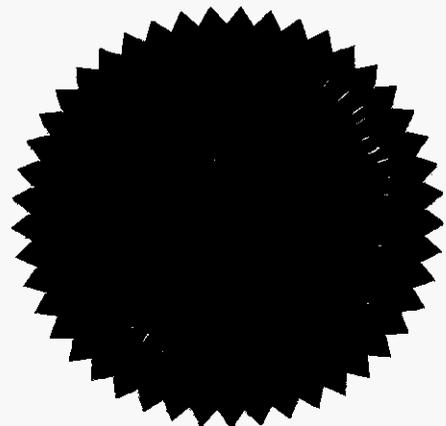


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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 930256-WS

Customer Meeting before the Public Service Commission, beginning at 6:35 PM, and concluding at 7:43 PM, on THURSDAY, JULY 8, 1993, taken at Sheraton Orlando-North, 600 North Lake Destiny Drive, Maitland, Florida, before BARBARA F. CURRY, Notary Public, State of Florida at Large, and Registered Professional Reporter.



A P P E A R A N C E S:

LILA JABER, ESQ., Division of Legal Services, Fletcher Building, 101 East Gaines Street, Tallahassee, Florida 32399-0850, on behalf of the Public Service Commission.

JOHN F. LOWNDES, ESQ., OF: Lowndes, Drosdick, Doster, Kantor & Reed, PA, 215 North Eola Drive, Orlando, Florida 32801, on behalf of Sanlando Utilities Corporation.

ALSO PRESENT: Billie Messer, Division of Water and Wastewater; Robert J. Crouch, PE.

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P R O C E E D I N G S

1
2 MS. MESSER: Well, we will get started. I
3 think we have folks that are coming out this
4 evening.

5 I want to thank all of you for joining us
6 this evening on behalf of the Florida Public Service
7 Commissions.

8 My name is Billie Messer. And I'm the
9 supervisor of rates in the Division of Water and
10 Wastewater.

11 To my right is Bob Crouch, who is the
12 supervisor, engineering supervisor in our division.

13 And to my left is Lila Jaber, who is our
14 staff attorney.

15 And also with us this evening is our Court
16 Reporter, Barbara Curry. And she will be taking
17 notes of this whole proceeding and providing us
18 later with an official transcript.

19 This is considered an official
20 proceeding. And this is a formal record that we are
21 building for this limited proceeding that the
22 Utility has filed.

23 Now, as you know, the reason that we are
24 having this meeting here this evening is because
25 Sanlando has filed what is called a limited

1 proceeding with the Commission requesting a change
2 in their water gallonage charge.

3 Now, a utility may file for a limited
4 proceeding, as opposed to a full rate case when they
5 have a specific request, a specific rate that they
6 need to have changed, or they desire to have changed
7 for a specific reason. It is a very narrow type of
8 proceeding, rather than a full rate case
9 evaluation.

10 In this particular case the Utility has
11 requested a change from its existing water gallonage
12 change, which is a single gallonage charge, to an
13 increasing water gallonage charge, which will start
14 at ten thousand. It starts at ten thousand gallons
15 and increases in ten thousand gallon increments.
16 And I believe that their notice specifies what those
17 rates will be.

18 Now, the company has requested this rate
19 design because it believes that it will help them to
20 promote some water conservation, but it will also
21 allow them to generate revenues that will be used to
22 construct plant necessary to provide effluent into
23 three golf courses.

24 The purpose of our meeting this evening is
25 to allow you, the customers, to provide us with any

1 input that you might have on this rate request from
2 the Utility.

3 We are interested in any testimony that
4 you have on the rate request and also on the quality
5 of service that you are receiving from the Utility.
6 And that would include the actual service, provision
7 of service to you, in addition to the quality of the
8 product that you are receiving.

9 In a few minutes we will ask each of you
10 who plan to testify to stand up and be sworn in by
11 our Court Reporter. I will call your names from the
12 list that you gave me.

13 If some of you have not signed up to
14 testify decide that you would like to, then please
15 let us know when you stand up that you haven't been
16 sworn in before, and you will be sworn in by the
17 Court Reporter. But we will call your name. And we
18 will ask you to come forward to testify.

19 Now, it just dawned on me that we
20 generally ask you to come forward and speak into a
21 microphone in the front. And perhaps what we could
22 do is move one of these microphones at the end, or
23 ask you to come and just talk to us through one of
24 the microphones at the end, that way everybody in
25 the room will be able to hear what you have to say.

1 And, also, when you do come forward, if
2 you could please repeat your name and address slowly
3 for the Court Reporter before you begin to testify.

4 Before we begin, our attorney, Ms. Jaber,
5 will briefly explain the Commission procedures
6 involving this limited proceeding.

7 MS. JABER: Thank you, Billie.

8 Again, I just have to reiterate that it is
9 important for you to come up and clearly state your
10 name for the record. Make sure you have signed up,
11 so we have your name and address.

12 Let me begin by telling you what happens
13 when a utility such as Sanlando files an application
14 for a limited proceeding like this. Staff reviews
15 the application. We send out the Staff Data
16 Request, which are very similar to interrogatories
17 if we were in the hearing process.

18 We wait for those responses to come back.
19 We review those responses. We may send out more.
20 We have customer meetings such as this.

21 After studying all the responses and the
22 application, the Commission Staff prepares a
23 recommendation. The Staff recommendation is the
24 document which is designed to address all the issues
25 identified in this case.

1 And, again, if you would like a copy of
2 the recommendation, make sure you tell us. It will
3 also put you on the mailing list, and you will get
4 orders, subsequent orders, subsequent
5 recommendations.

6 The Commission in this case will hear the
7 recommendation at the agenda conference to be held
8 in Tallahassee. It is currently scheduled
9 August 17th, I believe is the day.

10 At that agenda conference the
11 commissioners have the opportunity to ask questions
12 of the Utility, of Staff, any customers that would
13 like to attend.

14 The agenda conference is open to the
15 public. We encourage customer participation because
16 that is our opportunity, as well as today, to find
17 out how the customers feel about this utility.

18 Now, the commissioners vote on the
19 recommendation at agenda. They can accept it,
20 modify it or reject it. If they reject the
21 recommendation, a hearing is scheduled. If they
22 accept it or modify it, the Commission will issue an
23 order confirming their vote. That order is called a
24 Proposed Agency Action Order. And what that means
25 is if in twenty-one days an interested party does

1 not protest the order, the Commission vote becomes
2 final, and the utility is allowed to implement the
3 rates and charges.

4 If an interested party does protest the
5 order within twenty-one days, a more formal process
6 begins. What I mean by that is a hearing is
7 scheduled. As you may think of a trial, it is very
8 similar. The utility has to put on its case. The
9 protester has to put on his case, his or her case.
10 Staff does the same thing. So this involves having
11 accountants, attorneys, consultants. The process is
12 very time consuming. It is expensive. And it is a
13 complicated process. At the hearing customers again
14 are given the opportunity to present testimony
15 regarding the quality of service or rates.

16 Now, hearings are usually scheduled in the
17 service areas. So you can have a hearing right here
18 in this hotel, if that is what the most adequate
19 place for the hearing is.

