

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of : DOCKET NO. 991643-SU
:
APPLICATION FOR INCREASE IN :
WASTEWATER RATES IN SEVEN :
SPRINGS SYSTEM IN PASCO :
COUNTY BY ALOHA UTILITIES, :
INC. :

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VOLUME 3

Pages 277 through 363

PROCEEDINGS: HEARING
BEFORE: COMMISSIONER E. LEON JACOBS, JR.
COMMISSIONER LILA A. JABER
COMMISSIONER BRAULIO L. BAEZ
DATE: Monday, October 2, 2000
TIME: Commenced at 6:00 p.m.
Concluded at 8:30 p.m.
PLACE: Spartan Manor
6121 Massachusetts Avenue
New Port Richey, Florida
REPORTED BY: KORETTA E. STANFORD, RPR
TRICIA DeMARTE
Official FPSC Reporters
APPEARANCES: (As heretofore noted.)



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P R O C E E D I N G S

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2 (Transcript continues in sequence from
3 Volume 2.)

4 COMMISSIONER JACOBS: Good afternoon. I want to
5 welcome you all to our proceeding this evening. We would
6 like to get started. Counsel, read the notice.

7 MR. JAEGER: Yes, Commissioner Jacobs. Pursuant
8 to notice issued September 12th, 2000, this time and place
9 was set aside for the second customer session in Docket
10 Number 991643-SU, application for increase in wastewater
11 rates in the Seven Springs Division by Aloha Utilities,
12 Incorporated, in Pasco County.

13 COMMISSIONER JACOBS: I'd like to welcome you to
14 our proceeding this evening. This is in the matter of the
15 application for rate increase for wastewater rates in
16 Seven Springs Systems, Pasco County, for the Aloha
17 Utilities.

18 Let me first introduce my colleagues to you.
19 First, my name -- I guess I should introduce myself. My
20 name is Leon Jacobs. I am a Commissioner at the Public
21 Service Commission. I will be presiding this evening. To
22 my right is Commissioner Braulio Baez, and to my left is
23 Commissioner Lila Jaber. We are each members of the
24 Public Service Commission sitting as a panel. We will be
25 taking your customer comments this evening regarding this

1 matter.

2 And it's important to note that we are here
3 regarding your comments on the quality of the wastewater
4 service from this company. Your comments today will be
5 recorded. We are, I believe, still live on the Internet,
6 so your comments will also go out over the Internet. We
7 have a court reporter, so I would ask you if you are going
8 to come forward to testify, when you come forward, please
9 state your name, and if you are comfortable, you can state
10 your address. If not, that's fine. And we'd like you to
11 be clear and concise in your statements, and please speak
12 into the microphone. You will come up to the chair here
13 at the table. It's important for us, in order to have a
14 correct record, that we only have one person speaking at a
15 time, and so we would ask that you would really limit your
16 comments from the audience so that we can be clear and
17 capture in the record as they are told.

18 Now, your input, along with the input from your
19 neighbors that we gathered this morning, will become a
20 part of what we call a record. We are developing
21 background facts and information relating to the petition
22 of the company in this case. And that will then go into a
23 process whereby the Commission and its Staff will review
24 and scrub those numbers, and we will come up with some
25 final resolution of the issues that have been brought

1 forth for us. That process will generally take about
2 eight months to complete. And it began officially already
3 with the filing of the company's petition, so we're into
4 that process already.

5 This is a fairly legal process and much of what
6 we've done -- some of you came in earlier, and you saw
7 that we were in the midst of a legal proceeding this
8 afternoon taking testimony from witnesses. We will
9 complete that process tomorrow when we complete other
10 technical testimony from witnesses. And then that will
11 complete the taking of -- I'm sorry, take that back.
12 There is a second phase in this case that we will convene
13 again in -- I believe it's November 2nd in Tallahassee,
14 and we will take additional information regarding one more
15 issue that's being raised in this case, and then that will
16 complete the taking of testimony for the case.

17 Now, during the pendency of this proceeding, the
18 parties -- there is now a party that has intervened, and
19 that party is the Office of Public Counsel. And as you
20 are probably familiar, the Office of Public Counsel
21 generally intervenes to pursue and explore the issues that
22 are in this case from the perspective of ratepayers, and
23 so they are really very much your voice into this process.
24 They may bring in additional information to this process
25 as well, and indeed, the Public Counsel has offered

1 testimony from witnesses that they have sponsored to
2 enlighten the Commission on facts as they relate to the
3 consumers' interest.

