



1 **IN ATTENDANCE:**

2                   **ROSANNE CAPELESS**, FPSC Division of Legal  
3 Services.

4                   **MARSHALL WILLIS**, FPSC Division of Water &  
5 Wastewater.

6                   **BOB CROUCH**, FPSC Division of Water and  
7 Wastewater.

8                   **TROY RENDELL**, FPSC Division of Water &  
9 Wastewater.

10

11 **ALSO PRESENT:**

12                   **ERIC GROOM**, FPSC Division of Water &  
13 Wastewater.

14                   **SALLY MONIS**, FPSC Division of Water &  
15 Wastewater.

16

17

18

19

20

21

22

23

24

25

	<b>WITNESSES</b>	
	<b>NAME</b>	<b>PAGE NO.</b>
1		
2		
3	LARRY EATON	
4	Direct Statement	11
5	ARLENE AYER	
6	Direct Statement	17
7	JUNE EATON	
8	Direct Statement	18
9	ROBERT KELLEY	
10	Direct Statement	20
11	CLIFF LIGHTHISER	
12	Direct Statement	22
13	LOIS POOL	
14	Direct Statement	30
15	DOROTHY RAUCH	
16	Direct Statement	33
17	BEBB JONES	
18	Direct Statement	36
19	WILLARD HAMM	
20	Direct Statement	40
21	KAY BRADY	
22	Direct Statement	47
23	EMMA RICHARDS	
24	Direct Statement	49
25	HENRY PERDUE	
	Direct Statement	50
	BOB LOCKHART	
	Direct Statement	55
	GEORGE DEDRICK	
	Direct Statement	56
	PAUL NEWCOMB	
	Direct Statement	59

1	<b>WITNESSES CONTINUED:</b>	
2	<b>NAME</b>	<b>PAGE NO.</b>
3	JOSEPH ERSLAN	
4	Direct Statement	62
5	JOHN MacDIARMID	
6	Direct Statement	65
7	JAMES EGAN	
8	Direct Statement	69
9	ELLEN THOMPSON	
10	Direct Statement	74
11	DORIS JOHNSON	
12	Direct Statement	78
13	DICK GOODY	
14	Direct Statement	81

**I N D E X**

**MISCELLANEOUS**

15	<b>ITEM</b>	<b>PAGE NO.</b>
16	CERTIFICATE OF REPORTER	84
17		
18		
19		
20		
21		
22		
23		
24		
25		

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

(Meeting convened at 6:30 p. m.)

1  
2  
3 MR. WILLIS: My name is Marshall Willis. I  
4 am a bureau chief with the Florida Public Service  
5 Commission. And with me tonight up on the stage here,  
6 to my far left is Mr. Bob Crouch. He's an engineer --  
7 my engineering supervisor -- with the Commission. To  
8 my immediate left is Ms. Rosanne Capeless, she's our  
9 attorney assigned to this case. And to my right is  
10 Mr. Troy Rendell, who is my rate supervisor and  
11 actually in charge of this one case.

12 We are here tonight for an application that  
13 was filed by Betmar Utilities. The application was  
14 filed on May 1, and it was an application for what we  
15 call a limited proceeding. A limited proceeding with  
16 the Commission is an application for which you're only  
17 requesting the addition of certain expenses or capital  
18 improvements to your rates. It's not what we call a  
19 full-blown rate case. It's not where you're  
20 requesting a multitude of items to be included. It's  
21 a method of allowing utilities to come forward with a  
22 cheaper process to try and incorporate small items, or  
23 small expense items, but not a large number.

24 Our meeting tonight is being transcribed by  
25 our court reporter, and everything that's said tonight

1 is going to be taken down and transcribed and taken  
2 back to Tallahassee where the Commissioners who will  
3 eventually decide on this limited proceeding will be  
4 able to hear all the words spoken here tonight.

5           The people up here on my immediate left and  
6 right are all members of the Staff. We have  
7 additional Staff members in the back, and I'll get  
8 them to raise their hand. We have Mr. Stan Rieger.  
9 He is an engineer with the Commission. Ms. Sally  
10 Moniz is in the blue back there, Mr. Eric Groom, and I  
11 believe that's all. I will also let you know that the  
12 Utility representatives are here also tonight.

13           We had prepared for us -- Mr. Jones, when he  
14 came in tonight, gave us a list of 15 people who wish  
15 to make comments tonight, some of which may be  
16 prepared, and I'm going to call from that list first.

17           We tried to make some announcements earlier  
18 to let people know that if you aren't one of the 15  
19 people on this list and you'd like to make comments,  
20 fill out one of these yellow speaker forms. We had  
21 several people do that.

22           If you haven't done that yet and would like  
23 to, feel free to go back to the table and they'll be  
24 brought forward to me. Later, after we've called all  
25 the people who indicated they wish to speak, I will

1 give an opportunity for anyone else to raise their  
2 hand and come forward and make comments. So after  
3 you've listened to what other people have to say and  
4 what our responses have been up here, you may wish to  
5 say something or ask a question. So you'll be given  
6 an opportunity, and we'll be here for however long it  
7 takes to hear everyone.

8           Let me tell you a little bit about the  
9 application itself. The application itself has been  
10 documented for our record as Docket No. 970521-WS.  
11 The Utility has been required by the Department of  
12 Environmental Protection, because of it's size, to  
13 increase the number of man-hours for the operators of  
14 this plant. That's part of their request, to include  
15 the additional salary expenses as operators.

16           The other requirement of the Department of  
17 Environmental Protection is to include a backup  
18 generator at the water treatment plant. That's also  
19 being requested for recovery in this limited  
20 proceeding.

21           On the wastewater side, the Utility has  
22 included the cost of a portable generator which they  
23 intend, from my understanding, to go around to the  
24 lift stations and use when there's a power outage to  
25 have continuous flow so there won't be backups.

1 That's one request there. And the other is to include  
2 a calculation error that was made in the last rate  
3 case on the wastewater side -- one Mr. Hughes is  
4 familiar with -- and the Utility has put forth to make  
5 an adjustment in this case to do that one.

6           The Utility, it's basic request for final --  
7 and this is a revenue requirement now, not rates --  
8 their final increase in revenues they are requesting  
9 is a 12.4 or 7% increase in annual revenue for the  
10 water system. For the wastewater system they are  
11 requesting slightly under 4%, which is 3.75% of an  
12 annual increase in the wastewater revenues. Now that  
13 may equate very differently to rates depending on how  
14 you look at it.

15           The Company is requesting in the water  
16 system to increase both its base facility charge and  
17 its gallonage charge to recover that. In the  
18 wastewater system they are requesting to increase the  
19 base facility charge, but lower the gallonage charge  
20 slightly.

21           If you look at the special report, which  
22 we've handed out tonight, and I apologize for its  
23 lateness in getting here, this special report gives  
24 you some of that information on the front, and it  
25 gives you a very general outline of what has been



1 filed, and basically tells you the process is being  
2 handled. And it also indicates the dates that the  
3 Staff will be filing a recommendation with the  
4 Commission, which is September 25th of this year. And  
5 the Commission is set to look at this on October 7th  
6 of this year and make a decision on that.

7           Now as I indicated earlier, this case is  
8 being handled in what's called a proposed agency  
9 action process. That process is a very informal  
10 process, and that's one of the reasons we don't have  
11 Commissioners down here. It's a process in which  
12 Staff looks at the entire filing and listens to the  
13 public through what we have here tonight, a customer  
14 meeting, and makes a proposed recommendation to the  
15 Commission.

16           In fact, all our recommendations are  
17 proposals. The Commissioners are the ones who  
18 actually make the decision. We will be making a  
19 proposal on September 25th on what we believe the  
20 Commission should do with this limited proceeding.  
21 And the Commission at that point will enter into --  
22 and they will make a decision on October 7th and enter  
23 into what we call a proposed agency action order. And  
24 that will be a proposal to both the customers and the  
25 Utility on how they intend to handle this.

1           Now if the Utility is unsatisfied, they can  
2 protest it. If the customers are unsatisfied with the  
3 outcome, the customers can protest it. That's the  
4 idea behind this informal process. It's a much  
5 cheaper process to follow for everyone.

6           I'm sure the homeowners association would  
7 like a copy of the Staff recommendation. If there are  
8 any customers here who would also like a copy of the  
9 Staff recommendation, if you would let us know when  
10 you come up, we will write that down and make sure you  
11 get a copy of it because, hopefully, you have your  
12 correct address here. And if not, if you'll let  
13 someone in the back know. If you're speaking tonight,  
14 if you'll let one of the Staff members in the back  
15 know that you would like a copy of that proposed  
16 agency action recommendation, they'll get your name  
17 and address, and it will be sent to you.

18           I would like to let everyone know that we  
19 are very well aware that this is not the season for  
20 the customers in this area, like many communities in  
21 Florida, it's not the only one. I'm very well aware  
22 that about 80% of the customers in this Utility are  
23 not here. And if they had been, we'd probably have  
24 about seven times this amount. So I just wanted to  
25 let you know that. We have an outstanding turnout

1 tonight. I'll tell you that. I did expect it, and we  
2 got it. We have an outstanding turnout.

3 With that, if there's no other comments from  
4 Staff up here, we'll proceed with the first person.  
5 And that is Larry Eaton. Mr. Eaton.

6 - - - - -

7 **LARRY EATON**

8 appeared as a witness and testified as follows:

9 **DIRECT STATEMENT**

10 **WITNESS EATON:** I'm sitting right next to  
11 Joe here, too. (Laughter) I'm glad.

12 My name is Larry Eaton. I live at 5721  
13 Apache. I've been in the park since 1989. I'm  
14 retired out of New York State. I worked with the  
15 criminally insane. (Laughter)

16 I'm so glad that you can sit here and tell  
17 these people that you are aware that this is the  
18 summertime, and you know we have 80% of our people up  
19 north. This is why this meeting is scheduled. This  
20 is a customer's meeting; we have to struggle to get  
21 our people out here, retired people, out to these  
22 meetings and stuff. We could have had it on the base,  
23 but we're shutdown because we don't carry meetings and  
24 stuff from November until the people get back.

25 Now, I'm asking you, and you're saying that

1 you are supposed to be working with us and with Turco,  
2 that you dismiss this meeting until November or  
3 December when we have our horses down here to defend  
4 ourselves. Now, that's only fair. And I'm really  
5 glad that you told these people that you are aware  
6 that we were gone, but yet you had the meeting. I  
7 don't know why.

8           **MR. WILLIS:** Well, let me try and explain  
9 that.

10           **WITNESS EATON:** Not that you can't explain  
11 it. I'm asking you to dismiss this meeting until we  
12 get back and get our people from the North. Move you  
13 and everybody back down here where we can be on fair  
14 terms. Because I think Mr. Crouch has been in this  
15 meeting since '89, haven't you, Mr. Crouch? Sir, you  
16 come to all these meetings, don't you?