20 After the hearing, the Commission Staff
21 again prepares another recommendation to go to
22 another agenda conference. At this time the
23 commissioners have a final vote. Customers do not
24 participate. The utility does not participate.
25 This order resulting out of this agenda vote becomes

1 final. And if an interested party would like to
2 appeal, they have to appeal to the First District
3 Court of Appeal.

4 In closing, I just want to mention the
5 Office of Public Counsel. This is a separate state
6 agency that is set up to represent the interest of
7 customers in rate cases. If anyone would like --
8 the name of the Public Counsel is Jack Shreve. If
9 anyone would like his number, I would be glad to
10 give it to them.

11 With that, we can get started.

12 MS. MESSER: I'll call out your name, if
13 you would come up, and we will just turn one of
14 these end microphones around.

15 First, let me ask everybody that plans on
16 testifying if you would stand and our Court Reporter
17 will swear you in.

18 (Whereupon, all potential witnesses
19 were placed under oath by the Court
20 Reporter).

21 MS. JABER: Just one more thing before we
22 get started, those of you who do not want to
23 testify, on the back of the Special Report there is
24 a customer comment sheet. If you would like to fill
25 that out and give it to us, we will take this back

1 and put it on the correspondence side of the file.

2 MS. MESSER: Mr. Segal? If you could use
3 that microphone at the end of the table.

4 MR. SEGAL: Yes. My name is Bill Segal.
5 I am a member of the governing board of the
6 St. Johns River Water Management District. And I'm
7 here to speak on behalf of the District and as a
8 private citizen here in the area.

9 Our Board -- this plan really implements
10 two of our Board's stated goals and one informal
11 goal.

12 The reuse portion has become extremely
13 important to water management in Florida. And I
14 believe after the reasonable and beneficial use
15 test, it is rapidly becoming our next important
16 criteria for Consumptive Use Permits for public
17 utilities. We are extremely pleased to see this.
18 We believe this will end up in cleaner water in the
19 Wekiva basin. We are extremely thrilled about
20 that.

21 Secondly, it will obviously diminish the
22 withdrawal from the aquifer, so we are pleased about
23 that.

24 Informally, not as a public matter yet,
25 but, informally, it is my belief that most of the

1 Board and our agency believes that incrementally
2 raising the cost of the water usage, by doing so,
3 the citizenry will become more respectful of the
4 resource. And we are pleased that this plan has
5 that component in it, too.

6 In light of the fact that it appears that
7 most or all of the extra money being raised will be
8 used for water conservation, I believe this is a
9 win/win situation for all, and I wholeheartedly
10 endorse it. Thank you.

11 MS. MESSER: Thank you.

12 Charles Leb?

13 MR. LEB: Ladies and Gentleman of the
14 Public Service Commission, I'm Charles Leb, Senior
15 Vice President of the Florida Audubon Society. For
16 the record, our address is 460 Highway 436,
17 Casselberry, Florida 32707.

18 The Florida Audubon Society is a
19 membership organization with over thirty-five
20 thousand members in the State of Florida, several
21 thousand members in the Orange and Seminole County
22 area and forty-six chapters from Key West to
23 Pensacola.

24 We are concerned with the protection of
25 the environment, both in terms of water quality as

1 they would relate to this case, and in terms of the
2 protection of water supplies with regard to
3 promotion of adequate water conservation measures.

4 In 1991 the Florida Audubon Society
5 entered into an administrative proceeding with
6 regard to the operating permit for the Sanlando
7 Utilities Wastewater Plant, which disposes effluent
8 into the Little Wekiva River, the Wekiva River
9 rather.

10 The purpose of our entry into this
11 administrative proceeding was in part based on a
12 concern that the water conservation plans of the
13 utility did not appear to be adequate.

14 We advocated in that proceeding and
15 advocated to Sanlando Utilities the development of a
16 water conservation plan and a rate structure to
17 support that plan, which is essentially identical to
18 what has been presented in this limited proceeding
19 for consideration by the Public Service Commission.

20 What happened in that proceeding, which
21 concluded with the issuance of Permit D059-200447 by
22 the Department of Environmental Regulation in 1992,
23 was that a permit was issued by the Department that
24 contemplated as a condition of that permit that
25 Sanlando would proceed to develop a conservation

1 water reuse plan and present this limited rate case
2 to the Public Service Commission for consideration.

3 We are here to support the position of
4 Sanlando Utilities with regard to the request that
5 they are making to adjust their rates to implement
6 this water conservation plan.

7 Prior to our involvement in the particular
8 proceeding that relates to Sanlando, we were
9 involved in the Florida Legislature in the approval
10 of an amendment to Chapter 403 Florida Statutes,
11 which established within Chapter 403, Section
12 403.064, and related sections, which authorize the
13 Public Service Commission to adjust the rates of
14 utilities to allow them to recover the full cost of
15 water reuse, water conservation facilities.

16 We strongly support that statutory
17 provision and believe that it needs to be generally
18 implemented throughout the State of Florida to
19 further the cause of water conservation.

20 And, in effect, in addition to the
21 important benefits that the water conservation --
22 that this particular case will present, we see this
23 as a case that more or less serves as a flagship
24 case in terms of the practical implementation of
25 403.064 through the rate making capacity of the

1 Public Service Commission.

2 The net savings to the aquifer in this
3 area from the water conservation proposals of
4 Sanlando are in the range of three hundred million
5 gallons per year.

6 The Wekiva basin area, within which this
7 savings in water conservation would take place, has
8 been found by the St. Johns River Water Management
9 District in recent water shortage, water
10 conservation actions to be one of the most severely
11 impacted basins in the entire District with regard
12 to a water supply problem.

13 Groundwater levels in this basin are
14 particularly sensitive as an issue, because the
15 spring-systems that feed the Wekiva River, Rock
16 Springs Run, the Little Wekiva River and account for
17 most of the flow of the Wekiva River System, which
18 is an outstanding Florida water in Florida's water
19 quality protection system, virtually all of this
20 water comes from the spring systems in the area.

21 In effect, the groundwater withdrawals of
22 the three golf courses in question are competing
23 with the springs in terms of the actual destiny of
24 that water. Three hundred million gallons of water
25 is one of the factors that is leading to the

1 decline, a measured decline which has been
2 documented by the Department of Natural Resources,
3 the Water Management District and others of the
4 springs that flow into the Little Wekiva, the Wekiva
5 and Rock Springs Run.

6 The three hundred million gallon per year
7 savings is significant. Moreover, the trend of
8 encouraging water reuse that this application would
9 foster carries with it the likelihood that the
10 savings in water would be more expansive than that
11 immediately visible in this application.

12 The final observation I would like to make
13 is with regard to the rates that are being proposed
14 to be set for this particular utility.

15 The rate increases involved in providing
16 this water conservation, if you look at the rates
17 that are charged for fifteen thousand gallons of
18 water across the board and compare what the rate
19 from this utility would be for water with other
20 utilities in the Central Florida area would be, even
21 after this increase, still place Sanlando Utilities
22 near the bottom of the lower quartile in terms of
23 the actual charge per gallon of water in its
24 system.

25 We think that given the array of charges

1 and the placement that this would give the Sanlando
2 System in that array of charges, that the amount to
3 the consumers within the Sanlando Utility service
4 area will be paying will still remain far below what
5 comparable customers are paying within the Central
6 Florida area at large. And for that reason feel
7 that the rate change as proposed is very reasonable
8 and of exceedingly low impact to the consumer.