4 The Commission will hold a further public
5 proceeding once we have gathered the information that
6 we've talked about and once Staff has had an opportunity
7 to review and analyze that information. And our Staff
8 will then present a written recommendation, which
9 essentially summarizes the facts and evidence that we have
10 gathered, and makes recommendations as to how to resolve
11 the issues in this docket. We expect that that will be
12 prepared sometime in early January of next year, and then
13 it will be presented to us, and we should render a vote
14 sometime in the middle of January as presently scheduled.

15 It might be useful to give a brief background on
16 the process here. The petition, again, is for the
17 wastewater side of this company. And what is essentially
18 being asserted is that there is a need for them to
19 increase their rates in order to achieve what they have
20 been approved to earn as a return on the investment of the
21 company. Now, it's important to note that there is never
22 a guarantee to the company. We are only here to ensure
23 that they have a fair opportunity to achieve that return.

24 We've already identified the Public Counsel and
25 the party's counsel, the company's counsel that are

1 prepared -- that they would wish they could introduce
2 themselves to you further. We won't take that time this
3 evening so that we can expedite our taking of testimony
4 this evening. We also have Staff, and it's important to
5 give you an idea of the role of our Staff. If you will
6 view us, if you will, as judges in a court of law, then
7 our Staff is pretty much a judicial assistant. They will
8 take the evidence that's come in, and they will evaluate
9 it outside of any interest of any parties but only as
10 presented objectively in the record of this case, and then
11 they will make their recommendations based on that record.
12 And this is an important point because what we will
13 discuss in a moment is much of your concerns about the
14 water problem, but that's an important point to remember,
15 that we can only look at information as it relates to the
16 issues in the wastewater case. And that's what Staff will
17 be looking at when they take the evidence that you present
18 here today.

19 I will forego introducing our Staff. They are
20 very competent. And I'm sure they would prefer for me to
21 move expeditiously through this part of the presentation
22 anyway. As I indicated a moment ago, I know that many of
23 you are aware and have become very, very involved with the
24 water issues involving this company. As you recall in
25 March and April, the Commission came down and conducted

1 proceedings regarding the quality of service for the water
2 system, and we heard from many of you at that time.

3 What has -- there's been some significant
4 progress, but I'm sure many of you would want more, but
5 we've made some progress in evaluating the issues
6 regarding the black water. Under Commissioner Jaber's
7 leadership, we convened a multiagency task force that has
8 begun to meet and has several subgroups that are looking
9 very seriously at some of the underlying issues with
10 regard to the black water, and we are very excited that
11 there could be some meaningful results that come out of
12 that.

13 Now, having said that, I know that you would
14 like to see immediate results, but I offered that so that
15 you understand that while you may not see it every day, we
16 are actively interested in and engaged in some sort of
17 resolution to that problem at least going forward. Now,
18 as it relates to our proceedings today, however, in order
19 for us to carry out our duties in this particular case, we
20 need to conserve as much time as we can to dealing with
21 the wastewater company. And we will ask you to limit your
22 comments to your views about the quality of service that
23 you receive from the wastewater company.

24 I understand that many of you are here
25 otherwise, and I will give you a brief bit of latitude on

1 that, but I really would ask you to help us because we are
2 on a tight time line to complete our work on this docket.
3 So if we go very late tonight dealing with those issues,
4 it will cause us more difficulties to complete our work on
5 this docket. It does not mean that you do not have the
6 opportunity to continue to monitor what we're doing with
7 regard to the black water issue. That very much is
8 available to you.

9 If you want to you, you can monitor the meetings
10 and view the minutes of meetings of the interagency task
11 force that I referred to you by either getting on our
12 website, that's at www.floridapsc.com, and there will be
13 some directions there for you to monitor and review the
14 minutes of the meetings of that task force. Feel free to
15 ask our Staff any questions that you would like here
16 today, and, of course, you can send us your written
17 comments if you'd like.

18 And with that, I will simply ask you to be
19 considerate of us, and of course, if someone has already
20 stated your comments when you come up, feel free to adopt
21 those comments as they have been stated already in the
22 record. And I thank you for your corporation on that.