17           **MR. CROUCH:** I have conducted three previous  
18 meetings here, yes, sir.

19           **WITNESS EATON:** Yes. And he's aware of all  
20 this. And all we do is listen to you people, and we  
21 don't -- it's like the dog wagging their tail; Turco  
22 sits there, he gets the rate. What about us people?  
23 Where are our expenses coming down here tonight? And  
24 you know we don't have no full dogs here.

25           **MR. WILLIS:** I understand that.

1           **WITNESS EATON:** Why did you schedule the  
2 meeting knowing they were not here? Is this an urgent  
3 meeting? Did we have to -- after all, Betmar is the  
4 one that supports Betmar Utilities. Without Betmar,  
5 Betmar Utilities wouldn't be here.

6           **MR. WILLIS:** Let me tell you first, no, I  
7 can't postpone this meeting.

8           **WITNESS EATON:** Why can't you?

9           **MR. WILLIS:** The meeting will go on. And  
10 let me tell you why. The statute of the State of  
11 Florida requires time frames for us to process cases.  
12 The Company has filed this case, and the statute  
13 allows the company to file a case when they want to  
14 file a case. It doesn't say there are certain time  
15 periods that you can file a case in.

16           Now like it or not, the Company filed the  
17 case when they did. And whether we like it or not, we  
18 have to process the case. We have no ability to  
19 withhold processing the case until a certain time.

20           **WITNESS EATON:** You call this a customer  
21 meeting, though, but the customers aren't all here to  
22 comment and stuff.

23           **MR. WILLIS:** Mr. Eaton, we are very well  
24 aware of that fact. And I can tell you that we know  
25 the flavor of the customers around here. We know the

1 customers are upset. And from the turnout we have  
2 tonight with just the 20% of the customers here, we  
3 get the effect.

4           **WITNESS EATON:** Well, you should get the  
5 effect. You don't have to be a college person to  
6 understand English. You know, for crying out loud,  
7 it's not right for what you are doing to us.

8           We go to these meetings. One time, a couple  
9 of three or four years ago, we had 600 or 700, 800  
10 people at the clubhouse pool. Mr. Crouch there, he  
11 run the meeting. And he said, "Oh, how nice it is to  
12 have all you people here," such and such and  
13 dedication and stuff. We have yet to win a case,  
14 unless we get Lew Hughes and a lawyer come down here  
15 to battle you guys every time. But we shouldn't have  
16 to do that. We are all senior citizens in this park  
17 paying heavy taxes, making in tax from you people that  
18 are appointed by the governor and stuff, pay you guys  
19 in wages and stuff, and we are getting a first class  
20 shaft from you.

21           **MR. WILLIS:** Have you heard of the office of  
22 Public Counsel?

23           **WITNESS EATON:** Well, what is that? They  
24 are all appointed, isn't it?

25           **MR. WILLIS:** No, they are not.

1           WITNESS EATON: Well, I'm just asking you to  
2 dismiss this for the sake of the people here.

3           MR. WILLIS: Well, let me just for everyone  
4 else out there and you, let you know that there is a  
5 separate office called the office of Public Counsel,  
6 which it has been basically set up by the legislature.  
7 They are a consumers advocate group. They are there  
8 for rate cases before the Commission, anytime a filing  
9 is before the Commission.

10           WITNESS EATON: Well, we don't have anything  
11 personal against anybody here, but we get sick and  
12 tired of going under your terms, or his terms. We'd  
13 like to go under our terms one time. We're just  
14 asking for a meeting when everybody from the North is  
15 down here, when everybody's here, because we have to  
16 send a 72-cent letter to everybody registered mail to  
17 notify everybody here, and that costs us money. We  
18 don't get our money back. Turco gets his money back  
19 by you people giving him a raise so he can dump it to  
20 us to put the money on the tax so that he gets his  
21 money back. How about our money coming back to the  
22 park?

23           MR. WILLIS: Well, if this case gets  
24 protested, the hearing will be -- (simultaneous  
25 conversation.)

1           **WITNESS EATON:** But what we're asking you --  
2 well, we're not asking outside wages; we're asking to  
3 do with common sense. And we certainly don't have all  
4 our horses here, and we're asking you to dismiss this  
5 and do it in November or December sometime when  
6 everybody is here. That's all we're asking. There's  
7 nothing --

8           **MR. WILLIS:** In all deference, I would love  
9 to do it, but I can't.

10           **WITNESS EATON:** Okay. I don't have anything  
11 more to say, but I want you know that we are not happy  
12 with you. (Laughter)

13           **MR. WILLIS:** I understand. I think you made  
14 it perfectly clear. (Applause)

15           The next speaker is Arlene Ire (phonetic).

16           (Audience response)

17           **MR. WILLIS:** Ayers.

18           **MR. CROUCH:** While this lady is coming up,  
19 I'll add one thing. The legislature requires -- they  
20 pass the statutes, not us, and that dictates to us  
21 when we have to have the meetings. You need to  
22 contact your local representative or state senator to  
23 get the statutes changed to change our guidelines.

24           Excuse me, ma'am.

25           **WITNESS AYERS:** Certainly.



1           **MR. CROUCH:** Go ahead.

2

- - - - -

3

**ARLENE AYER**

4 appeared as a witness and testified as follows:

5

**DIRECT STATEMENT**

6

**WITNESS AYERS:** My name is Arlene Ayer. I  
7 live at 5349 Joyce Street, and I'm afraid Larry has  
8 already made the point that I wanted to make that we  
9 would appreciate having the meetings when all of us  
10 return, when our Betmar residents are back in Florida.  
11 And that's all I have to say.

12

**MR. WILLIS:** I appreciate it. We'll let you  
13 know you are not alone there. (Applause.)

14

There are many communities in South Florida  
15 and middle Florida with a lot of residents that go  
16 back home in the wintertime, and we get that exact  
17 same complaint. And there's just nothing we can do  
18 about it, because we have to process cases. That's  
19 the way it's been set up, and that's the way we have  
20 to. We have to abide by the law. And we have to go  
21 forward with cases whether we like it or not.

22

With that, our next speaker is June Eaton.

23

24

25



1           **MR. WILLIS:** That and the fact that the  
2 Staff has been in constant communication with  
3 Mr. Hughes. Mr. Hughes has been talking to us about  
4 this case. He already has. He's called from up  
5 north, we've called him back. We've completely  
6 informed him of what's going on with this case and  
7 what has been filed for it. And I understand he is  
8 basically dealing with that for the customers at this  
9 point.

10           **WITNESS JUNE EATON:** Thank you.

11           **MR. WILLIS:** But we are talking with him,  
12 and he is onboard, I believe. We're willing to share  
13 whatever we have with him.

14           **WITNESS JUNE EATON:** Okay, thank you.

15           **MR. RENDELL:** Ma'am, also, he should have a  
16 copy. This is the actual filing. It's several pages,  
17 as you can tell. He should also have a copy available  
18 for your review at his office, you know, during the  
19 normal working hours. So if you want to go back -- or  
20 go by and look at the filing, it should be in the  
21 Utility office.

22           **WITNESS JUNE EATON:** Thank you.

23           **MR. WILLIS:** Thank you, ma'am. Clifford --  
24 I'll probably mess it up.

25           **UNIDENTIFIED SPEAKER:** He skipped a lot.

1           **MR. WILLIS:** Robert Kelley. Thank you very  
2 much. Robert Kelley. It gives me time to look at the  
3 last name on this.

4                               - - - - -

5                               **ROBERT KELLEY**  
6 appeared as a witness and testified as follows:

7                               **DIRECT STATEMENT**

8                               **WITNESS KELLY:** Good evening.

9                               **MR. WILLIS:** Mr. Kelley.

10                              **WITNESS KELLY:** I have some questions here  
11 that I'd like some answers to, because I'm not real  
12 familiar with the work of this Commission. There  
13 seems to be a discrepancy. Zephyrhills water is one  
14 price, our water is another, and you've got to do a  
15 lot of talking to convince me it's not coming out of  
16 the same pool. And when there's that big a  
17 discrepancy in the price of water, doesn't it follow  
18 that the one is perhaps mismanaging at least a certain  
19 part of that that's causing us to pay more?

20                              I don't really find that much fault with the  
21 quality of the water, but it seems like every other  
22 year the price of it keeps going up. And nobody ever  
23 says that it's the water, there's getting a short  
24 supply of it, which that may be the case. But, also,  
25 they just say "Well, we have to get new equipment, and

1 you are going to pay for it. We have to get this,  
2 you're going pay for it. We have to get" --

3           And the people in Zephyrhills whine on and  
4 pay \$20 a thousand, less than we do. But we are old  
5 people, so I guess that's all right. Maybe it's a  
6 point on waiting to even things up. I don't know how  
7 you all work. But is there a way that this  
8 Commission, founded by the governor of the State of  
9 Florida, it checks to be sure that what a utility asks  
10 for is honest and aboveboard?

11           I don't think there's anybody here that  
12 doesn't appreciate the water and isn't willing to pay  
13 the fair price. It's just that on this specific case  
14 in this specific Utility, we're never too sure whether  
15 we are getting a fair price or a jacked up price. And  
16 this is what really concerns most of these people. We  
17 all have to have water.

18           It's always bothered me that I never could  
19 figure out that the price of water fresh is, I  
20 believe, \$2.22 base price. And after I've used it and  
21 gotten rid of it, it's worth \$8-and-something.

22 (Applause)

23           It's the only thing I ever did in my life, I  
24 never made so much money before in all my life. And  
25 that has never been explained to me in any city or any

1 state, not just here in Florida. I thank you.

2 (Applause)

3 MR. WILLIS: Just a second for our court  
4 reporter. Here we go. Now --

5 - - - - -

6 CLIFF LIGHTHISER

7 appeared as a witness and testified as follows:

8 DIRECT STATEMENT

9 WITNESS LIGHTHISER: Cliff Lighthiser, 5601  
10 Plant Street.

11 MR. WILLIS: I was going to say that.

12 (Laughter)

13 WITNESS LIGHTHISER: You were going to say  
14 that, you said it before.

15 MR. WILLIS: I never got past --

16 WITNESS LIGHTHISER: I'd never got half way  
17 up here. (Simultaneous conversation.)

18 MS. CAPELESS: Sir, can we ask you spell  
19 your last name for the court reporter, please?

20 WITNESS LIGHTHISER: Light, L-I-G-H-T,  
21 hiser, H-I-S-E-R.

22 MS. CAPELESS: Thank you.

23 WITNESS LIGHTHISER: You're welcome. In  
24 recent months a company by the name of National Water  
25 Treatment, their phone number is 813-817-0620, has

1 been contacting residents of Betmar relative to the  
2 quality of our water. This company makes a practice  
3 of testing our water on premises, which then gives  
4 them the reason to recommend the sale of their water  
5 conditioning equipment. The success they've had in  
6 charging residents over \$1,000 for equipment to be  
7 used in an area which ships high quality water all  
8 over the country makes us question the quality of  
9 water being delivered to our homes by Betmar  
10 Utilities.