9 I am a water consumer in the area of the
10 Sanlando Utilities service area. The Florida
11 Audubon Society owns over three hundred acres of
12 property in this service area. We, among others,
13 may be impacted by these rate increases. We think
14 they are reasonable. And we would urge the Public
15 Service Commission to give favorable consideration
16 to this application. Thank you.

17 MS. MESSER: Thank you.

18 Mr. Iannotti?

19 MR. IANNOTTI: Hello. Good evening. My
20 name is John Iannotti. I'm a customer of Sanlando
21 Utilities. And I find a few problems with what they
22 are proposing.

23 MS. MESSER: Mr. Iannotti, would you state
24 your address, please.

25 MR. IANNOTTI: 100 Marcy Boulevard.

1 MS. MESSER: Thank you.

2 MR. IANNOTTI: The way I look at the
3 proposal, it is pretty much targeted towards these
4 three golf courses, and they would be the major
5 benefactors.

6 If this gentleman's statistics from the
7 Audubon Society are correct, and they are using
8 three hundred million gallons of water, then I think
9 somehow they should be charged for this treatment
10 plant, not so much the customer, since they will be
11 the primary benefactors.

12 I wonder why other possibilities can't be
13 looked at. Maybe -- why they couldn't use holding
14 ponds and dig their holding ponds deeper or
15 something, some way to pump the water out of the
16 holding ponds and use rain water. Shallow wells is
17 a possibility. Look at some other plans. In
18 California they have issued water restrictions over
19 the years.

20 And I'm sure everyone -- what I'm looking
21 at is just for people to be able to pay their
22 equitable share. I have a family of five. Excuse
23 me. And my rate would increase forty-one percent on
24 my last bill. And I think that's astounding.

25 Never have I used less than ten thousand

1 gallons of water since I've lived in the area. So I
2 think the base rate is way too low, possibly move it
3 to thirty thousand gallons, or make it equitable per
4 family size. It seems like everyone is being
5 treated the same again, except these three affluent
6 golf courses.

7 In closing, I would like to say before you
8 decide against or for the rate increase, I wish you
9 would look at all possible alternatives and make a
10 fair and equitable decision, not just a decision
11 that appears to benefit the golf courses. Thank
12 you.

13 MS. MESSER: Thank you.

14 Mr. Davis?

15 MR. DAVIS: My name is John G. Davis,
16 1747 Alvarado Court, Longwood 32779.

17 I'm a single family residential customer
18 of Sanlando Utilities for the last seven and a half
19 years. I'm a retired urban planner, and my
20 background is in economics.

21 And I appeared at the last PSC Staff
22 Hearing on the last Sanlando application on August
23 29th of 1990. And I made four suggestions at that
24 hearing, none of which was clearly reported in the
25 Staff's docket memorandum. I believe that these

1 positions are still relevant, one of them is the
2 subject of tonight's application, one of the
3 subjects. And with your permission, I would like to
4 repeat them, restate them, just one sentence each;
5 may I?

6 MS. MESSER: Absolutely.

7 MR. DAVIS: My first point back then was
8 that higher water users should pay progressively
9 higher rates on sliding rates, incrementally higher,
10 rather than a flat rate structure, that is what is
11 here, one of the subjects of tonight's hearing.

12 My second point was that I believe that
13 some of the regulatory assessment fees collected by
14 the PSC should be used for conservation research.

15 My third point was that utilities should
16 institute water use audits, including cost sharing
17 or reimbursement programs for conservation
18 improvements, similar to electric utilities audit
19 programs.

20 And my fourth point was that higher
21 efficiency water utilities, like Sanlando, should be
22 permitted higher rates of return as rewards and
23 incentives.

24 But now my position on the subjects
25 tonight, again this is about one sentence each, the

1 first one echoes the position of Mr. Iannotti's.
2 What I want to say is that I would recommend that
3 the golf courses involved should participate
4 financially in the cost of the plan improvements and
5 line extensions needed to provide this reclaimed
6 water, and/or the golf courses should pay rates for
7 the effluent that reflect the extra capital costs
8 involved, in other words, the treated effluent
9 should not be billed at a give away rate.

10 I am completely in favor of the
11 incremental water rates scale and in favor, of
12 course, of the additional treatment plant and the
13 use of the treated effluent for irrigation, and for
14 the reasons given by the speakers who have already
15 been here and for those who are about to appear.
16 Thank you.

17 MS. MESSER: Thank you.

18 Mike Pecker?

19 MR. PECKER: My name is Mike Pecker. I
20 live at 408 Sandy Hill Drive in Longwood, that's
21 Sable Point, off of Wekiva Springs Road. We have
22 been Florida residents for approximately twelve
23 years, all at the same address.

24 MS. JABER: Mr. Pecker, would you please
25 give me your zip code.

1 MR. PECKER: 32779.

2 In trying to analyze this rate increase,
3 what I did was I looked at my average bill for the
4 past seven months. And my average bill for the past
5 seven months was thirty-eight dollars and sixty-one
6 cents. My average water usage was roughly
7 thirty-five thousand gallons. If I subtract the
8 twenty-two dollars and thirty cents that I pay each
9 month for sewerage, that says that approximately
10 sixteen dollars and forty cents is due to water
11 usage rates and taxes.

12 The incremental cost for thirty-five
13 thousand gallons would be eleven dollars and
14 eighty-three cents, and that represents
15 approximately a seventy-five percent increase in
16 water rates. And it also represents approximately a
17 thirty-five percent increase in the overall rate.

18 And I, as well as Mr. Iannotti here, in
19 reviewing this find that it appears that the
20 consumers are being taxed for the gray water
21 treatment facility to feed the golf courses and no
22 mention is made of the golf courses paying for
23 anything.

24 I'm also extremely concerned when I see
25 the word infrastructure. Basically, I work for NCR

1 Corporation. And we pay roughly twenty-five percent
2 of our operating budget to our corporate office for
3 their infrastructure. And all they do is make rules
4 that make our life more difficult. So I would feel
5 a lot better if I knew what the infrastructure was.

6 Basically, I think as a
7 conservation-minded consumer I could support a rate
8 increase, but not one above thirty thousand gallons,
9 where the rate goes from point three five five per
10 thousand gallons to point eight five zero. I
11 believe that I would have far less trouble if I knew
12 how much the golf courses were paying for this.

13 And the third thing I've noted is that it
14 would appear that the ten thousand gallon minimum
15 does include some for conservation, being that
16 everybody has to water their grass, yet for the past
17 X years my sewerage charge has been based on ten
18 thousand gallons, which basically says that none of
19 that water that I should be watering my grass for
20 has been used for that. It is all going into the
21 sewer.

22 So I really think that this needs to be
23 relooked at for the consumer. This notification
24 says here that there are roughly ten thousand three
25 hundred and seventy-nine water customers. I would

1 assume that a large percentage of those are in
2 Wekiva, Sable Point and Sweetwater. And they will
3 be the most adversely affected. And, basically,
4 this thing needs to be rethought. Thank you.

5 MS. MESSER: Before I call the next name,
6 could I ask Mr. Segal if he would at the end of this
7 proceeding come up and give us your zip code.