23 And with that, we are now going to swear in all
24 of those who would intend to testify tonight. Again, as I
25 indicated, this is a legal proceeding, and your comments

1 are going to be a part of an official legal record. And
2 so if you would, all of those who are intending to
3 testify, would you please rise and raise your right hand.

4 (Witnesses collectively sworn.)

5 COMMISSIONER JACOBS: Thank you very much. You
6 may be seated.

7 Counsel, are there any other preliminary
8 matters?

9 MR. JAEGER: No, Commissioner. I think we're
10 ready to go.

11 COMMISSIONER JACOBS: Very well. And then,
12 Mr. Burgess, would you like to have any opening comments?
13 Or you are free to proceed.

14 MR. BURGESS: I don't think so. I think I can
15 just go ahead and --

16 COMMISSIONER JACOBS: Okay. Call your
17 first witness.

18 MR. BURGESS: The first witness I have -- by the
19 way, I'm going to be calling the witnesses in the order I
20 understand that people came in and signed up, and so we
21 will be following approximately that order.

22 And the first witness I have listed is
23 Mr. Steele, Mr. George Steele.

24 MR. WHARTON: And Commissioner Jacobs --

25 COMMISSIONER JACOBS: Before we get going -- go

1 ahead and have a seat. Let me go ahead and introduce the
2 parties. The gentleman who just spoke to you is
3 Steve Burgess. He is on the staff of Jack Shreve at the
4 Office of Public Counsel, and he will be introducing you
5 as a witness into the proceeding today.

6 We have Staff counsel -- I'm sorry, counsel for
7 the company is John Wharton, and we have Ralph Jaeger and
8 Jason Furlong who are Staff attorneys. Mr. Wharton.

9 MR. WHARTON: Commissioner Jacobs, just because
10 I don't want to interrupt anyone and because we did
11 reconvene, I just want to make sure the record is clear
12 that our relevancy objection is a continuing one on the
13 water testimony.

14 COMMISSIONER JACOBS: Very well. Would you,
15 please, introduce yourself.

16 GEORGE STEELE
17 was called as a witness on behalf of the Citizens of the
18 State of Florida and, having been duly sworn, testified as
19 follows:

20 DIRECT STATEMENT

21 MR. STEELE: I just have a very short statement
22 here.

23 MR. BURGESS: Mr. Steele, could you begin by
24 stating your name, and then spelling it and giving your
25 address, so that then we can proceed.

1 MR. STEELE: My name is George Steele,
2 G-E-O-R-G-E S-T-E-E-L-E. I live in Tahitian Gardens
3 Circle. We are affiliated with Aloha Utilities there.
4 And my comment is, right now, I have a water bill here.
5 It's \$12.85 for our water bill. The sewer is \$28.24. You
6 add 57 percent to that, we're talking about \$44 to \$45
7 just for the sewer. I think that's a little out of hand.
8 I think Mr. Watford needs to take a little bit of the
9 money he gives his wife and put it into the building he's
10 proposing. That's all I have. Thank you.

11 MR. BURGESS: Thank you, Mr. Steele.

12 COMMISSIONER JACOBS: Do you have questions?

13 MR. WHARTON: I have questions.

14 COMMISSIONER JACOBS: Excuse me, Mr. Steele.

15 Excuse me, Mr. Steele. I may have neglected to mention
16 that once you have given your comments, there may be some
17 questions that the counsel for the company may want to ask
18 you to clarify. I think he has a couple of questions.

19 CROSS EXAMINATION

20 BY MR. WHARTON:

21 Q Sir, you don't live in the Seven Springs --

22 A No, I live adjacent to Aloha -- what do you
23 call it -- Aloha Gardens.

24 Q So do you understand that this particular
25 increase would not affect you or your bill?

1 A It affects Aloha Gardens, it affects us.

2 Q It only affects Seven Springs, sir. You are not
3 aware of that? I mean, either you are or you aren't.

4 A No, I wasn't. No.

5 Q But you don't live in Seven Springs?

6 A No.

7 MR. WHARTON: Okay. Thank you.

8 COMMISSIONER JACOBS: Any other questions?

9 MR. STEELE: Anything else?

10 COMMISSIONER JACOBS: Thank you very much,
11 Mr. Steele.

12 (Witness excused.)