11           Also, I have a question. To the top of this  
12 notice I received from Betmar Utilities, just in part,  
13 "to allow the Utility to recover the cost associated  
14 with installation of certain equipment and an increase  
15 in the operations time of the water treatment plant  
16 operator." Who is the water treatment plant operator?  
17 Is he the fellow that mows the lawn up here for the  
18 subdivision that doesn't belong to Betmar Utilities?

19           MR. WILLIS: Well, let me tell you this one,  
20 the answer to this one first. The Department of  
21 Environmental Protection requires that there are  
22 certain coverage times each day, a certain amount of  
23 hours that a Class C, B or A operator, whichever they  
24 designate, has to be at the wastewater treatment  
25 plant.

1           Now, when a utility reaches a certain size,  
2 they increase those hours. They require the hours be  
3 increased, and that's what's happened here. DEP, the  
4 Department of Environmental Protection has come in  
5 apparently and said you need more hours and an  
6 operator at the wastewater treatment plant. You have  
7 to do that by our rules and regulations, so do it.

8           **WITNESS LIGHTHISER:** Sir, do they have to be  
9 right at the plant, right at the workshop, or where do  
10 they have to be in this facility?

11           **MR. WILLIS:** Well, I can let my engineer  
12 answer that.

13           **MR. CROUCH:** They have to be on duty, which  
14 means somewhere in the service area. He may be out  
15 reading meters, he may be out replacing the meter. He  
16 is working for the Utility, doing things for the  
17 Utility, and if a problem comes up, he is immediately  
18 available. He is not sitting right there by the pump  
19 during his eight-hour shift. But he is on duty and  
20 available for any problem that comes up during this  
21 shift.

22           **WITNESS LIGHTHISER:** On call.

23           **MR. WILLIS:** And let me tell you I have  
24 before me a contract with the Class C operator.  
25 Effective June 17th, the Utility has hired a man by



1 the name of Mr. Coons, who is a Class C licensed  
2 operator. And according to that contract, which fits  
3 in with the Department of Environmental Protection's  
4 requirements, he has to perform five weekly visits and  
5 one weekend visit to the wastewater treatment plant,  
6 and there's a certain hour of time he has to spend to  
7 be available like Mr. Crouch indicated on duty during  
8 those parameter of times.

9           And it just goes down listing that he has to  
10 maintain operational logs and file reports and the  
11 other things the department requires and that that is  
12 the Class C operator.

13           **WITNESS LIGHTHISER:** Sir, if he's the one  
14 that I'm thinking of, I walk in the morning at 6:00  
15 quarter to 6:00. I'm only a block from this place.  
16 And I see a pick-up truck go in there, and he's there  
17 at least five minutes, or three or four minutes, and  
18 then he takes off like a bat down Plant Street. Is  
19 that the man you are talking about?

20           **MR. WILLIS:** I couldn't tell you if that's  
21 the man or not. Now, I have -- one of our engineers  
22 is very familiar with this. We can talk to him. You  
23 can go back and talk to her if you want. Or we can  
24 discuss with them later --

25           **WITNESS LIGHTHISER:** Yes, that would be --

1           MR. WILLIS: -- and figure out if that's who  
2 it is. But he's very familiar with the operators of  
3 this Company.

4           Let me go back to your first question. It  
5 sounds like we are having a storm here.

6           Let me go back to your first question about  
7 the National Water Treatment Company. I am not  
8 familiar with them, but I'm very familiar with these  
9 people who sell water treatment systems. I've had  
10 them come to my house and ask if they can test my  
11 water, too, in Tallahassee. They are everywhere.  
12 They're all over the state, and their business is to  
13 try and sell you a treatment system. And I know when  
14 they tested mine, they do some scary things. They do  
15 some scary things to your water, and they can add  
16 chemicals, and they can do things to make you really  
17 think you've got to have one.

18           Now, I can have my engineer talk to you  
19 about them, but those people put these treatment  
20 systems on there basically for taste. There are a lot  
21 of these people who come out and tell customers of  
22 utility companies -- and they do it with the public  
23 utilities as well as the private utilities. They are  
24 out there trying to tell people that your water is  
25 unsafe, and here's what's in your water, and these

1 systems will take it out; do you want this in your  
2 water?

3 All I can tell you is that it's a matter of  
4 what you feel is necessary for you. I've told these  
5 people to go away from my house. I don't want to put  
6 one in.

7 **WITNESS LIGHTHISER:** I can tell you that it  
8 doesn't take much to scare, I would say, a little old  
9 lady that's living all alone without a husband on  
10 something like water -- a water system. If she can't  
11 rely on her water being okay from the tap, if she has  
12 a little rust come through it or a little taste, more  
13 chlorine than it's supposed to be or something, she  
14 immediately thinks there's something wrong.

15 **MR. WILLIS:** Let me also explain that the  
16 Department of Environmental Protection, and many of  
17 you are probably aware, is what we call the primacy  
18 agency of the state of Florida when dealing with  
19 Florida quality and wastewater effluent. They are the  
20 primary agency that tells this Utility what standards  
21 they have to meet.

22 The Public Service Commission is basically a  
23 regulatory agency in which we deal with the economics  
24 of allowing utilities to price for the product they  
25 sell. We have to deal with DEP, the Department of

1 Environmental Protection, coming in and telling  
2 companies they have to improve or have to make  
3 additional testing requirements. Those things are  
4 ever changing. They change every year.

5           They have to basically monitor for the  
6 Federal Government, which is the Environmental  
7 Protection Agency, who actually, if you've looked in  
8 the papers lately, are coming out with stricter  
9 standards now for water, as well as they just came out  
10 with stricter air standards the other day. But  
11 they've also -- they're pushing for much more stricter  
12 standards for water. And when that happens, it costs  
13 more. It costs more to do the testing they require,  
14 it costs more to treat the water for what they want to  
15 remove from it. But they do actually require testing.  
16 They require testing on a periodic basis. They  
17 require testing on a timely basis. They do every so  
18 many -- well, there's certain tests they do weekly,  
19 monthly. They have a set schedule for these tests.

20           These tests are done by laboratories, they  
21 are sent to the Department of Environmental  
22 Protection. They do their own tests, and they are the  
23 monitoring for the citizens. They are there to assure  
24 that the water that you drink from this Company or any  
25 utility in the state of Florida is pure enough to

1 drink. If not, they require, at least go out, like  
2 boiled water notices, or they'll require something to  
3 come out to tell you that you can't drink it.

4           And we are aware of that too when it happens  
5 because we work very closely with the Department of  
6 Environmental Protection. And we are aware of it, and  
7 we push the utility to force them to let you know  
8 that, too.

9           **WITNESS LIGHTHISER:** I am pleased to hear  
10 that because of the thousands and thousands of gallons  
11 of pesticides, are being put on grounds around their  
12 wells right now. Does any of that ever get leached  
13 into --

14           **MR. WILLIS:** Occasionally, there is. There  
15 in Central Florida around Orlando, there's been cases  
16 where citrus growers have been putting down chemicals  
17 to control nematodes in the citrus groves and that has  
18 worked its way into the water system.

19           **MR. CROUCH:** Ethylene dibromide, EDB, is  
20 over in the Clermont area. They've actually gone in  
21 and had to condemn people's wells and pay to have them  
22 hooked up to a local water system because of the  
23 pesticide.

24           **MR. WILLIS:** But it has happened. That's  
25 the purpose of the Department of Environmental

1 Protection being there to constantly monitor the water  
2 coming from the wells and make sure that there is  
3 nothing like that in there.

4 And, in fact, if you would like a copy of  
5 those test results, you can contact the Department of  
6 Environmental Protection and get those. They are a  
7 public agency, and they have to give you copies of  
8 those test results.

9 WITNESS LIGHTHISER: Thank you very much.  
10 (Applause)

11 UNIDENTIFIED SPEAKER: Can you turn that  
12 volume down, you're getting an awful feedback.

13 (Break in proceedings.)

14 MR. WILLIS: Is that better?

15 UNIDENTIFIED SPEAKER: Yes.

16 MR. WILLIS: Good. The next person is Lois  
17 Pool. Go ahead, Ms. Pool.

18 - - - - -

19 LOIS POOL

20 appeared as a witness and testified as follows:

21 DIRECT STATEMENT

22 WITNESS POOL: Hi. I'm Lois Pool, 5646  
23 Pawnee Street, Zephyrhills. Chairman Willis,  
24 approximately 14 months ago, Betmar Utilities --

25 (Audience response.)

1           **MR. WILLIS:** Wait, wait, let's turn your  
2 mike up, just slightly. Try it again now.

3           **WITNESS POOL:** Approximately 14 months ago,  
4 Betmar Utilities was flushing lines in my  
5 neighborhood. No one was advised of this. The well  
6 on Apache Street is to be used for fire protection  
7 only, was put into our lines.

8           Approximately 5:00, my neighbor, making  
9 dinner -- and she came over with a glass of water from  
10 her house. She asked about my water. We checked, it  
11 was yellow, just like you had went to the bathroom.  
12 That is exactly how it looked.

13           I had white things in the washer. I am a  
14 lady that sleeps in the morning and does her washing  
15 at night. And my white clothes were ruined. The next  
16 day Mr. Brown, from the Utility Company, brought me  
17 some powder to use. Well, there's a lot of white  
18 things you cannot use bleach on. We all know that it  
19 says "do not use bleach." To this day those clothes  
20 were thrown in the garbage because they would not  
21 work. They were all things that do not, so --

22           And then they came around and they told us  
23 all to run the water to flush our lines. Who paid for  
24 that water? We, the customers, in our neighborhood.  
25 He didn't reimburse us any water. We paid. So who

1 profited? Betmar Utilities, again. And to this day I  
2 have heard nothing from Betmar Utilities saying, "Gee,  
3 would you like a refund or something?" Nothing. We  
4 all had to go out and purchase water for the night  
5 because it was until the next day before we had clean  
6 water. So we all went out and purchased water.

7           And I feel that if they are going to do  
8 something of this nature, we should be advised of what  
9 they are going to do. And no one has ever advised us  
10 of anything. Thank you.

11           **MR. CROUCH:** You said this was approximately  
12 18 months ago?

13           **WITNESS POOL:** 14.

14           **MR. CROUCH:** 14.

15           **WITNESS POOL:** Uh-huh.

16           **MR. WILLIS:** Did this happen, did the water  
17 happen -- I guess it did happen after the line  
18 flushing the Company did?

