, because I don't want you having my
4 money. Okay. Did you all understand what I'm saying?

5 **MS. THOMPSON:** Yes, ma'am. Could you spell
6 your street name?

7 **MS. LEITER:** D-E-D-H-A-M.

8 **MS. THOMPSON:** Okay.

9 **MS. LEITER:** And another thing, I really don't
10 have a problem other than that. I didn't realize -- you
11 know, he was saying about water pressure. Yeah, it
12 takes a long time to fill up a gallon of water. And,
13 you know, I don't know.

14 But another thing, when I first bought my
15 place and I got my water bill and when I realized I was
16 getting charged, on your billing statements it says,
17 Check here for a change of address or a message, and
18 then write it on the back. And for the first two months
19 I checked here and I wrote my message on the back and
20 didn't get a response. Well, it says call us. I didn't
21 have a phone. And so I'm upset with you guys for that
22 reason.

23 **MS. THOMPSON:** Okay.

24 **MS. LEITER:** That's all I have.

25 **MS. THOMPSON:** Thank you.

1 How many speakers do we have?

2 **UNIDENTIFIED SPEAKER:** You didn't sign up.

3 **MR. BONARDI:** Huh?

4 **UNIDENTIFIED SPEAKER:** Do you want to talk?

5 **MR. BONARDI:** Yeah.

6 **UNIDENTIFIED SPEAKER:** You (inaudible).

7 **MR. BONARDI:** We are paying a really

8 ridiculous -- huh? I have got to stand up?

9 **MS. THOMPSON:** Yes, sir. Could you state your
10 name and give me your address and then spell your last
11 name?

12 **MR. BONARDI:** Joe Bonardi, B-O-N-A-R-D-I. And
13 we live at 3202 Norfolk Street. Okay.

14 **MS. THOMPSON:** Okay.

15 **MR. BONARDI:** Our water bill down here is
16 ridiculous. These people only have to dig down to about
17 eight inches to repair a pipe. My water bill up home
18 isn't half of what they're getting a month, and that's
19 for three months. Quarterly, is it?

20 **MRS. BONARDI:** Yes.

21 **MR. BONARDI:** Down here our water pressure is
22 down. I've got two filters on my line. They come out
23 yellow, and I think it's ridiculous. Up home, they've
24 got to dig down eight feet before they can put in a
25 water pipe. Up here, they just shovel off a few sands

1 and they fix a pipe. I don't know why they're charging
2 us so much money for this water.

3 **MS. THOMPSON:** Could you spell your street
4 name?

5 **MR. BONARDI:** Say again?

6 **MS. THOMPSON:** Could you spell your street
7 name?

8 **MR. BONARDI:** Go ahead.

9 **MRS. BONARDI:** N-O-R-F-O-L-K.

10 **MS. THOMPSON:** Thank you.

11 **MRS. BONARDI:** Norfolk Street.

12 **MS. THOMPSON:** Thank you.

13 **MR. BONARDI:** Those filters come out of there,
14 they are yellow.

15 **MRS. BONARDI:** And there's brown -- there's
16 brown around the drain in your sink all of the time. We
17 can clean it and the next week, and even before, you get
18 that little brown around the edges.

19 **MS. THOMPSON:** And what subdivision?

20 **MRS. BONARDI:** There's not a subdivision where
21 we are.

22 **MR. KRUPP:** It is Oakwood.

23 **MS. THOMPSON:** Oakwood.

24 (Multiple speakers speaking.)

25 **MRS. BONARDI:** Oakwood.

1 **MS. THOMPSON:** And I appreciate you all taking
2 your time and coming, I appreciate it. There's numbers,
3 my direct line is in there. I'm Kelly Thompson. I'm
4 the lead rate analyst on the case --

5 **MR. BONARDI:** I've got one more thing to say.

6 **MS. THOMPSON:** Yes, sir.

7 **MR. BONARDI:** Okay. We used to be able to
8 shut our water off and it was no charge for the six
9 months we were gone. Now, they're charging us \$10 a
10 month just to turn it off.

11 **MRS. BONARDI:** Right.

12 **MR. BONARDI:** How does that work?

13 **MRS. BONARDI:** I don't know how it works now,
14 because we don't turn it off. It costs more to --

15 **MR. BONARDI:** It costs us so much more to turn
16 it off and turn it on. And they don't even have to come
17 out to turn it off.

18 **MS. THOMPSON:** Okay.

19 **MR. BONARDI:** It's ridiculous.

20 **MRS. BONARDI:** And they -- maybe you could
21 explain what the --

22 **MS. THOMPSON:** If you wouldn't mind stating
23 your name.

24 **MRS. BONARDI:** I'm Bertha Bonardi, 3202
25 Norfolk Street. On the bill, it's got like -- they say

1 you use 1 T gallon or 2 T gallon. What does that mean?
2 I've never --

3 **MS. THOMPSON:** I will look into that. Do you
4 have a copy of your bill with you?

5 **MRS. BONARDI:** Yes, I do.

6 **MS. THOMPSON:** Is that a copy I can take back
7 with me?

8 **MRS. BONARDI:** Well, I don't have -- this is
9 the original.

10 **MS. THOMPSON:** Okay.

11 **MRS. BONARDI:** I don't --

12 **MR. BONARDI:** They probably can make a copy of
13 it.

14 **MRS. BONARDI:** Make a copy of it out in the
15 library.

16 **MS. THOMPSON:** I will go ask them, certainly.