13 MR. BURGESS: Ms. Ketner, Ms. Helen Ketner.

14 HELEN KETNER

15 was called as a witness on behalf of the Citizens of the
16 State of Florida and, having been duly sworn, testified as
17 follows:

18 DIRECT STATEMENT

19 MS. KETNER: I am Helen Ketner, Seven Springs
20 Parklake Estates. Why I'm here is, why are we getting the
21 bills that we're getting? We've got 42 widows in our
22 subdivision which will probably have to leave because
23 we're not going to be able to have Aloha Utilities. We're
24 paying waste management for all these new tracts that are
25 coming in at the end of our subdivision which I don't

1 think we should be responsible for. I've been here for
2 21 years.

3 MR. BURGESS: Thank you, Ms. Ketner. Do you
4 have any more?

5 MS. KETNER: That's it.

6 COMMISSIONER JACOBS: Thank you.

7 (Witness excused.)

8 MR. BURGESS: Ms. Ruffle, Ms. Lucy Ruffle.

9 LUCY RUFFLE

10 was called as a witness on behalf of the Citizens of the
11 State of Florida and, having been duly sworn, testified as
12 follows:

13 DIRECT STATEMENT

14 MS. RUFFLE: I am Lucy Ruffle. I live in
15 Parklake Estates. I've been there for 23 years, and it
16 seems as though every month my bill is higher and higher.
17 I had called a plumber, and the plumber -- I got the
18 plumber bill here. I paid him \$32. He looked at
19 everything, and he says, checked all other plumbing okay.
20 And that was on 9-20. I sent a copy of this in to --
21 well, whoever I was supposed to send it.

22 Anyway, I got another copy here, and my last
23 bill -- I live alone; I'm a widow. My bill was \$81.91 for
24 one month. And this month I got another bill. I haven't
25 paid it yet because I've got until the 20th, and that bill

1 is \$80.58. Now, something is wrong. I would like a new
2 meter. They keep telling me the meter is all right. Now,
3 after 23 years, I think I deserve a new meter. Don't you
4 think so? I bet you don't pay that much. I bet your bill
5 ain't that high.

6 COMMISSIONER JACOBS: I better not say anything.
7 I have a teenage daughter, so that may explain it all.

8 Ms. Ruffle, what I'd like for you to do is get
9 with our Staff and have them take a look at that. I'd
10 like for them to follow up with you on that. I don't know
11 what may be the background, but they will follow up on
12 that with you, if you will.

13 MS. RUFFLE: They don't want to talk to you on
14 the telephone about this anyway.

15 COMMISSIONER JACOBS: Well, if you don't get a
16 response from them, just call me and let me know. I'm
17 sure you will, though.

18 MS. RUFFLE: I know a copy of this went up to
19 Tallahassee, but I have another bill here for \$80.58, and
20 that's way too high anyway.

21 COMMISSIONER JACOBS: Now, you mentioned that
22 you had a plumber come out. Was it --

23 MS. RUFFLE: The plumber, his name was Virgil
24 Cable Plumbing Company.

25 COMMISSIONER JACOBS: It was just a general kind

1 of a call? It wasn't anything relating to your water --

2 MS. RUFFLE: Pardon me?

3 COMMISSIONER JACOBS: Did he come out relating
4 in any way to your wastewater service, or was it just a
5 general call?

6 MS. RUFFLE: No, I called him.

7 COMMISSIONER JACOBS: For what reason?

8 MS. RUFFLE: I called him and asked him to take
9 a look at everything. I said, "Something has got to be
10 wrong."

11 COMMISSIONER JACOBS: Oh, I see, because of your
12 high bills.

13 MS. RUFFLE: Because in July, my bill was
14 \$38.36, but then from July, I didn't keep track of
15 everything. Then I got another one for \$69.16, and then
16 81.91, and then this one I have until the 20th to pay for
17 it. I haven't paid for it yet.

18 COMMISSIONER JACOBS: Okay. Someone from Staff
19 will speak with you, and we will follow up with you on
20 that.

21 MS. RUFFLE: Huh?

22 COMMISSIONER JACOBS: Someone from our Staff
23 will speak with you, and we will follow up with you on
24 that.

25 MS. RUFFLE: Okay.

1 COMMISSIONER JACOBS: Any questions? Thank you
2 very much.

3 MR. BURGESS: Thank you, Ms. Ruffle.

4 MS. RUFFLE: Is that it?

5 COMMISSIONER JACOBS: You're excused.

6 (Witness excused.)