8 MR. SEGAL: (Nods head).

9 MS. MESSER: Thank you.
10 Leonor A. Barrett?

11 MS. BARRETT: I am also here as a
12 concerned citizen and a taxpayer that is committed
13 to conservation.

14 MS. MESSER: Ms. Barrett, your full name?

15 MS. BARRETT: Oh, I'm sorry. I'm Leonor
16 Barrett, 228 Markham Woods Road, Longwood 32779.

17 And I'm also a conservationist. I belong
18 to the National Audubon Society. I belong to the
19 Wildlife Fund. I belong to Greenpeace. I belong to
20 so many organizations, I even lost track, so -- and
21 I'm still opposed to Sanlando Utilities proposed
22 rate increase.

23 Unfortunately, many capitalize in the name
24 of conservation. The idea is that if conservation
25 is used to advance a cause, a policy, or in this

1 case, a rate increase, no one would dare to oppose
2 it. Many are fooled by this approach, but I am not,
3 and, hopefully, you will not be either. And you
4 will base your decision on the merits of this
5 utility asking for a very hefty rate increase and
6 not as a conservation measure, which I don't think
7 it is, unless their main conservation is of Sanlando
8 Utilities.

9 Also bear in mind that this utility has
10 just increased its rates by four point one five
11 percent, effective August 1993, which isn't even in
12 effect, and here they are back again asking for
13 more.

14 This time the utility is asking for a
15 seventeen point fifty-six percent on customers who
16 use twenty thousand gallons monthly -- and I have
17 really checked my figures -- and thirty-six point
18 nine percent on thirty gallons -- thirty thousand
19 gallons monthly at a seventy percent increase on
20 fifty thousand gallons monthly.

21 What is most disturbing is that Sanlando
22 Utilities, by their own admission in the brochure
23 they sent to customers, says that the reduction in
24 consumption caused by this proposed rates will be
25 limited. How limited?

1 I asked this question of Mr. Hampton
2 Conley, the Executive Vice President of Sanlando
3 Utilities, and he told me he did not know. He said
4 other utilities had changed their rates to a
5 graduated rate, as they are proposing.

6 I asked him if as a result of the new
7 rates those utilities experienced a reduction in
8 consumption? In other words, was there a
9 conservation of water? He said he did not know.
10 But Sanlando Utilities does know that there will be
11 little or no conservation. They say so in their
12 brochure. So why are they proposing the rate
13 increase? According to Mr. Conley, three golf
14 courses, namely, the Wekiva Country Club, Sable
15 Point Country Club and Sweetwater Oaks Country Club
16 Golf Courses use half billion gallons per year.

17 This Sanlando Utilities would like to
18 improve the present facility or construct a new
19 plant with a portion, bear in mind they say a
20 portion, of the revenues generated to further treat
21 a portion of the effluent generated by this Wekiva
22 Wastewater Treatment Plant.

23 They would like to offer this water to the
24 three golf courses and charge them only for the
25 water pipes and the expense of cleaning up the

1 water.

2 In my talks with Mr. Conley he said that
3 he didn't think that they were going to be charged
4 for the water as such. And who benefits from this?
5 I don't know. And if Mr. Conley knows, he didn't
6 want to tell me.

7 One thing I do know is who gets to pay for
8 the water these golf courses will use? I do, along
9 with him and along with the other people here that
10 are customers of this Sanlando Utilities.

11 Under this proposal the customers of
12 Sanlando Utilities will be subsidizing the wealthy
13 club members of the Wekiva, Sable Point and
14 Sweetwater Oaks Golf Courses.

15 Sanlando Utilities should be made to go
16 back to its customers and say something like this:
17 We want to raise your rates up to seventy percent so
18 that we can use a portion, not all, to build a
19 larger or improved, whichever case it may be, our
20 Wekiva Wastewater Treatment Plant. In order to
21 offer this water to three golf courses, and they
22 need to name them, at minimum cost to them, or they
23 can specify exactly how much these golf courses are
24 going to pay for the water.

25 And they should also -- then, you know,

1 this, in my opinion, if they do this, then that
2 would be a honest statement, and people would know
3 exactly what they are up to, not the conservation
4 gimmick that they are presenting.

5 To this Commission I would like to ask a
6 few questions that were not answered by Sanlando
7 Utilities.

8 Is Sanlando Utilities -- and mind you, I
9 am ignorant, so I have tried to ask, you know, from
10 the utility, and I didn't get the answers. Is
11 Sanlando Utilities required by law or statute or
12 regulation to treat the effluent from the Wekiva
13 Wastewater Treatment Plant? What is the anticipated
14 revenue, the total revenues? I didn't get that
15 answer from him either. What portion of the revenue
16 -- what portion of the revenue generated will be
17 used for constructing or improving the existent
18 plant in order to treat the effluent? What happens
19 to the rest of that money?

20 Mr. Conley told me that it takes four
21 years to generate the revenues needed. What happens
22 after four years? Can the golf courses like, you
23 know -- the arguments that they use, can the golf
24 courses be made to pay their fair share for the
25 water they use by taxing them or through a license

1 fee?

2 What percentage is half billion gallons
3 per year of total water used from the aquifer? Are
4 we talking big conservation, ten percent, five
5 percent or point zero zero one percent or whatever?
6 I don't know. Do you know? These questions need to
7 be addressed.

8 Is the Commission aware of any decrease in
9 consumption by other utilities as a result of a
10 graduated rate schedule? What percentage does that
11 represent from the previous usage?

12 The fact that other utilities have
13 established this graduated rate does not make them
14 right, does not make them effective. And the fact
15 that we also will be brought into it will not make
16 it any better either. And I would like to have --
17 and I think all the customers would like to have
18 these questions answered beforehand. Definitely the
19 Commission should have those answers before they can
20 make their decision.

21 Thank you for your listening to me.

22 MS. MESSER: Thank you.

23 MS. JABER: Thank you.

24 I would just add that we agree with you
25 that we should have those answers to those

1 questions. And we've asked a lot of those
2 questions.

3 MS. BARRETT: Oh, wonderful. I would like
4 to know the answers. Maybe I would feel better if I
5 knew them.

6 MS. MESSER: Mr. Hiatt?

7 MR. HIATT: Is this about the right
8 distance?

9 MS. MESSER: Sounds good.

10 MR. HIATT: My name is Jack Hiatt,
11 H-I-A-T-T, 1816 Wingfield Drive, Longwood 32779.

12 I might just read the previous lady's
13 comments, because I'm going to touch on a lot of the
14 same stuff.

15 First off, it is -- on one hand it is a
16 little surprising to come to this meeting tonight
17 and see only a few people in attendance, given the
18 impact of this rate request.

19 If you kind of look at all the junk mail
20 you get in the mail, and a lot of the junk mail we
21 get from this utility, when they are talking about
22 all of their little, you know, gimmicks and PR
23 stuff, we get these bright, colorful little flyers
24 that grab your attention really nicely.

25 When you get these little rate increase

1 things, they are always in extremely small print,
2 and anybody without their bifocals can't read them.
3 And unless you are like real curious about your
4 mail, like I am, you don't pay attention to this
5 junk, because you get too much of it as it is.

6 I guarantee you that if in everybody's
7 water bill the Sanlando Services, they put a little
8 flyer in there with a simple message that we are
9 going to double or triple your rates, you would have
10 a lot more people here to talk about it. They are
11 trying to slip this under the door. And it just
12 isn't right.