17 **MS. ORTEGA:** It should be \$1,000. It should
18 be 1,000 or 2,000.

19 **MRS. BONARDI:** 1,000 or 2,000 --

20 **MS. ORTEGA:** Yes, ma'am.

21 **MRS. BONARDI:** -- gallons. That's what the T
22 stand for?

23 **MS. ORTEGA:** Yes, ma'am.

24 **MRS. BONARDI:** Okay, thank you. That was why
25 I just couldn't understand what the T was.

1 Okay. And the base rate went up so high. It
2 used to be, what, six -- six or \$8 for a base rate.
3 Now, it's, what, 22? \$22.86.

4 **MS. LEITER:** I thought it was 20 -- 20.69 or
5 something.

6 **MRS. BONARDI:** It was 22.86.

7 **MS. LEITER:** It was 18.92.

8 **MRS. BONARDI:** Yes.

9 **MR. KRUPP:** Last month's bill went to 22.86.

10 **MRS. BONARDI:** Yeah.

11 **MS. LEITER:** No.

12 **MR. KRUPP:** My water bill was almost \$60 when
13 there's me and a 15-year-old daughter in the house. We
14 don't use 2,000 gallons and I'm paying \$60.

15 **MS. LEITER:** I don't use 1,000.

16 **MRS. BONARDI:** I think that -- I mean, we go
17 back up north. Why should we have to pay the 22.86 when
18 we are not even using the water? We're not here for six
19 months and we're paying 22-something? They either
20 should make an adjustment or charge people --

21 **MR. BONARDI:** If we are not using it, they
22 shouldn't charge us.

23 **MRS. BONARDI:** We shouldn't be charged.

24 **MS. THOMPSON:** Well, the 22.86 is a -- is a
25 set amount that covers expenses that are incurred

1 whether you use the water or not. And then the
2 gallonage charge is the charge for your actual usage.
3 So, even though you are not here, there are costs that
4 are incurred to have the water service available when
5 you need it.

6 **MRS. BONARDI:** And I think, then, that they
7 should let you, or us, shut the water off and not charge
8 to have it turned back on.

9 **MS. THOMPSON:** There's expenses incurred to
10 shut it off and turn it back on, also.

11 **MR. BONARDI:** Yeah, we know that. But why do
12 we need that?

13 **MS. THOMPSON:** Why do you need --

14 **MR. BONARDI:** Why do we have to be charged to
15 turn it off and turn it back on again?

16 **MS. THOMPSON:** Because there's expenses
17 associated with that action.

18 **MRS. BONARDI:** (Unintelligible) they'd turn it
19 off at the -- at the place in the ground. They don't
20 even -- nobody has to come and do it.

21 **MS. THOMPSON:** But there's expenses associated
22 with the technology to be able to turn it off and on.

23 **MR. BONARDI:** What technology? They don't
24 even -- they pay a guy to ride down the street and hit
25 it with a meter. He does the whole park in 15 minutes.

1 **MRS. BONARDI:** Anyway, I just think that that
2 is a ridiculous basic charge for what we're getting.
3 Nothing.

4 **MR. BONARDI:** May I?

5 **MS. THOMPSON:** Yes, sir.

6 **MR. BONARDI:** Go ahead.

7 **MR. KRUPP:** For example, on the Titusville,
8 City of Titusville has one of the most highest water
9 bills in the US, because of their fines and having to
10 build the water treatment facility up. I have got a
11 house in Titusville. With 1,000 gallons of water, it's
12 \$35.14 a month, that includes the base rate and water
13 usage. But their sewage on that water bill is three to
14 one. So, for every one gallon of water, you are paying
15 \$3 in sewage.

16 Now, if they are only at 31 -- 35 that's a
17 little excessive, \$23 for a base rate.

18 **MS. THOMPSON:** Well, it's kind of hard --

19 **MR. KRUPP:** And they are not paying any
20 sewage.

21 **MS. THOMPSON:** It's kind of hard to compare a
22 city with a private utility.

23 **MR. KRUPP:** Right.

24 **MS. THOMPSON:** With the county there's usually
25 a bigger customer base for them to be able to spread the

1 costs over.

2 **MR. KRUPP:** But I know the US Water's --
3 Brevard Waterworks is getting their water from Brevard
4 County, and their water rates for people with septic
5 systems, which everyone up here is, is less than of a
6 base rate and cheap runned water because there is no
7 sewage charges.

8 **MS. THOMPSON:** And I don't know what the city
9 or county's practices are and what -- how they design
10 and develop their rates, so I --

11 **MR. KRUPP:** Okay.

12 **MR. BONARDI:** But this is a private company,
13 isn't it?

14 **MS. THOMPSON:** This is, correct.

15 Well, thank you all very much for coming. And
16 with that, we are adjourned.

17 **MR. BONARDI:** Our bill will go up again;
18 right?

19 (Recording ended.)

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

3

4 I, LINDA CUNNINGHAM, RPR, Court Reporter and
5 Transcriptionist, do hereby certify that the foregoing
6 proceedings were transcribed from digital recording to
7 the best of my ability.

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9 employee, attorney or counsel of any of the parties, nor
10 am I a relative or employee of any of the parties'
11 attorneys or counsel, connected with the action, nor am
12 I financially interested in the action.

13

DATED this 19th day of April, 2015.

14

15

Linda Cunningham

16

LINDA CUNNINGHAM, RPR
COURT REPORTER AND TRANSCRIPTIONIST
(850)294-4864

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LINDA CUNNINGHAM, RPR, (850)294-4864