19           **WITNESS POOL:** Yes. What they had did was  
20 turn the wrong well back into our water system. They  
21 had turned the fire protection line into our water,  
22 and that is what we were getting to drink. If we had  
23 drank it, we would have all have been sick. We had  
24 ate supper outside -- outside at supper time. But  
25 when she came over, I found it.



1           MR. WILLIS: Thank you.

2           WITNESS POOL: Thank you. (Applause)

3           MR. WILLIS: Marvin Mattison.

4           UNIDENTIFIED SPEAKER: I don't believe he's  
5 here.

6           MR. WILLIS: Not here, Mr. Madison? We'll  
7 pass and ask for him later. Dorothy --

8           WITNESS RAUCH: Rauch.

9           MR. WILLIS: Rauch.

10          WITNESS RAUCH: Rauch.

11          MR. WILLIS: Dorothy Rauch.

12          WITNESS RAUCH: There is no "s" in it, if  
13 there was an "s" in it.

14          MR. WILLIS: I was trying to read this  
15 writing here, so --

16                                 - - - - -

17                                 DOROTHY RAUCH

18 appeared as a witness and testified as follows:

19                                 DIRECT STATEMENT

20           WITNESS RAUCH: Oh, it's not my writing or  
21 you would be able to read it. (Laughter)

22           I feel as though I'm digging up a dead body  
23 out of a grave. Speaking about backflow valves, we  
24 went over and over and over this thing about backflow  
25 valves a number of years ago. But on October 21,

1 1996, the Public Service Commission ruled that the  
2 backflow valves had the -- cost of them had to be  
3 refunded to the few people who had them put in.

4           Mr. Hughes reports that the Commission  
5 doesn't intend to require that the valves be removed  
6 by the Utility, unless each individual specifically  
7 requests the removal. I hereby request that you  
8 furnish these residents with a letter which gives  
9 instructions as to exactly how to make this request  
10 and to whom it should be addressed.

11           The valves were installed against our will.  
12 There was a big brouhaha about it several years ago,  
13 as you know. They are ugly. They are subject to  
14 freezing, and they were located between the meter and  
15 the home which kind of said that the homeowner was to  
16 take care of them. However, one owner who took it  
17 upon himself to remove it has been accused of improper  
18 action by the Utility. And we would like that  
19 resolved, please. Thank you.

20           MR. WILLIS: Now, let me address that. It  
21 has been an issue that's gone on and on and on in this  
22 Utility Company, we're well aware of it.

23           The Commission in its last past action  
24 required this Utility to refund the cost that it  
25 charged those customers for those backflow preventers

1 for those in which they determined there was no need  
2 for those backflow preventers.

3 WITNESS RAUCH: But the removal is the  
4 problem.

5 MR. WILLIS: That is correct. At this point  
6 our attorneys have told us that we don't have the  
7 statutory authority to make this Utility remove those  
8 backflow preventers, and the Department of  
9 Environmental Protection, in all likelihood, will not  
10 require them to remove those either.

11 If this Utility wishes to put backflow  
12 preventers in at their own cost without charging  
13 customers one dime for it, we can't tell them not to.  
14 They have to maintain those.

15 WITNESS RAUCH: I see.

16 MR. WILLIS: They have to maintain those in  
17 working order, not you. If they put backflow  
18 preventers in for customers where they are deemed not  
19 necessary, the customers will not pay for those. They  
20 will not pay for it with a charge. They will not pay  
21 for it in rate base.

22 WITNESS RAUCH: The people will be very  
23 happy to know that. Thank you.

24  
25

1                                    **DEBB JONES**

2 appeared as a witness and testified as follows:

3                                    **DIRECT STATEMENT**

4                    **MR. WILLIS:** Bebb Jones. Mr. Jones.

5                    **WITNESS JONES:** The Public Service

6 Commission furnished our Mr. Lewis Hughes with a form  
7 itemizing the various reasons Betmar Utilities has  
8 listed for requesting the rate adjustment, which I  
9 would hope would be further explained during this  
10 meeting. This is considered necessary in order that  
11 we might understand the process more fully. Having  
12 been privileged to review this referenced form, I  
13 would call your attention to several questions which  
14 would come to mind.

15                    One, it appears reasonable that the Utility  
16 should have a backup generator on premises as you have  
17 ordered. However, I would appreciate a discussion  
18 regarding the size and other specifications which  
19 would assure us that a proper expenditure has been  
20 made.

21                    Also, I would request several questions --  
22 question several points listed concerning the term and  
23 terms of the lease. A generator priced at  
24 \$65-odd-thousand would normally be capable of serving  
25 our need for 20 to 25 years. This machine will only

1 be used to cover normally short-term electrical  
2 outages and will, therefore, only be run periodically  
3 to test its reliability. I don't think you'll debate  
4 that.

5 To ask its customers to pay for this  
6 generator, \$65,000 over only four years, is not  
7 acceptable. Also, I question whether this lease is  
8 considered to be an arms-length lease or agreement.  
9 Precisely, we have discovered that the Utility does  
10 business with family-owned companies effectively,  
11 covering excess income.

12 And I notice in your listing, again, the  
13 name of that privately-named company is raised and  
14 that they are leasing this equipment to the Company.  
15 We are checking with the John Deere people to know  
16 that these prices are correct because we do not trust  
17 the owner of this Utility. (Applause)

18 It seems rather silly to be leasing this  
19 equipment in the first place. I'm sure it's only done  
20 to increase the advantage of the local owner because  
21 he is the lessor. And I'm sure that the terms are  
22 ripe for hidden profits which are unnecessary if the  
23 equipment were purchased and owned by the Utility as  
24 we would think they need to be. Because as a  
25 financier -- all of my life I was in the banking

1 business, and I have never yet read a lease that was  
2 less expensive than a purchase. And here we are  
3 leasing as a personal thing, not an arms-length deal,  
4 from the family to the Company.

5 Now, again, he's, per your request,  
6 purchased, or leased I should say, another backup  
7 generator. I presume one is for pumping water, and  
8 the other is for pumping sewage. I don't know why it  
9 costs \$65,000 to pump \$2 water and only 26,000 to pump  
10 \$8 water, but apparently that's true. And I would  
11 raise the same question with regard to both leases.

12 So please do your homework and audit this  
13 situation, and we will request that our on-hand  
14 certified public accountant, Mr. Hughes, will be  
15 looking very closely at this arithmetic.

16 MR. WILLIS: Thank you very much. Let me  
17 address that. We are, in fact, looking at that, too,  
18 and questioning the lease itself. Anytime you have  
19 related party transactions, it raises a huge red flag  
20 with the Staff. Those types of transactions go under  
21 a heavy scrutiny, and there has to be a proof that  
22 those transactions are in deed the same that you could  
23 get anywhere else. And, in fact, the lease has to be  
24 proven that it is less costly than actually buying the  
25 equipment itself.

1           **WITNESS JONES:** And have you ever seen a  
2 lease that's less costly than a purchase? I have yet  
3 to find it.

4           **MR. WILLIS:** No. There are some car dealers  
5 out there that would try to tell you there are.

6 (Laughter)

7           **MR. RENDELL:** Sir, and if I could expand on  
8 that just a little bit. Staff has sent out data  
9 requests. It consists of 20 questions. We sent it  
10 out on June 4th. They are due to respond to us on  
11 July the 7th, I believe. So we have asked those  
12 questions that you have raised.

13           One of the other points I wanted to point  
14 out, the well that was mentioned on Apache Street,  
15 that was one of the items that they -- was fined for  
16 in the consent order. The well was hooked up, and  
17 they did have to take that off line. So that was  
18 addressed by the Department of Environmental  
19 Protection.

20           **MR. CROUCH:** One of the things the engineer  
21 will be checking tomorrow while he's down here is the  
22 size of the generators that you're talking about: Are  
23 they appropriate? Are they too large? These are  
24 things that we are investigating at this time.

25           **MR. WILLIS:** The next person is Willard --

1 and it's Hammond, I believe.

2 (Audience response.)

3 Hamm. Well, now, there's something written  
4 out on the tail end of mine here, and it looks like  
5 Hammond. Mr. Jones, I'll have to blame Mr. Jones for  
6 that one.

7

- - - - -

8

**WILLARD HAMM**

9 appeared as a witness and testified as follows:

10

**DIRECT STATEMENT**

11

**WITNESS HAMM:** Hamlet is a small village,

12

and a ham is a larger -- (Laughter)

13

In case you don't know that.

14

Now, I'm Willard Hamm. I live at 36506 Kay.

15

I've lived here since 1970. I presently enjoy the

16

title of professor emeritus, University of Wisconsin.

17

I think the purpose of this meeting is wrong. We

18

should be looking at how we should lower the rates,

19

not how they should be raised. (Applause)

20

I tell you this for several reasons. A

21

couple years ago I contacted all four of my daughters

22

who live at St. Louis, St. Paul, Tioga Falls at that

23

time, and San Antonio. And in every case, our water

24

was much more expensive, much more expensive.

25

Now, we're asked to pay extra for these



1 things that are supposed to improve the system. It  
2 seems to me that the extra money that he's getting is  
3 already -- is more than enough to do that.

4 Now, in my opinion, this family-owned  
5 company is overstaffed and overpaid, and you people  
6 should be looking at the wages that these people are  
7 receiving who are members of the staff.

8 I believe it was last year, I happened to be  
9 in my home only for about two weeks during the month  
10 and came back after I -- it got into the next month,  
11 and I think I had about three weeks there. Now, with  
12 the regular meter, apparently there wasn't another  
13 thousand gallons. Let's say it was 24,000 gallons.

14 UNIDENTIFIED SPEAKER: Speak up.

15 MR. WILLIS: You need to get very close to  
16 that mike.

17 WITNESS HAMM: Get closer, okay. This is  
18 just an example. I don't have the absolutely figures.  
19 But let's say it was 24,000 gallons, they read the  
20 meter again, after two weeks now, as only  
21 24,000 gallons. So I had to pay the minimum fee.

22 The next month they read the meter, and it  
23 was 29,000 or 26 -- anyway, I had to pay for  
24 3,000 gallons. And this means then that I was paying  
25 for that one month where I paid the minimum fee, two

1 times I had to pay for that water. Now, is that fair?  
2 I paid for it once, why should I have to pay the  
3 second time? So that meter should have been read with  
4 the month put down on it, and then the new month when  
5 that came along, then I should have paid for the water  
6 that was consumed in that month, not in the month  
7 previous.

8           Then this 3,000 gallons that we pay, this is  
9 a minimum pay that we have to pay on sewage, minimum.  
10 Everybody has to pay the 3,000 gallons. You know,  
11 there are a lot of people in our park who use 1,000,  
12 1,500, 2,000 gallons. And those people are not  
13 bringing in enough food and everything else to make up  
14 to 3,000 gallons. This is ridiculous, absolutely  
15 ridiculous. It just is not fair. These people are  
16 getting much more money than they deserve, than they  
17 merit.