13 I guess I could call myself a
14 conservationist. I believe in conservation. I'm on
15 the Board of the Markham Woods Association. And we
16 fight like crazy to limit development and try to
17 conserve resources. But this doesn't work, what
18 they are asking for doesn't work.

19 I moved here a few years ago from
20 Los Angeles. If there is a city in the country that
21 knows about conserving water it is Los Angeles.
22 This is not how they do it. They have discovered
23 that rate increases don't matter.

24 Poor, economically disadvantaged people
25 get stuck. Okay. More economically advantaged

1 people don't care. So just like the brochure admits
2 that they mailed to us in the mail, there will be
3 limited conservation.

4 What is limited conservation? That's like
5 a legal term for cover your rear end. So that
6 whatever happens, I said something that sells. It
7 just doesn't work.

8 I would be curious. The brochure said
9 that there was a representative from the utility
10 invited to be here tonight; did somebody show up?

11 MS. MESSER: Yes, there are several
12 spokespersons.

13 MR. HIATT: Could either we ask them
14 questions, or could they respond to questions? It
15 would be interesting to know the distribution, first
16 off, of the customer base of the utility, how many
17 of the customers use less than ten thousand gallons
18 a month? Okay.

19 Secondly, what is the household income of
20 their customer base by water usage? And what you
21 are going to see is there is a lot of people that
22 don't have a lot of money that can't afford this
23 increase who don't use a lot of water to begin with,
24 but ten thousand gallons a month -- I mean, this
25 gentleman -- I doubt this guy leaves his tap on all

1 day long to waste water, and he spends twenty-five
2 thousand gallons a month. I mean, ten thousand
3 gallons is nothing.

4 Okay. In LA the way they have done this
5 is they look at the size of the household. Okay.
6 Historical use. And they set limits. And they
7 say: This is all the water you can use. They try
8 to limit growth and water usage. And if you go
9 above that limit, you pay, not thirty-five cents a
10 gallon, it might be five dollars. And they just
11 say: There is not going to be more water usage.
12 But this incremental thing just doesn't do it. And
13 they found out in LA.

14 Mr. Davis, my neighbor, talked about other
15 possibilities of research and conservation, in the
16 long run have a much more valuable impact on the
17 community than something like that.

18 I doubt people by heart, I guess it is a
19 negative trait of mine, but I never believed that
20 any business, and Sanlando is a business out to make
21 a profit, does anything out of the goodness of their
22 heart. I mean, which is fine. Okay. They are out
23 to make money. When they say that a portion of this
24 revenue will be used to build a plant, I echo the
25 question: What portion? Is it ten percent? Is it

1 ninety-nine percent? What happens to the rest of
2 the money? Well, the rest of the money goes into
3 their pockets.

4 This is the same utility that about a year
5 ago entered into an extremely poorly thought out
6 acquisition contract. And one of the reasons that
7 sale was rejected, because it made no economic
8 sense.

9 Okay. This certainly looks to me like
10 that extra portion of revenue is going to try to
11 dress these guys up, so that they can try to sell
12 the utility again like they did last year. Okay.
13 I'm not going to pay for that. Why should I pay for
14 them to sell themselves, when they couldn't do it
15 last year?

16 Last off, I play golf. I love playing
17 golf. I play golf at these golf courses. You can
18 shut the golf courses down if they use too much
19 water. It is not going to break my heart. There's
20 a lot of golf courses. There's too many golf
21 courses in this city. We don't need to subsidize
22 golf courses. If the golf courses can afford to pay
23 for it, let them pay for it. If they are going to
24 pay for it, the utility will make a profit on it,
25 let them use those profits to build a plant.

1 I don't see why other customers should be,
2 in effect, taxed, okay, to build a plant to benefit
3 a golf course, when they admit that there's going to
4 be no conservation, other than the golf course.
5 There's no logic there that makes sense to me.

6 I'm all for conservation, but this is not
7 about conservation. They might as well call this a
8 moon landing proposal. It has nothing to do with
9 landing on the moon either. It has nothing to do
10 with conservation, because their brochure admitted
11 there is going to be limited conservation, so what
12 is the benefit here to the community subsidizing the
13 golf course?

14 I'll go play at Winter Park. Okay. It is
15 a few more minutes, but it doesn't matter to me, you
16 know. There's too many golf courses, and they are
17 building more. They are going to build more up and
18 down Markham Woods Road. Are they going to build
19 another plant to serve those golf courses? What are
20 our rates going to become if every golf course in
21 the area, they build a plant to serve their needs?
22 I mean, we can't afford this. The proposal does not
23 make sense. Thank you.

24 MS. JABER: Mr. Hiatt, do you -- maybe I
25 should ask the utility if you care to respond to

1 Mr. Hiatt's questions at this point?

2 MR. LOWNDES: He can ask questions, but I
3 don't care to respond.

4 MR. HIATT: Pardon me?

5 MR. LOWNDES: I would be happy to answer
6 questions, but I don't want to.

7 MR. HIATT: A representative that doesn't
8 respond to questions?

9 MS. JABER: Mr. Hiatt, do you have a
10 specific question that you would like to ask?

11 MR. HIATT: How many of the customers so
12 mentioned of the utility use less than ten thousand
13 gallons a month?

14 MR. LOWNDES: Probably in the neighborhood
15 of fifteen percent.

16 MR. HIATT: Fifteen percent?

17 What is the household income of your
18 customer base?

19 MR. LOWNDES: Very high. I don't know.
20 We probably have the highest household income of any
21 customer base in the area.

22 MR. HIATT: So in California the way they
23 do this, the utility does an impact study to show
24 what the economic impact is on the population of the
25 community, based on disposal household income; have

1 you all done a study like that?

2 MR. LOWNDES: Fortunately, we are not in
3 California.

4 MR. HIATT: Unfortunately?

5 MR. LOWNDES: I said fortunately.

6 MR. HIATT: Unfortunately for your
7 customers.

8 MS. MESSER: Wait a second. And you want
9 to identify your name for the record, sir.

10 MR. LOWNDES: My name is John Lowndes.
11 And I am the attorney for Sanlando Utilities
12 Corporation.

13 MR. CROUCH: Let me explain something to
14 you --

15 MR. HIATT: There was one other question.
16 What was the portion that was going to be used?

17 MR. LOWNDES: Well, a portion of it is
18 going to be used to pay the tax imposed by the
19 Public Service Commission on revenues. A portion of
20 it is going to be used to pay income taxes. And the
21 balance of it is going to be used to construct this
22 infrastructure to be able to output this water.

23 MR. HIATT: No portion of it, which is the
24 implication that you are making, is going to go to
25 the utility company. But usually taxes are based on

1 income. They are not based on one hundred percent
2 of income.

3 MR. LOWNDES: I don't follow that, so I
4 can't --

5 MR. HIATT: Well, the value -- if you
6 build and own this plant, the utility is going to
7 own the plant; right? I'm not going to own the
8 plant. You are going to own the plant. Some of the
9 money you are keeping in assets that your utility
10 owns. Okay. And you are getting those assets for
11 free from your customers.