7 MS. RUFFLE: Mr. Turtle, James Turtle.

8 JAMES TURTLE

9 was called as a witness on behalf of the Citizens of the
10 State of Florida and, having been duly sworn, testified as
11 follows:

12 DIRECT STATEMENT

13 MR. TURTLE: I'm Jim Turtle. I'm president of
14 the TAT Civic Association. I represent 2,287 homes. Now,
15 I asked the people in my community not to come tonight or
16 otherwise this room would not be big enough, but I have
17 heard their stories and their problems, and frankly, I
18 don't think that this company deserves a 57 percent
19 increase in their rates.

20 Many times we have read in the newspapers that
21 Aloha Utilities have been requested by the PSC to provide
22 documentation that would justify rate increases, and
23 according to the news, this has not been provided. Am I
24 incorrect in that? I ask Aloha Utilities: Have you
25 provided the documentation to the PSC so they could make a

1 judgmental decision about the rate increases?

2 COMMISSIONER JACOBS: Technically, their
3 attorney -- I would be happy for them to give you that
4 answer, but in terms of asking for evidence in the record,
5 we're going to let their witnesses to take care of that.
6 But, if you would, just --

7 MR. WHARTON: Aloha has provided everything that
8 it has been asked to provide, and there are no such
9 requests outstanding.

10 MR. TURTLE: Okay. I understand also that there
11 is a future purchase of a building facility, \$565,000.
12 Are you planning to pass that on to the customers for the
13 purchase price?

14 COMMISSIONER JACOBS: Again, that's an issue in
15 the case that the company -- the way it's been presented,
16 the company is asking for some recovery, but again, what
17 the ultimate result of that will be what we vote as a
18 result of the evidence that's taken in this case.

19 MR. TURTLE: Okay. I'm not a learned man, but I
20 did work for the IRS for a very short term, and that's
21 what made me a little bit smarter not to work for them any
22 longer, but from what I understood when a business
23 purchases a building, it becomes part of their assets.
24 They are allowed then to later write it off as taxes
25 because that's a cost of doing business.

1 Now, if we are going to be charged as a user of
2 these facilities because they had to buy a building so
3 they no longer have to rent one, I feel that really
4 doesn't justify it. Those of us that are homeowners, we
5 buy our house because we know that's cheaper in the long
6 run; we're building up an asset. And if this company
7 turns around and sells their business, that is part of the
8 assets. So we're paying -- would be paying for the
9 building. They get a tax write-off, and then they turn
10 around and sell it to somebody else, and we're paying for
11 all that. I really don't feel that that is justified.

12 COMMISSIONER JACOBS: I see.

13 MR. TURTLE: That is a consideration. The
14 people in my community are mostly retired senior citizens.
15 They don't get a 57 percent increase in many years of
16 their retirement. I don't feel a utility can justify that
17 kind of an increase in a period of even 10 years. That's
18 5.7 it would be in 10 years. You know, it would be nice
19 for us to be able to say in 10 years we'll average a
20 10 percent increase on our savings. We can't do that.

21 I understand they are in business to make money,
22 but not over the cost of our senior citizens. We can't
23 afford that. They can't afford it. They moved down to
24 Florida for a better life, not to be taken advantage of.
25 That's the way we feel in our community.

1 COMMISSIONER JACOBS: Mr. Turtle, may I ask you
2 a question? You indicated you are a TAT homeowner's --

3 MR. TURTLE: Yes.

4 COMMISSIONER JACOBS: What does that cover?

5 MR. TURTLE: Tahitian Homes, Aloha Gardens, and
6 Tiki Village.

7 MR. WHARTON: Commissioner?

8 COMMISSIONER JACOBS: I'm sorry. Mr. Turtle,
9 I'm sorry, the company's attorney has a couple of
10 questions for you.

11 MR. TURTLE: Certainly.

12 CROSS EXAMINATION

13 BY MR. WHARTON:

14 Q Mr. Turtle, you don't reside in Seven Springs,
15 do you?

16 A No, sir. I live in Aloha Gardens.

17 Q And the group that you said that you help
18 represent is not Seven Springs; is that correct?

19 A That's correct.

20 Q Do you understand that the proceeding in which
21 you are testifying as a witness only involves a rate
22 increase for residents of Seven Springs?