18           **MR. WILLIS:** Let me try and understand now.  
19 My review of the rates, sir, there is no minimum  
20 balance that I've seen on how many gallons you can  
21 get. And there's a charge per 1,000 gallons. And if  
22 you use those gallons, you don't pay a gallonage  
23 charge.

24           **WITNESS HAMM:** I know that the card read the  
25 same for the two months and that I had to pay for that

1 water that was not used barely. In other words, it  
2 showed that I didn't use any water during that month,  
3 but I had to pay the bill.

4 MR. WILLIS: If you could, I'd like you to  
5 talk to Mr. Groom, who's in the back of the room, and  
6 talk about him with that so he can get a good  
7 understanding of the problem here.

8 WITNESS HAMM: Okay, I'll do that.

9 MR. WILLIS: I'd certainly appreciate that.

10 WITNESS HAMM: Now, one other question I  
11 have. If you people decide that he should receive  
12 this money, can we put a case against it when more of  
13 our people are here?

14 MR. WILLIS: Well, if --

15 MS. CAPELESS: I'm sorry, go ahead,  
16 Marshall.

17 MR. WILLIS: If you want to, this is going  
18 to go out as, what we call, a proposed agency action  
19 order, and that order will come out sometime in --  
20 it's on the front of this sheet. The Commission will  
21 meet on October 7th, and the order should come out 20  
22 days later, which would be the 27th of October. Now,  
23 that will be sent to those customers who request a  
24 copy of the Staff recommendation, you also get a copy  
25 of that proposed order.

1           And bear in mind, the Commissioners are the  
2 ones that actually decide this. What they are going  
3 to do is issue what's called a proposed order. It's  
4 nothing but a proposal. If you don't like what's in  
5 that order and you don't think the Commission did the  
6 right thing, you can file a protest. And our attorney  
7 can explain that later on as to exactly what you have  
8 to do. The order itself will tell you how to file a  
9 protest.

10           **WITNESS HAMM:** Will that delay the  
11 establishment of the new --

12           **MR. WILLIS:** It will delay, but it will cost  
13 more money. And at that point, if you protest the  
14 proceeding at that point, we have to move into what's  
15 called a formal proceeding. And in that there will be  
16 witnesses from the Staff, from the Utility Company  
17 being required to put on testimony. It will be like a  
18 court trial down here. We'll actually come down here  
19 with three or four commissioners to hear the case.  
20 Customers will again be allowed to testify, and  
21 they'll be testifying -- hearing your comments. But  
22 at the hearing you'll be allowed to testify before the  
23 Commission.

24           **WITNESS HAMM:** Now, what was the name of the  
25 gentleman again?

1 MR. WILLIS: The what?

2 WITNESS HAMM: The name of the gentleman I  
3 could to talk to about --

4 MR. WILLIS: Oh, Mr. Eric Groom.

5 WITNESS HAMM: Eric what?

6 MR. WILLIS: Groom, G-R-O-O-M. He's the  
7 fellow in the white shirt back there. If you'll raise  
8 your hand, Eric.

9 WITNESS HAMM: Okay, thank you.

10 MR. WILLIS: Certainly. No problem.

11 (Applause)

12 UNIDENTIFIED SPEAKER: May I ask a question?

13 MR. WILLIS: You have to come to the  
14 microphone.

15 UNIDENTIFIED SPEAKER: This extra charges  
16 you're talking about, would we, the people of Betmar,  
17 have to pay for that extra charges if we protested?

18 MR. WILLIS: The charges that I'm talking  
19 about are called rate case expense. And you all are  
20 probably aware of that from the past. And the  
21 Commission by statute has to approve a prudent cost in  
22 doing that. If we believe the Utility put forth more  
23 than they should have and paid more for their  
24 consultants than they should have, we've done it in  
25 the past, we've disallowed the cost, we've cut hourly

1 rates down saying you hired way far more than you  
2 should have hired on an hourly rate. We have cut that  
3 down. But for a regulated utility, it's deemed as the  
4 cost of doing business.

5           That's why we have proceedings like this.  
6 We try and get through these things at the least cost  
7 possible.

8           UNIDENTIFIED SPEAKER: Okay. But who does  
9 the cost fall back to if we protest, there's no delay  
10 in it and you come back down here?

11           MR. WILLIS: Those costs would be passed  
12 forward to the customers, those prudent costs that the  
13 Commission deems prudent.

14           UNIDENTIFIED SPEAKER: Thank you.

15           MR. WILLIS: Now, the question of protesting  
16 just came up, so let me again tell you about -- I  
17 don't think I got it out earlier. The agency that I'm  
18 talking about in Tallahassee is called the office of  
19 Public counsel. As I was talking before, they are a  
20 consumer advocate. They're for the customers only.  
21 They were created by the legislature for the customers  
22 only.

23           UNIDENTIFIED SPEAKER: We are very familiar  
24 with them. We've worked with them. We know how to  
25 contact them. We are on a personal acquaintance.

1           MR. WILLIS: Oh, good. Thank you. I don't  
2 have to go into that spiel then. Thank you.

3           The next person I have is Kay Brady.

4                                 - - - - -

5                                 KAY BRADY

6 appeared as a witness and testified as follows:

7                                 DIRECT STATEMENT

8           WITNESS BRADY: Good evening.

9           MR. WILLIS: Good evening.

10          WITNESS BRADY: My name is Kay Brady. I  
11 live at 5721 Pawnee Street, Betmar Park, Zephyrhills,  
12 Florida.

13          MR. WILLIS: Could you pull that microphone  
14 a little closer down there? Thank you.

15          WITNESS BRADY: I have lived in Betmar for  
16 going on 13 years. In preparing my thoughts for this  
17 meeting, I took the time to review the minutes of the  
18 general meetings of our park. I was not so surprised  
19 to find that with rare exception Betmar Utilities,  
20 which is most commonly referenced as Joe Turco, made  
21 the record at almost every meeting. Shockingly, it  
22 was continuously Turco verses Betmar.

23                                 If the Public Service Commission were to  
24 request the history of these discussions, I am certain  
25 our secretary would be most happy to oblige. The

1 obvious point to be made here is that this water  
2 utility was created to serve the needs of our  
3 residents, not to continuously harass and badger by  
4 threatening to turn off our water if we refused to pay  
5 for insulation of a backflow valve, which the Public  
6 Service Commission has deemed to be unnecessary for  
7 the majority of our residents. Thank you.

8           **MR. WILLIS:** Thank you. And I would point  
9 out if you have problems with any of these things in  
10 the future where you think you are not getting  
11 satisfaction from the Company, we do have an 800  
12 number at the Commission, which is our consumer  
13 affairs line and these people -- we have our consumer  
14 analysts there. They will take that down. They will  
15 look into it and research it and find out what's going  
16 on, and I would urge you to call that number. It's on  
17 the very first page.

18           **WITNESS BRADY:** I have called it before and  
19 gotten satisfaction.

20           **MR. WILLIS:** You have it called it before?

21           **WITNESS BRADY:** Thank you.

22           **MR. WILLIS:** Good. It is an 800 number for  
23 everyone. It's listed on the bottom, the very bottom  
24 of this brochure. And I think also in your telephone  
25 book.



1           The next person I have is Emma Richards.

2

- - - - -

3

**EMMA RICHARDS**

4 appeared as a witness and testified as follows:

5

**DIRECT STATEMENT**

6

**WITNESS RICHARDS:** Yes, I'm Emma Richards.

7

I live at 5325 Flint, for 25 years. Can you hear me

8

all right?

9

**MR. WILLIS:** I hear you perfectly.

10

**WITNESS RICHARDS:** Well, I'm very concerned

11

regarding the bookkeeping methods of the Betmar

12

Utility. The Turco family owns several acres formerly

13

used as a settling mix for the Utility waste. Now

14

this area has been converted to building lots;

15

however, no construction of mobile homes has begun.

16

Regularly we see an employee of the Utility mowing

17

this area and performing other maintenance-type work.

18

And in its analysis of the Utilities' request for a

19

rate increase, the books of the Utilities should be

20

closely scrutinized.

21

You see, although the Utility employees are

22

performing labor at the above referenced lots, we all

23

know that these lots are owned by the Turco family.

24

And I would bet the Utility customers are paying to

25

support other outside Turco interests. Thank you.

1           **MR. WILLIS:** Thank you. And I will let you  
2 know that we, on a common practice, review those  
3 calls. We review the books to look at things like  
4 that. We have found those. And those, when we do  
5 find those, they are taken out of the cost. We don't  
6 allow employees who work for the Company to bill the  
7 Company for mowing other related party areas or  
8 anything else like that, working in other areas. We  
9 only allow the costs for actually working for the  
10 Utility Company doing Utility business.

11           **WITNESS RICHARDS:** Thank you. (Applause)

12           **MR. WILLIS:** Henry Perdue. Second time  
13 around.

14           - - - - -

15           **HENRY PERDUE**

16 appeared as a witness and testified as follows:

17           **DIRECT STATEMENT**

18           **WITNESS PERDUE:** My name is Henry G. Perdue.  
19 I live at 5120 Veronica Street in Betmar Acres.

20           **UNIDENTIFIED SPEAKER:** Can't hear you.

21           **MR. WILLIS:** He's kind of tall for the  
22 microphone. He's going to have to talk louder.

23           **WITNESS PERDUE:** Talk louder?

24           **MR. WILLIS:** I tried to pull it out before,  
25 and it doesn't come out.

1           **WITNESS PERDUE:** That's okay. Numerous  
2 residents partaking on the Betmar Utility product have  
3 long since been buying bottled drinking water, which I  
4 do myself. If the Public Service Commission would so  
5 desire, our park would be most happy to survey all of  
6 our residents so that we might report to you just how  
7 many people dislike the chlorine taste or fear the  
8 cancer danger recently discussed in the newsreel to  
9 people drinking water not properly regulated regarding  
10 chemical treatment.

11           I would hope that the proper government  
12 agency completes periodic tests of our water quality.  
13 When performing these tests, we would remind you that  
14 water samples need to be drawn in all areas, that it's  
15 a known fact that some water line areas test  
16 differently than others. And I'd like you to come  
17 down sometime and just see the string of people, line  
18 of people, going out to Crystal River to get bottled  
19 water out of that little pump out there because they  
20 can't drink this stuff that this gentleman puts out.  
21 Thank you very much.

22           **MR. WILLIS:** Thank you very much. I will --  
23 (Applause)

24           **MR. CROUCH:** I'd like to make one comment on  
25 that. When you get the water, the bottled water,

1 about nine times out of ten all, they're doing is  
2 taking regular well water and running it through a  
3 charcoal filter. You can go to Sears, Culligan, any  
4 number of a people around here that provides a  
5 point-of-use filter, a little cartridge filter that  
6 goes on your faucet. You can also have it hooked up  
7 to go to your ice maker. Change that filter about  
8 every 60 to 90 days, and it will cost you about one  
9 tenth of what buying water will do, and you will have  
10 it convenient right at your faucet. So buying bottled  
11 water is actually not cost-effective.