12 MS. JABER: Mr. Hiatt, let me suggest --

13 MR. HIATT: I'm sorry.

14 MS. JABER: No. It is quite all right.
15 Let me suggest that you and the utility spokesperson
16 get together after the meeting.

17 MR. CROUCH: It is very difficult for the
18 Court Reporter over here to keep track of what is
19 going on.

20 MR. HIATT: I apologize.

21 MR. CROUCH: Let me answer a couple of
22 possible questions that you folks have.

23 Number one, this utility came in for a
24 rate increase about three years ago. One of the
25 results of that rate case -- we did a comprehensive

1 study then, and this utility was ordered by the
2 Public Service Commission to look into some way to
3 conserve in this area, some way to promote
4 conservation. It was ordered that they do this.

5 Mr. Leb from the Audubon Society was very
6 instrumental in working with the Commission in
7 getting us to make the utility come up with a plan,
8 number one.

9 Number two, the conservation that we're
10 looking at right now -- I agree with those of you
11 who say that rate increases do not cause
12 conservation. Most of the time they -- any
13 conservation is very minimal. But the conservation
14 that they are looking at here is that the three golf
15 courses -- who today are drawing water out of the
16 aquifer. They have a source of water. They are
17 happy.

18 The Water Management District, Public
19 Service Commission, Department of Environmental
20 Protection now, it used to be the Department of
21 Environmental Regulation, are all working together.
22 And they are saying: Mr. Golf Course, if we can
23 come up with some other way for you to get water, we
24 will cancel your Consumptive Use Permit. You can no
25 longer pull water out of the aquifer.

1 Now, where is the other source? The only
2 other source is the effluent, the reuse coming from
3 Sanlando Utilities. How do we get it to the golf
4 course? The golf course says, we're happy now. We
5 don't care. We don't want to use your water. They
6 are pulling water out of the ground.

7 So the conservation is saying: Mr. Golf
8 Course, we will take the water from Sanlando
9 Utilities, the effluent, it's treated. It is
10 perfectly suitable to use on that golf course.

11 Somehow they have got to get that water to
12 the golf course. So they say: Sanlando Utilities,
13 you put the pipes in. You get it to the golf
14 course. Golf course, you quit pulling out of the
15 aquifer.

16 This is the protection -- right now we
17 don't know how much protection it is going to be.
18 As they pointed out, we know that Wekiva Springs is
19 measurably depleted by the amount of water that is
20 being pulled out, by not just the golf courses, but
21 by everybody else around here in this growing area.

22 We have got to start somewhere with
23 conservation. And this is definitely a measurable
24 conservation if we can say: Golf courses, you will
25 not pull out X amount of water next year. That

1 water instead will come from the Sanlando
2 Utilities.

3 So I agree with you wholeheartedly that
4 the rate structure is not going to cause much
5 conservation. You may not water your yard quite as
6 many times if you know that you are going to have to
7 pay sixty-five cents a thousand gallons, instead of
8 thirty-five cents a thousand gallons, but it is
9 minimal. But it is a start.

10 And this does enable the Utility to have
11 some funds to put in the pipes, to get to the right
12 of way, to get the easement, to get that pipe over
13 to the golf course, so that the golf course then has
14 water to irrigate the golf course. So that's where
15 the conservation is coming in.

16 And I'm not up here to sing the praises of
17 the Utility, believe we. We ordered them to come up
18 with a conservation plan. And this was to
19 everybody's idea right now the best plan so far.

20 Now, a question: Why doesn't the golf
21 course pay for the effluent? There is a possibility
22 if it turns out that the golf course is the
23 beneficiary of this, that the golf course may,
24 sometime in the future, have to pay something. This
25 is something that we do look at. But right now the

1 golf course has a source of water. They are being
2 ordered to change their method of operation.

3 So between the Water Management District,
4 the Department of Environmental Protection, Public
5 Service Commission, a number of other organizations,
6 the Audubon Society, everybody says we have got to
7 do something.

8 The small rate increase -- now, I realize
9 when you throw percentages out, percentages say one
10 thing, but the rates for Sanlando Utility, as were
11 pointed out by one of the speakers earlier, the
12 rates for Sanlando Utility are among the lowest in
13 Florida, believe me. They are among the lowest in
14 Florida.

15 Percentagewise if you go from thirty-five
16 cents to sixty-five cents, that is a big percentage
17 jump. But as far as the actual dollars out of your
18 pocket, thank God that you are in Sanlando's area
19 around here, instead of some of the other utilities
20 that we've looked at, where the rates are talking
21 two and three dollars one thousand gallons, instead
22 of thirty-five cents one thousand gallons.

23 So they had to do something with the
24 effluent, rather than just putting it into the
25 creek, going into the Wekiva River. We said, let's

1 use it some place else.

2 So, like I said, I'm not singing the
3 praises of the Utility, but the Utility is not going
4 to be making a killing on this one. They were
5 ordered to do it. And it's -- to everybody's idea
6 right now it looks like a good plan. True enough,
7 there are a lot of things we can do in it to clean
8 it up.

9 In the future there is a possibility that
10 customers may want to tap on to this line and buy
11 water, instead of paying for your sixty-five cents
12 one thousand gallons, you may use this effluent to
13 water, to irrigate your lawn at a considerably
14 different rate. That's to be decided in the
15 future. It is a possibility. But it is something
16 that we are looking at. It is a start.

17 I believe you had a question?

18 MR. IANNOTTI: Yes, sir. I have two
19 responses. You want me to stand up there?

20 MR. CROUCH: If you would, please. It
21 helps the Court Reporter.

22 MR. IANNOTTI: I'm John Iannotti, 100
23 Marcy Boulevard, Longwood 32750.

24 First of all, I think we're here as
25 homeowners because we don't want to be the highest

1 -- in the highest bracket. You kept saying and
2 these gentlemen keep saying: Sanlando is the
3 lowest. Sanlando is the lowest. Well, that's why
4 we like it.

5 The way you are insinuating and some of
6 these other people, well, let's get up with the
7 highest. We're here because we don't want to be the
8 highest.

9 Again, I have a family of five. And if
10 they rate the water base on a family of five
11 different from a family of one, then I can see that,
12 but it is not equitable at all for me in that
13 instance.

14 Also, I thought the utility was supposed
15 to look out for the customers, the majority of the
16 customers, not just three customers. Why don't the
17 homeowners get the water first? And Altamonte
18 Springs would be a prime example, six dollar hookup
19 or six dollars a month, and that's their water bill
20 or their charge for that treated water.

21 Why do the golf courses have to be the
22 ones to benefit? Why can't that water be put into
23 the households? Run another pipe that way. I guess
24 if the expense is too much, then that's fine.

25 But as I stated earlier, we need to look

1 at other possibilities, not just, well, this is
2 easy. Let's just pull it from the golf course.
3 They are there. Like the other gentleman said, I
4 golf. I'll go to Disney or somewhere else. Why do
5 we have so many golf courses? I mean, if all of
6 these rich people can pay it, fine.

7 I have five. I'm a high school teacher,
8 and I make -- my kids would qualify for free lunch
9 if I didn't coach. And I have eleven years and a
10 Master's Degree. I'm two classes short of a
11 Specialist Degree. And I don't think it is fair at
12 all. My increase was two percent in the last three
13 years.