12           **WITNESS PERDUE:** I would like to say  
13 something about that, too, sir. Why do we need to put  
14 a filter on our water lines when this gentleman is  
15 supposed to be putting out water quality good enough  
16 to drink?

17           **MR. CROUCH:** I can explain that very simply.  
18 He could put a filter on the entire water system,  
19 which would cost a horrendous amount. That would  
20 filter the water that you use to flush your commode,  
21 to take a shower with, to do your dish washer, to  
22 water your flowers, to wash your car, or anything  
23 else. So it is not cost-effective for the Utility to  
24 filter the water for the entire system. It is far  
25 more cost-effective for you to individually put on a

1 point-of-use filter.

2 UNIDENTIFIED SPEAKER: You want to tell me  
3 we've been drinking water all these years and it's  
4 never filtered?

5 MR. WILLIS: Let me point out something  
6 here, too. The Department of Environmental Protection  
7 is the agency who actually decides how much chlorine  
8 must be in the water system at any point. The  
9 department has a low end requirement, but they don't  
10 have a high end requirement. I would encourage you if  
11 you have water quality problems, if you have a problem  
12 with the odor of the water or the high chlorine  
13 content of the water at any time, call the Department  
14 of Environmental Protection. Let them know. And  
15 usually they will send someone out.

16 If you have certain times of day in which  
17 you experience these problems, let them know what time  
18 of day it is so they can come out at a certain time of  
19 day and experience the same problem. But you need to  
20 be talking to the Department of Environmental  
21 Protection so that they know, since they are the  
22 actual people who are looking at the quality of this  
23 water and determining whether it's good for you to  
24 drink or has the right chlorine content in it. You  
25 need to be talking to the Department of Environmental

1 Protection, and let them know that.

2 WITNESS PERDUE: One more thing.

3 MR. WILLIS: Go ahead.

4 WITNESS PERDUE: We ran out of bottled  
5 water. My wife used water out of faucet to make her  
6 coffee, and the coffee cup gets a brown ring about so  
7 big on it, but with bottled water it doesn't. With  
8 the water coming from Mr. Turco's pumps, you get a  
9 black ring from the coffee on your coffee cup. So,  
10 you know, I'm trying to figure out what that is that's  
11 going into my body.

12 MR. CROUCH: That's calcium carbonate which  
13 is prevalent in the water in Florida. Calcium  
14 carbonate is not harmful to you. It does not  
15 aesthetically look pleasing. Many times if you take  
16 ice cubes out of your refrigerator, put them in a  
17 drink, you'll in fact see this little kind of a white,  
18 brown type scum. That's calcium carbonate. It's the  
19 limestone in the aquifer that is dissolved, that's in  
20 water around here. It is not harmful. I agree with  
21 you, it doesn't look good. And when you put it in  
22 coffee, the coffee stains it, and you get a little  
23 ring around there.

24 Here again, I cannot speak too highly -- and  
25 I have no stock in any point-of-use filter company,

1 but those will solve a multitude of your problems for  
2 getting the hydrogen sulfide taste out, if you have  
3 that. Or getting the calcium carbonate out, or  
4 getting the chlorine taste out. It is not harmful to  
5 you. It just doesn't look good.

6           **MR. WILLIS:** The next person is Bob  
7 Lockhart. Mr. Lockhart.

8                                 - - - - -

9                                 **BOB LOCKHART**  
10 appeared as a witness and testified as follows:

11                                 **DIRECT STATEMENT**

12                                 **WITNESS LOCKHART:** I'm Bob Lockhart, and I  
13 live at 5338 Amanda Street. Now, in reading your  
14 calculations, calculating reasons for requesting  
15 another rate increase, we see numerous reasons listed  
16 for our sizable expense totals associated therewith.  
17 Without the benefit of support and detail, it is also  
18 impossible to judge if we are reading correct data or  
19 possibly padded information inserted strictly for the  
20 benefit of this family-owned utility. We, therefore,  
21 request the right of our in-house certified public  
22 accountant, Lewis E. Hughes, to review these  
23 calculations and discuss these findings with a  
24 representative -- your representatives.

25                                 **MR. WILLIS:** Mr. Hughes is already onboard,





1           And everyplace I've been, I've had very few  
2 problems with any of the utility companies. I've had  
3 very -- well, I don't know if I've had problems with  
4 Betmar Utilities, but I disagree with a lot of things  
5 they do, like the rest of them here. I understand  
6 that these meetings had to be called when they request  
7 a public hearing or whatever this is. And we have, in  
8 Betmar, had little trouble with anybody but Betmar  
9 Utilities. That's all I hear at our meetings kind of  
10 thing. And I understand that the Public Service  
11 Commission has recently ordered Florida Power to  
12 refund some of their fees that you've figured -- that  
13 the Public Service Commission thought were not  
14 justified.

15           I think that one of our problems here is  
16 that we got a very -- a lot of animosity between our  
17 park and Mr. Turco. And I think that as long as he  
18 can, he is going to do the things that upset and  
19 harass Betmar Acres. And I think that it's too bad  
20 that people that are supposed to be adults with adult  
21 thinking can't sit down and work some of these things  
22 out without, you know, a lot of the unnecessary  
23 arguing back and forth.

24           I am here just to say that I have no  
25 argument with the Public Service Commission. They

1 have to do with the information they have. And I  
2 think it's a shame that every time that this comes up,  
3 they have to dig through all of the records of Betmar  
4 Utilities and the other company that the family owns  
5 to find out if it's justified. And then I wonder if  
6 it's ever possible to get all the information you  
7 need.

8           You have to go with what you can get, I  
9 realize that. And I heard someplace -- I don't know  
10 if it's true or not -- utility companies are supposed  
11 to be priced -- their prices are supposed to be on  
12 what you would call a competitive rate if we had other  
13 utilities. But they have more or less full control in  
14 the areas they're in. And you can bet that if there  
15 was another company that Betmar owners, residents,  
16 could get their water from, they would be there right  
17 away. Thank you. (Applause)

18           MR. WILLIS: The next person I have -- let  
19 me -- before I get off on the speaker forms, let me  
20 try again for Marvin Madison.

21           Is he not here still? Okay. Let's move to  
22 the speaker forms then. Paul Newcomb.

23  
24  
25



1 general comment, but I have a specific comment. It  
2 would be quite possible for us to give, in effect,  
3 this money that Betmar Utilities is asking for at no  
4 cost to either side and actually to the benefit of  
5 both sides, and that would be shifting from a monthly  
6 billing cycle to a quarterly billing cycle.

7           If I look at the figures here, you've  
8 received something like \$420,000 a year total. That  
9 boils down to \$35,000 a month. And on average about  
10 \$23 a month for some 1,500 homes in Betmar.

11           Now, if you went on that kind of a basis,  
12 it's quite true that the Utility would lose a certain  
13 amount of interest on their money. At 7% interest it  
14 would cost them roughly 16¢ a customer per year for a  
15 total of \$2,400 or \$2,500. But what would you save?

16           First of all, you would save the time and  
17 effort of taking some 12,000 readings a year. You'd  
18 save the time and effort of sending out some 12,000  
19 bills per year. Each one of those bills requires  
20 postage, the checks come back in, and they have to be  
21 processed there, and the work associated with  
22 depositing checks, recording payments, etcetera.

23           Now, in addition to that, the people here in  
24 Betmar would be saving 32 cents eight times -- eight  
25 times a year and saving writing a check. Quite

1 frankly, there are times when my check is late, or I  
2 don't even send in a check for a month because it's  
3 such a pain in the neck to send in a check for maybe  
4 anywhere from \$6 to \$14. (Audience response.)

5 I mean --

6 MR. WILLIS: Try and hold it down now. We  
7 have to be able to get the gentleman down on the court  
8 reporter's -- not off the machine over here, so  
9 let's --

10 WITNESS DEDRICK: I know that the utilities,  
11 they have a responsibility to provide the best service  
12 to the customers at the least cost. Now that's why  
13 they're granted this privilege of having the exclusive  
14 right to service this area. And unless we get --  
15 continue to get or start getting really, good service  
16 for the money that we're getting, then I think we  
17 should try our very best to get another utility in  
18 here and throw out Betmar Utilities. (Applause)

19 MR. WILLIS: Thank you, Mr. Newcomb. Joseph  
20 Erslan. Mr. Erslan. Here he comes.

21

22

23

24

25

1                                   **JOSEPH ERSLAN**

2   appeared as a witness and testified as follows:

3                                   **DIRECT STATEMENT**

4                   **WITNESS ERSLAN:** That's a normal error, my  
5   name is Erslan, E-R-S-L-A-N. A scribble rather, isn't  
6   it?

7                   **MR. WILLIS:** I'll claim it's my fault.

8                   **WITNESS ERSLAN:** 36702 Jodi Avenue,  
9   Zephyrhills.

10                   I suppose by now you are well aware of the  
11   fact that these people are all quite dissatisfied with  
12   Joe Turco, primarily Joe Turco, and, of course, the  
13   Utility that he owns or represents or whatever. There  
14   are a lot reasons for it. I've got a lot of reasons  
15   for it. But most of them have been expressed already.

16                   One thing I'm concerned about is these  
17   meetings in the middle of the summer. What do we  
18   have? What options do we have to reschedule meetings  
19   like this? I'd like the group to go on record as  
20   protesting these meetings coming in the summertime.  
21   If we can find one person that agrees with having them  
22   in the summertime, I'd like them to stand up.

23                   **MR. WILLIS:** I don't think you've going to  
24   get any agreement.

25                   **WITNESS ERSLAN:** So you have 100% agreement

1 that these things should be scheduled at a time when  
2 we have the entire membership of Betmar living in the  
3 park.

4 **MR. WILLIS:** I understand that. That's what  
5 the customers want, but there's a problem with  
6 processing cases on a timely basis from --

7 **WITNESS ERSLAN:** What can we do about this?  
8 Can we request to you that when Betmar Utilities asks  
9 for a hearing that you explain to Betmar Utilities  
10 that we are very unhappy by the situation as it is and  
11 that we want full representation here? Because this  
12 isn't fair to the Betmar owners, not in the least.  
13 Anyway you look at it, it's not fair to the Betmar  
14 owners.

15 **MR. WILLIS:** I understand that, but the only  
16 thing you can do is contact your state legislators and  
17 tell them to change the law.

18 **UNIDENTIFIED SPEAKER:** Or change the  
19 legislators.

20 **MR. WILLIS:** We have the requirement to  
21 process cases and process the cases timely. We have  
22 no ability to tell a company when they can file a  
23 case. They can file them when they deem the need to  
24 file one. And the Commission must process that case  
25 whether we believe it's justified or not. Whether we

1 grant nothing or something, we have to process that  
2 case on a timely basis.

3           **WITNESS ERSLAN:** Why is it when a person  
4 gets up in front of a mike they get tongue tied? I  
5 don't have a problem arguing with my wife. Okay,  
6 that's about all I had to say.

7           **MR. WILLIS:** I have a problem arguing with  
8 mine. (Applause)

9           **WITNESS ERSLAN:** I learned long ago that  
10 every one of them is a loss, so I quit arguing with  
11 her.

12           **MR. WILLIS:** The next person we have is --  
13 I'm probably going to do it again here. I'll let  
14 Mr. Rendell do this one.

15           **MR. RENDELL:** It looks like John MacDiarmid.

16           **MR. CROUCH:** I remember eight years ago  
17 conducting a meeting out at your community center  
18 where there were about 400 people there. And it was  
19 awfully warm that day, because I had a suit on that  
20 day, also. So we don't like some of the meetings  
21 either, believe me.

22  
23  
24  
25



1                   **JOHN MacDIARMID**

2    Appeared as a witness and testified as follows:

3                   **DIRECT STATEMENT**

4                   **WITNESS MacDIARMID:** John MacDiarmid --

5                   **MR. WILLIS:** You may have to get closer to  
6    the microphone.

7                   **WITNESS MacDIARMID:** I live at 5111 Hill  
8    Drive in Betmar. There's been a number of comments  
9    here which were agreeable. The adversarial position  
10   that's been taken by Mr. Turco has, in fact, been a  
11   problem ever since that I've had any contact with him.  
12   The summer meetings are part of the problem. If he  
13   wanted to have a better working relationship with  
14   Betmar, maybe the thing for him to do would be to  
15   start having the meetings when more people were here  
16   and where he could listen to and receive a better  
17   feedback from the community that he is allegedly  
18   serving.

19                   If he were not in a position of having a  
20   monopoly, as he has, he would have long since been  
21   gone. But the problem being, of course, with water  
22   and electricity and some of the other items, it's  
23   almost an impossible situation to have anything but a  
24   monopoly. And I would have to agree with this.

25                   However, when Mr. Turco started out with

1 that backflow device and tried to profit unreasonably  
2 so by it, but found that he could not do this, and  
3 further, when he removed without any comment the  
4 shutoff valves where he placed the backflows so you  
5 cannot shut your water off at the meter which, of  
6 course, you are responsible for the water from the  
7 meter to your house, and if you should happen to have  
8 a break there and the shutoff was not available to you  
9 to shut off, other than the one on the opposite side  
10 of the meter which he chose to be very -- it were  
11 there. Anyway, he doesn't want you to be messing with  
12 his shutoff because that's his, you're not to be doing  
13 that. But on the other hand, he can remove the ones  
14 on the opposite side of the meter and make no  
15 recommendation that we could use his or that he would  
16 replace these things, they belong to the property  
17 owners. He had no business taking them off for  
18 whatever reason, which he did.

19           Actually, it could have been a petty theft  
20 situation, in my opinion. And if done on a basis of  
21 the amount of them that they took, maybe the sheriff's  
22 department might have been thinking of a felony charge  
23 as there were a number of them removed. And these are  
24 not inexpensive items. And then, of course, the fact  
25 that here, again, we're back in the summer, and this

1 is not going to make Mr. Turco a friend of Betmar.

2           If he would just try and be reasonable,  
3 maybe a lot of these things could be resolved in a  
4 more sensible manner. But to try to sneak around, in  
5 my opinion, and not -- and do things like the control  
6 devices, like removing the shutoff and items of this  
7 nature, certainly don't make people happy. And I  
8 thank you very much for the time. (Applause)

9           **MR. WILLIS:** Thank you very much. I'm not  
10 quite sure why you don't have a shutoff valve on your  
11 side of the meter, because that's a normal  
12 installation that the Company should be doing on their  
13 own when they install your meter.

14           **MR. CROUCH:** Marshal, that's not correct.  
15 On the customer's side of the meter, it is not  
16 required for the Utility to put one in there. They  
17 may have put one if he had a backflow put on there.  
18 On the customer's side of the meter, it's up to the  
19 customer if they want one in there. It's not the  
20 Utility's.

21           **WITNESS MacDIARMID:** Yes, I can understand  
22 that. What I was saying was -- and maybe you  
23 misunderstood what I said -- the fact of the matter is  
24 the shutoff valve was there. The shutoff valve was  
25 removed by Mr. Turco, or his agent which he had.

1 That's what I was saying, it was a theft. It was an  
2 actual theft of an item. When I take something that  
3 belongs to you, whether or not I do it with intent of  
4 stealing it -- or certainly was not given back to me,  
5 at least mine was not -- that was a theft.

6 MR. CROUCH: I've got a note here for our  
7 engineer to look in to that. In fact, I'm going to  
8 ask if you will give your address to the greeter back  
9 there, because if the cutoff valve was already there  
10 and then the Utility came in and put backflow  
11 prevention devices, then they took off the backflow  
12 prevention and the cutoff valve, that was not  
13 authorized.

14 WITNESS MacDIARMID: No, no, no. They left  
15 the backflow in, they just removed the shutoff when  
16 they put the backflow in because there wasn't room for  
17 the backflow and the shutoff.

18 MR. CROUCH: Is there not a shutoff valve on  
19 the backflow?

20 WITNESS MacDIARMID: There is not on mine.  
21 I don't know how many -- I'm sure if there wasn't on  
22 mine that they certainly didn't put any on anybody  
23 else's either. But I know that on mine particularly,  
24 that I had a shutoff valve on mine on my side of the  
25 valve up until the backflow device was put on. And at

1 that point it was not put on there any longer.

2 MR. CROUCH: If I'm not mistaken, there  
3 should be a cutoff valve on the backflow prevention,  
4 but we'll have Mr. Rieger check into that.

5 WITNESS MacDIARMID: Thank you.

6 MR. WILLIS: The next person I have is James  
7 Egan.

8 - - - - -

9 JAMES EGAN

10 appeared as a witness and testified as follows:

11 DIRECT STATEMENT

12 WITNESS EGAN: My name is James Egan. I  
13 just moved into Betmar, and I closed on my property  
14 about two or three weeks ago. And if I had known  
15 this, believe me, I would have went someplace else.

16 (Laughter)

17 But what I've heard so far is a dissatisfied  
18 people talking to a Commission that, to me, is going  
19 along with Mr. Turco. I'm making a request for a  
20 price decrease in our water, and I want the meeting to  
21 be held when everybody can be here. Is that hard to  
22 do? What do I have to do, put it on a piece of paper,  
23 send it in signed by the community, or what? Request  
24 for decrease, he can request for increase, why can't  
25 we request for a decrease?

1           **MR. WILLIS:** You can request a decrease, and  
2 the decrease has to be justified just like he has to  
3 justify an increase.

4           Now, the Commission is bound by the Florida  
5 statutes on how we set rates. And those rates have to  
6 be based on prudent costs incurred by the utility  
7 company and prudent investments of the utility  
8 company. There are many times the costs of the  
9 utility company are found to be not in the public  
10 interest, and they are removed from the customers  
11 having to pay those costs.

12           Now, we are set and bound on how we set our  
13 rates. If when we come in and look at a utility  
14 company and it justifies a rate reduction, we propose  
15 a rate reduction, and the Commission goes along with  
16 it usually. Now, there have been cases where we've  
17 done that; we've done some recently where that's  
18 happened. And if that were to happen here and we  
19 looked at these columns and it justified a rate  
20 reduction, we'd be proposing it. You wouldn't have  
21 to.

22           **WITNESS EGAN:** Will we have to go through  
23 the Commission to request for a change of supplier?

24           **MR. WILLIS:** This Utility has a certificate  
25 to operate in this area, basically a franchise

1 certificate to operate in this area. If you believe  
2 that this Utility is not operating in the manner that  
3 it should, you could petition the Commission to  
4 basically have that certificate taken away. We've had  
5 that happen in one case that I'm aware of where the  
6 Commission thought if we attempt to do that -- and the  
7 utility started complying with our requirements.

8           **WITNESS EGAN:** This Mr. Turco, I don't know,  
9 he sounds like a -- (Laughter)

10           **MR. WILLIS:** I would mention one thing. If  
11 you are interested in filing anything with the  
12 Commission, as far as anything like a rate decrease or  
13 a petition to have this Utility tariff removed from --  
14 or whatever, you might want to contact the office of  
15 Public Counsel, and they will assist you and tell you  
16 what you can and can't do. They are there for you.

17           I mentioned before they are a citizens  
18 counsel. They are strictly for the customers to  
19 intervene on the customers' behalf, nobody else's.

20           **WITNESS EGAN:** Well, it seems to me  
21 Mr. Turco plays the stock market and in a bad  
22 investment he takes it out on his customers. That's  
23 what it sounds like to me.

24           And like everybody that's been coming up  
25 here, this summertime meeting -- and while you people

1 are going along with it, beats me. It beats me. I'd  
2 like to see 1,500 people in here, all the owners, not  
3 just a few hundred.

4 MR. WILLIS: I understand that.

5 WITNESS EGAN: All the owners.

6 MR. WILLIS: We are very well aware that if  
7 this was held in the wintertime, we'd probably have  
8 more than 1,500 people here.

9 WITNESS EGAN: You certainly would.

10 MR. WILLIS: And with that understanding,  
11 you would get the same exact feeling if you had 1,500  
12 people here, believe me.

13 WITNESS EGAN: The same feeling coming from  
14 the Commission?

15 MR. WILLIS: That's right.

16 WITNESS EGAN: Thank you. (Applause)

17 MR. WILLIS: The next person I have is Bill  
18 Egan.

19 WITNESS BILL EGAN: That's all right, Your  
20 Honor, I'll do it the next time. I've heard enough.

21 MR. WILLIS: That's the last person I have  
22 signed up. Is there anyone else? Mr. Jones, would  
23 you like to come forward again?

24 WITNESS JONES: You know, you've spent the  
25 whole evening listening to the people on one side of



1 the fence. I wonder if it wouldn't be wise to invite  
2 the other side of the fence to respond to some of this  
3 subject matter and see what the gentleman has to say,  
4 or is it his ability to hide under the covers after  
5 having performed all these deals? Thank you.

6 (Applause)

7           **MR. WILLIS:** Well, let me tell you. Hold  
8 on. We've had many, many meetings like this with a  
9 lot of utility companies, and we've thought about the  
10 same thing, whether we ought to have the utility  
11 making presentations here, too. And we've basically  
12 come down on the side saying that these are our  
13 meetings. We are here to talk to you, the customers.  
14 We are already talking with the Utility Company, we  
15 are already giving them our questions, we are already  
16 in their office, we are already looking at what  
17 they're filing. But if the Company, when we're done  
18 here tonight and we're adjourned -- it's up to them.