14 MR. CROUCH: We work for the State, we can
15 identify with that.

16 THE WITNESS: Okay. Well, thank you
17 again.

18 MS. BARRETT: Well, I would like to say
19 something.

20 MS. MESSER: Ms. Barrett, please state
21 your full name.

22 MS. BARRETT: Leonor Barrett.

23 It seems to me like you have made a
24 statement already in favor of granting this
25 increase. You haven't even heard some of the other

1 people that need to talk, you know, and want to
2 express their opinion.

3 And it is like -- I have served on a jury,
4 and I kind of think that you are in that position
5 right now. I can never make my decision about the
6 -- if a person is guilty or innocent until I hear
7 all of the evidence, and you have not done that.

8 And you have already expressed your
9 opinion to all of us that you definitely think that
10 the last time that you sat here and you told them:
11 Go and get us a program that will serve as a
12 conservation, quote, unquote. And you say, no, this
13 is good for conservation, and I'm going to go for
14 it, and that's it. And I think you need to keep an
15 open mind.

16 MS. JABER: Ms. Barrett, let me just
17 explain something to you before you go back.

18 We are not the ones that make the ultimate
19 decision. I think what Mr. Crouch was attempting to
20 do was to give you a statement of the facts, why we
21 are here and how we got here.

22 There are five commissioners that were
23 appointed by the governor, and they will make the
24 ultimate decision. This will go to the full
25 commission.

1 MS. BARRETT: But they are not here.

2 MS. JABER: We do nothing more than write
3 the recommendation based on all the facts that we
4 get from the investigation. I can assure you that a
5 decision has not been made.

6 MS. MESSER: And also they will receive a
7 copy of this transcript, so that's why this is so
8 important.

9 Yes, sir?

10 MR. DAVIS: May I become a member of the
11 second response club?

12 MS. MESSER: Yes, sir. Please state your
13 name.

14 MR. DAVIS: John Davis.

15 I had already written down, before some of
16 these comments, one thing that I wanted to say was
17 that I thought that Mr. Crouch's clarification was
18 excellent. I didn't think that he was rendering any
19 opinion on the merits of this case. He was merely
20 clarifying something that is in the literature that
21 is available to the public and about the
22 substitution here of reclaimed water for aquifer
23 water. It is just as simple as that and not
24 commenting on the merits and the various parts of
25 this case.

1 Secondly, I would just like to say, since
2 I'm sort of a major incremental rate advocate, I
3 would like to say that it has taken awhile, quite
4 awhile to change this flat rate thinking to an
5 incremental rate thinking, to do that is a
6 significant first step.

7 The PSC Staff can look at the numbers, the
8 ratios, the gallonages, all of that and try out some
9 numbers for awhile. And then the next time an
10 adjustment comes up, they can adjust them to make
11 them fairer or more effective or whatever. Those
12 are just the two extra comments.

13 MR. CROUCH: We are definitely treading
14 new ground on this.

15 MS. MESSER: Are there any other
16 comments?

17 Yes, sir. Sir, were you previously sworn
18 in?

19 MR. HARRIS: No.

20 MS. MESSER: Please raise your right hand
21 to be sworn.

22 (Mr. Harris placed under oath by the
23 Court Reporter).

24 MR. HARRIS: My name is Dick Harris. I
25 live at 190 Canterclub Trail, Longwood 32779. I've

1 lived at that address since 1980. And it's in the
2 middle of Wekiva. My home is right on the golf
3 course in Wekiva.

4 I'm a past president of the Wekiva
5 Homeowners Association and have been involved with
6 Sanlando Utility for nearly ten years. In fact, I
7 was the -- I filed a petition to put a cloud over
8 their effluent discharge as -- some years back. And
9 through that process became involved with the
10 utility, and for a number of years now have dealt
11 with the community aspects of the utility, the
12 rates, the effluent discharge and so on.

13 I was involved in the effort by the rate
14 payers to buy out the Utility, so that the rate
15 payers owned the Utility themselves. And despite a
16 lot of misunderstanding about that, the goal there
17 simply was to freeze the rates for the rate payers
18 at two-thirds of what everybody else pays for the
19 next thirty years. Unfortunately, most people
20 didn't understand that.

21 One of the things that I would like to
22 point out here, and I have several issues that I
23 would like to address, is that every rate payer of
24 that utility which is a sewer rate payer provides
25 effluent which goes into Sweetwater Creek, into

1 Cove Lake and ultimately into the Wekiva River. We
2 have there a special category river. And I have
3 been involved with the Utility for, I guess, most of
4 five years now with respect to that effluent.

5 Okay. I've been in a boat and done a lot
6 of things in Cove Lake and have been involved with
7 engineers looking at the impact of that effluent on
8 that lake.

9 And there are times when the lake is
10 totally covered with algae and is, in fact, very
11 nutrient rich, partly because of the Utility, but
12 perhaps even more because of the runoff from the
13 lawns and the roads and so on.

14 But the fact of the matter is what you are
15 addressing is exactly what we all need to do in
16 terms of thinking. We have to start some place,
17 rather than point the finger, as a previous speaker
18 did, and talk about how much money was going to go
19 to the Utility.

20 First of all, the Utility is almost built
21 out. And if reuse has to come -- and I think we can
22 all agree that reuse is inevitable. Okay. Florida
23 doesn't currently have a shortage of water. It has
24 a shortage of cheap, good quality water. Okay. And
25 as our population grows, that shortage will get even

1 more severe.

2 And the idea is when we need high quality
3 water, let's use the water from the aquifer. When
4 we don't need high quality water, let's use reuse as
5 an option.

6 Now, how do you develop the funds that it
7 takes to take a plant that is on the order of twenty
8 years old and turn it in to a state of the art, if
9 you will, reuse facility? It's not cheap. And is
10 that the responsibility of private owners? Probably
11 not. Because all of us who are rate payers are, in
12 fact, part of the problem. Those of us who generate
13 the effluent have a responsibility to participate in
14 its solution.

15 Now, when this rate case came up, I did a
16 little bit of research and was on your mailing
17 list. And it appears to me that this is a
18 continuation of something that started three years
19 ago, and it has been continued and continued and
20 continued. And rather than being at the request of
21 the Utility, is at the demand of the PSC.

22 Okay. So, in keeping with the State
23 policy of forcing conservation, this request, as I
24 understand it, and correct me if I'm wrong, is not
25 at the request of the Utility. It is at the request

1 of the regulatory authorities who control the public
2 utilities in this state.

3 Okay. Now, if you accept that as the
4 basis, then let's look at what this rate structure
5 is. The first thing I did when I got the notice of
6 the rate increase, or the second thing is I called
7 the Utility and asked them if they had a comparison
8 of rates between their projected rates and the
9 surrounding community rates. And I have a copy of
10 that that I wish that you would put in the record.
11 And I'm just going to read a couple of comparisons
12 here.

13 As part of our effort to buy out the
14 Utility, we determined that the average usage was on
15 the order of seventeen or eighteen thousand gallons
16 a month for the average user. And I don't know what
17 an average user is, because it is just taking all
18 the usage and dividing it by the total number of
19 customers, but I'm sure that seventeen or eighteen
20 thousand gallons is fairly typical of a great many
21 homes throughout Florida. It may be a little bit on
22 the high side as an average for a utility.