19           If they want to stay here and they want to  
20 give you their side, they can have at it. They can do  
21 it. I don't have no problem with that. If they have  
22 a problem with it, that's them.

23           If I was them, I would certainly want to be  
24 trying to come forward to get customer relations and  
25 trying to get with the customers. But that's totally

1 up to them, not us.

2 MR. TURCO: But can I do it on record?

3 MR. WILLIS: No, you can't.

4 MR. TURCO: Can't do it on record?

5 MR. WILLIS: Can't do it on record.

6 MR. TURCO: They won't let me do it on

7 record.

8 MR. WILLIS: Is there any other customers?

9 I have a hand in the back. Would you come forward to  
10 the microphone?

11

- - - - -

12

ELLEN THOMPSON

13 appeared as a witness and testified as follows:

14

DIRECT STATEMENT

15

WITNESS THOMPSON: My name is Ellen

16 Thompson. I live at 5531 Cheyenne Street. And what I

17 really think that you need to realize is that all the

18 people that are up north -- and you are talking

19 probably 1,300 homeowners -- they're paying \$15 a

20 month for nothing. And even Florida Power will come

21 in and turn your power off and charge you absolutely

22 nothing when you're gone, but still you have to pay

23 this minimum bill for nothing.

24

MR. WILLIS: Let me try to explain the

25 position. The Commission -- well, that's every

1 utility I'm aware of as far as water and wastewater  
2 companies, are regulated by the Commission, and some  
3 public utilities still will charge a base charge when  
4 you are gone. It's true that some of the very large  
5 companies, like electric companies and telephone  
6 companies, will go and in and cut your telephone off  
7 and your power off when you're gone and won't charge  
8 you anything.

9           WITNESS THOMPSON: I understand that, but  
10 can't you consider that just total profit?

11           MR. WILLIS: No. It's not total profit.  
12 The way the Commission designed the rate structure --  
13 that was a sign there that was a good question you  
14 asked me.

15           The way the Commission looks at rate  
16 structure from the utility company is to design a  
17 charge in which a lot of the fixed costs for a  
18 company, those costs that don't go away and that are  
19 always constantly there regardless whether there's any  
20 water pumped on to the system, are designed to be  
21 recovered through a base charge whether you use  
22 anything or not.

23           The variable costs, those costs for pumping  
24 water, treating water and a good chunk of the profits  
25 of the company come through the gallonage charge. If

1 you are not here, you are not recovering those costs.  
2 The rates are designed so that the company's revenues  
3 pretty much levelize as far as their needs so there  
4 won't be too much of an underearning or overearning  
5 posture with companies because of the seasonality of  
6 customers.

7           We do that with water and wastewater  
8 companies because they tend to be a lot smaller than  
9 with Florida Power and Lights and your telephone  
10 companies. They can pretty much cut a customer's  
11 service off for any amount of time and absorb that  
12 rather easily because of their huge, huge customer  
13 base. But when you get down to the smaller water and  
14 wastewater companies, and some of the cities do the  
15 same thing. Some of the counties, unless they are  
16 very large, the same thing, too, they'll charge a base  
17 charge.

18           Some of the large, large county systems,  
19 they'll do the same thing, they'll cut it off. It's  
20 the way that we try to design it so that the utility  
21 can pay its fixed costs that are there. They have to  
22 pay dead interest, they have to pay many things that  
23 are there regardless of usage. And they have to have  
24 the funds to do that so that when you do come back the  
25 facilities are here and ready in working order to

1 serve you.

2           **WITNESS THOMPSON:** But it still seems like a  
3 large charge. You know, you are talking that's for  
4 your water and your sewage, and, you know, there's no  
5 water coming in and no sewage going out.

6           **MR. WILLIS:** I understand.

7           **WITNESS THOMPSON:** Thank you.

8           **MR. WILLIS:** Thank you very much for your  
9 comments. (Applause)

10           Is there anyone else who would like to come  
11 forward to make comments? Come forward.

12           Can you give us your name?

13           **WITNESS LOCKHART:** I've spoken before. This  
14 is the second time, if it's possible.

15           **MR. WILLIS:** Go ahead and give your name so  
16 we know --

17           **WITNESS LOCKHART:** Bob Lockhart, 5338 Amanda  
18 Street. We talked about the water salesman and you  
19 talked to us about if you have problems you can call  
20 an 800 number. But among us retired people we have a  
21 lot of spouses on both sides -- and I'm not going to  
22 be sexist on this -- who maybe the other person who is  
23 now gone has been making the financial decisions. And  
24 these people are not aggressive. And we have a lot of  
25 predators coming in everyday and taking advantage of

1 these people.

2           And it makes us feel bad; we try to protect  
3 them. But right here we have a predator right in our  
4 own park, legally there, that has taken advantage of  
5 widows or anybody else that can be pushed around.

6           **MR. WILLIS:** Thank you very much.

7 (Applause)

8           I would like to say one other thing. I see  
9 somebody else. Come on forward.

10           I would like to say, again, that if you feel  
11 like you are having problems with this Company, you  
12 feel like you are being harassed, you need to call the  
13 800 number and talk to the Commission. You really do.  
14 Go ahead.

15           - - - - -

16           **DORIS JOHNSON**

17 appeared as a witness and testified as follows:

18           **DIRECT STATEMENT**

19           **WITNESS JOHNSON:** I'm Doris Johnson. I live  
20 at 36 Hiawa. Are we the only park that is going into  
21 this disposal plant supposedly?

22           **MR. WILLIS:** Is going into the disposal  
23 plant? You have to explain that one.

24           **WITNESS JOHNSON:** Our sewage, are we the  
25 only one with sewage going into a disposal plant, or

1 are there other parks like us?

2 MR. WILLIS: There are many, many other  
3 systems, private and public, that are actually being  
4 disposed of to Pasco County if that's what you are  
5 talking about.

6 WITNESS JOHNSON: Where does our sewage go?

7 MR. WILLIS: Pasco County.

8 WITNESS JOHNSON: To Pasco County. So he is  
9 paying per gallon? Is that -- do I understand right?

10 MR. WILLIS: Right. Pasco County treats the  
11 sewage, and he in turn has to pay Pasco County to do  
12 that. He pays a per thousand gallon charge for that.

13 WITNESS JOHNSON: Have they raised his rate?

14 MR. WILLIS: They just decreased that rate.

15 (Laughter)

16 WITNESS JOHNSON: One time in 10 years?

17 MR. WILLIS: I think one time. Pasco County  
18 has been raising their rates on a constant basis, and  
19 they just recently lowered the water and wastewater  
20 rate, but he doesn't purchase water from Pasco County.  
21 That was the big decrease, was the water rate  
22 recently.

23 WITNESS JOHNSON: Does the city sewars go  
24 into the same place?

25 MR. WILLIS: I'm not sure if the city does

1 or not.

2           **MR. CROUCH:** Not the city of Zephyrhills,  
3 no, ma'am.

4           **WITNESS JOHNSON:** Because their city sewer  
5 and water is just nothing. I have a friend that's  
6 watering her yard twice a week, like we are allowed,  
7 and she pays like \$14 for both. My bill runs between  
8 \$40 and \$50 every month. And like the other man, I  
9 probably would have thought twice before I came in if  
10 I thought I was going to get into this.

11           And I also, the first year in, 15 minutes  
12 from having my water shut off, which I didn't  
13 appreciate but, of course, they solved that just  
14 because I had a backflow. We have always had a  
15 backflow. We've had our own wells. I owned our own  
16 mobile park in Gainesville. I've had a disposal  
17 plant, so we know a little bit about it. Thank you.

18           **MR. WILLIS:** Thank you. Let me just say one  
19 thing. You can come up.

20           Let me just say one thing about cities and  
21 counties and how they set their rates. Now, there are  
22 many city and counties that set their rates cost  
23 justified, which means they base their rates on  
24 exactly what it costs them to do it. There are some  
25 cities and counties that actually subsidize their



1 water and wastewater systems with their tax rolls or  
2 any other means they have to keep those rates down.  
3 We see that. It's very hard to compare those with a  
4 private company. It's difficult because you really --  
5 we really don't know how they set their actual --  
6 their wastewater rates and water rates.

7 I know the city of Tallahassee where I'm at,  
8 they subsidize. They have an electric system, and  
9 they subsidize the water and wastewater with the  
10 electric system. They've been doing it for years.

11 - - - - -

12 DICK GOODY

13 appeared as a witness and testified as follows:

14 DIRECT STATEMENT

15 WITNESS GOODY: My name is Dick Goody, and I  
16 live at 36908 Spider Circle at Betmar in Zephyrhills.  
17 And I was a salesman that called on the municipal  
18 electric departments. And why I tell you that is they  
19 used to come out every month with a list of the  
20 municipal market with the rate that they were charging  
21 their customers, and you could always see the people  
22 who ran their companies as they should, because they  
23 were always at the top and -- I know because I called  
24 on them all. And why can't we get a list of, say, the  
25 privately-owned utilities in this area or in the Pasco

1 County that would give their water and sewage rates to  
2 see if we're compatible with them?

3 MR. WILLIS: We can give you that list.

4 WITNESS GOODY: Can we have that at our  
5 park?

6 MR. WILLIS: We can send you one. Would you  
7 like us to send it to Mr. Jones?

8 WITNESS GOODY: Yes, if you would, please.

9 MR. WILLIS: We'll be happy to send that.

10 WITNESS GOODY: Thank you. (Applause)

11 MR. WILLIS: Is there anyone else who would  
12 like to come forward and make comments? Well, if not,  
13 we'll go ahead and shut down this session of the  
14 customer meeting. We are going to be around here. If  
15 you want to come talk to us individually, if you've  
16 got further comments or things you want to ask us  
17 about, we'll be around here for a little while. Feel  
18 free to come up and talk to us.

19 Thank you all for coming out tonight. I  
20 just want to thank you again. I know it's the wrong  
21 time of the year, but this has been a fantastic  
22 turnout. I understand that. Thank you.

23 (Thereupon, the hearing concluded at  
24 8:15 p.m.)

25

- - - - -

1 STATE OF FLORIDA)  
2 COUNTY OF LEON )

## CERTIFICATE OF REPORTER

3 I, ROWENA NASH Official Commission Reporter,

4 DO HEREBY CERTIFY that the Customer Meeting  
5 in Docket No. 970521-WS was heard by the Staff of the  
6 Florida Public Service Commission at the time and  
7 place herein stated; it is further

8 CERTIFIED that I stenographically reported  
9 the said proceedings; that the same has been  
10 transcribed under my direct supervision; and that this  
11 transcript, consisting of 82 pages, constitutes a true  
12 transcription of my notes of said proceedings

13 DATED this 3rd day of July, 1997.

14

15

16

17

18

19

20


21

22

23

24

25



ROWENA NASH  
Official Commission Reporter  
(904) 413-6736