23 But, again, if you look at the area
24 serviced by Sanlando Utilities, you have Wingfield
25 and many of the large suburban estate communities,

1 Sweetwater, Wekiva. And, in general, areas for the
2 most part, not all, but for the most part, where the
3 lot sizes are large and the incomes are
4 significantly above average. So all of the
5 demographics are in consonance with the fact that
6 the water usage for the utility is well above
7 average.

8 If you compare the rates, not the current
9 rates, which would be even lower, but the Sanlando
10 proposed rate for fifteen thousand gallons, a
11 customer would pay ten dollars and forty cents.

12 That same customer if he lived in the City
13 of Longwood would pay twenty dollars and thirty-five
14 cents, almost double.

15 That same customer if he lived in the City
16 of Altamonte Springs would pay nineteen dollars and
17 thirty-four cents, slightly cheaper than Longwood.

18 But in our studies, when we compared
19 Sanlando when we were looking at acquisition to
20 other utilities around the State, Altamonte Springs
21 ended up very much in the middle among the rate
22 structures throughout the State.

23 So we are talking about an increase -- and
24 if you want to talk percentages, it seems large, but
25 when you compare it to other areas, other

1 municipalities, other services, it's still very
2 cheap.

3 And the fact of the matter is that this is
4 a first step towards raising the capital to improve
5 the effluent plant, to make the investment in our
6 future, so that we have not just enough water, but
7 enough high quality water for the uses that need
8 high quality. And the capital to provide the system
9 of reuse that is necessary to provide the lower
10 quality water, where such applications are
11 appropriate.

12 And for that reason, I think all of the
13 protests by all of the people who would come and say
14 on the negative side is really a tempest in a
15 teapot.

16 What we're talking about here is the first
17 step in a process that is literally irreversible and
18 inevitable, that we must conserve, and we must
19 reuse. And this is the first step in raising the
20 capital to provide the system throughout the
21 Sanlando system, to provide the reuse system. Thank
22 you.

23 MS. MESSER: We will identify that Water
24 Rate Comparison as Exhibit No. 1.

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(Document marked Exhibit
No. 1 for Identification).

THE WITNESS: Thank you.

MS. MESSER: Are there any additional
comments?

I want to thank all of you for coming here
this evening. We really appreciate your input.

Again, if there are no additional
comments, then we will be adjourned.

(Proceedings adjourned at 7:43 PM)

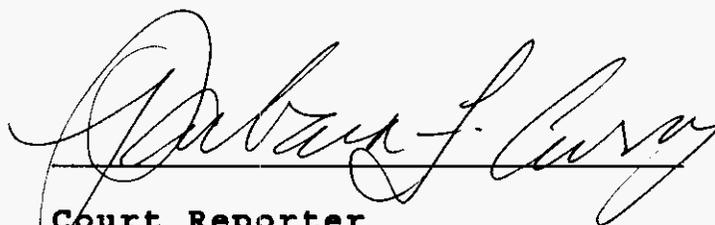
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C E R T I F I C A T E O F O A T H

STATE OF FLORIDA)
COUNTY OF ORANGE)

I, **BARBARA F. CURRY**, being a Notary Public,
State of Florida at Large, and a Registered
Professional Reporter, do hereby certify that the
foregoing listed witnesses personally appeared
before me and were duly sworn.

Witness my hand and Official Seal this 21st day
of July 1993.



Court Reporter
Notary Public, State of FL
Notary Comm. No. CC155287
Commission Expires: 11/18/95

COURT CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF ORANGE)

I, BARBARA F. CURRY, being a Registered Professional Reporter, do hereby certify that I was authorized to and did report in shorthand the foregoing proceedings, and that this transcript is a true and correct record of the proceedings.

Dated this 21st day of July 1993.


Barbara F. Curry
Court Reporter

* * * * *

STATE OF FLORIDA)
COUNTY OF ORANGE)

The foregoing Certificate was acknowledged before me this 21st day of July 1993, by _____
BARBARA F. CURRY, who is personally known to me.


Leon F. Shoemaker
Leon F. Shoemaker
Notary Public - State of Florida
Commission Expires: 2/2/95
My Commission No. CC-076091

ACCURATE REPORTERS, INC.
20 North Orange Avenue, Suite 407
Orlando, Florida 32801
(407) 422-1541

Exhibit

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 930256-KS EXHIBIT NO. 1
COMPANY: *S. Paul Lamb*
WITNESS: *S. Paul Lamb*
DATE: 7/7/93

WATER RATE COMPARISON
 SANLANDO UTILITIES CORPORATION
 JULY 1993

ExH No. 1
 930256

UTILITY	RESIDENTIAL BASE FACILITY CHARGE	RESIDENTIAL GALLONAGE CHARGE (PER 1000)				MONTHLY WATER BILL AT 15,000 GALLONS
	3/4"	0-10,000	10,001- 20,000	20,001- 30,000	OVER 30,000	
SANLANDO UTILITES CORPORATION	4.20	0.37	0.50	0.65	0.85	10.40
CITY OF CASSELBERRY	5.33 **	0.72	0.72	0.72	0.72	13.97
CITY OF LAKE LAND	3.10 #	0.85	0.85	0.85	0.85	14.15
CITY OF MAITLAND	2.40	0.80	0.80	0.80	0.80	14.40
CITY OF CLERMONT	4.00 **	0.90	0.90	0.90	0.90	14.80
SEMINOLE COUNTY	5.20	0.65	1.00 ***	1.20	1.40	14.95
CITY OF WINTER SPRINGS	3.58	0.91	0.91	0.91	0.91	17.23
CITY OF WINTER PARK	3.82	0.54	1.06 ****	1.54 ****	1.54	18.04
CITY OF LAKE MARY	0.00	1.22	1.22	1.22	1.22	18.30
CITY OF ALTAMONTE SPRINGS	3.62 **	1.21	1.36 ###	1.36	1.36	19.34
CITY OF LONGWOOD	6.25 #	1.05 ##	1.10 ##	1.15 ##	1.20 ##	20.35
SOUTHERN STATES - DELTONA UTILITIES	22.11	0.00	0.00	0.00	0.00	22.11
ORANGE COUNTY	4.48	1.16	1.74 *	1.74	1.74	22.46
SOUTHERN STATES - APPLE VALLEY	13.24	1.30	1.30	1.30	1.30	32.74
ENTERPRISE UTILITIES CORPORATION	8.58	2.21	2.21	2.21	2.21	41.73

* BECOMES \$1.74 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 14,000 GALLONS.
 ** THE BASE FACILITY CHARGE INCLUDES THE FIRST 3,000 GALLONS OF CONSUMPTION
 *** BECOMES \$1.00 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 15,000 GALLONS.
 **** BECOMES \$1.06 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 6,000 GALLONS;
 BECOMES \$1.54 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 12,000 GALLONS;
 # THE BASE FACILITY CHARGE INCLUDES THE FIRST 2,000 GALLONS OF CONSUMPTION
 ## BECOMES \$1.10 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 8,000 GALLONS;
 BECOMES \$1.15 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 13,000 GALLONS;
 BECOMES \$1.20 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 18,000 GALLONS;
 BECOMES \$1.25 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 23,000 GALLONS;
 ### BECOMES \$1.36 PER 1,000 GALLONS WHEN CONSUMPTION EXCEEDS 7,000 GALLONS;