23 A No. But I tell you what -- well, I realize it's
24 coming there, but it's us next, we're next.

25 Q But you understand this proceeding --

1 A I understand we're next.

2 Q You understand this proceeding only involves
3 Seven Springs?

4 A I understand that, but I understand we're next.

5 Q What's the basis of that understanding, sir?

6 A Past history of Aloha Garden Utilities.

7 Any more questions?

8 MR. WHARTON: That's all we have.

9 MR. TURTLE: Thank you.

10 (Witness excused.)

11 MR. BURGESS: Mr. Cifelli, Dominic Cifelli.

12 DOMINIC CIFELLI, SR.

13 was called as a witness on behalf of the Citizens of the
14 State of Florida and, having been duly sworn, testified as
15 follows:

16 DIRECT STATEMENT

17 MR. CIFELLI: My name is Dominic Cifelli,
18 C-I-F-E-L-L-I, Sr. And apparently, I can't go through all
19 of this here because I will take all night. I have a bill
20 here. It's only my wife and I, and we live in Woodtrail
21 Village, which is the Seven Springs area. I got a bill
22 here. In 1997, from September to October, 30 days, 36,440
23 gallons of water. I have spoke to the PSC I don't know
24 how many times, how much money I spent on the phone, how
25 much money I spent on return receipts requested. I spoke

1 to Kate Smith, Jack Shreve, Harold McLean, Charles Beck,
2 Beverly DeMello, John Plescow, which I consider a very
3 nasty person, Diana Caldwell, Pam Johnson, and there are a
4 few more names that I didn't write down, and I got
5 absolutely no satisfaction.

6 For two people to use 36,440 gallons of water in
7 30 days, I don't think I can use that in six months. And
8 I refused paying the bill, but we had intentions of moving
9 out of this State and then certain things come up. And
10 while we're looking for a home, stupid me paid the bill
11 because I figured there would be a lien on my house when I
12 want to sell it, because this is a type of individual that
13 Mr. Watford is. I had a meeting with Mr. Watford on this
14 here, my wife and I. It would be better if I stood in the
15 chair and talked to the wall.

16 I asked him, you mean to tell me you can't call
17 one of the girls and tell them to make a corrected bill
18 for Mr. and Mrs. Cifelli because this is ridiculous? He
19 says no. He's supposed to be the president of Aloha. If
20 the president of a company can't do something like that,
21 something wrong.

22 I have a fire hydrant in front of my house which
23 is on my property. I don't charge him rent. Of 12 years,
24 it's been flushed twice, and twice that it was flushed, I
25 had to call Aloha to come and clean my sidewalk because it

1 was black as can be. So after the first time, I said,
2 look, if it happens again, put a hose on there, let it go
3 on the street. Well, apparently, he didn't hear me, he
4 didn't want to listen to me. So the second time, they do
5 the same thing, and they blacked out my whole sidewalk.
6 And I have a corner house, so you can imagine the sidewalk
7 that I have.

8 And this man is asking for a raise. This man
9 shouldn't even be in business. This man shouldn't have a
10 license. Then I read in the paper he's being evicted. If
11 I had those people in my place, I would have evicted him a
12 long time ago. And he wants to buy a place for \$750,000,
13 but he wants us to pay for it. And you people sitting
14 here think it's right. When you people get to be 75 and
15 80 years old, then you're going to find out what it's all
16 about. You think because we're millionaires -- we sell
17 our homes, we come down here we're millionaires? Try it,
18 and you'll find out.

19 I'm very disappointed in the PSC, I'll tell you
20 right now. All the people that I named out over here that
21 I spoke to couldn't do nothing. It's only a matter of
22 \$55. I've given that down the sewer. I've given more
23 than \$55. Anybody who knocks on my door, I give them
24 money. It doesn't mean nothing to me. It's the principle
25 of the thing. No way should Aloha get a raise or should

1 we pay for his building. I want to go by a house for
2 \$600,000, you all want to pay for it? It's the same
3 thing.

4 Just like that gentleman said, when he's ready
5 to go out of business and he sells it with our money, do
6 we get anything out of it? No. Am I mad? I'm not mad.
7 I'm angry and I'm disappointed with all you people. I
8 really am. I wrote letters. I spent more than \$55
9 talking to the PSC, sending letters and everything else.
10 And that gentleman over there looks like he doesn't even
11 want to listen, and I don't know who he is. I can show
12 you bills. I can show you bills here. If you could see
13 another bill for 36,000, fine.

14 COMMISSIONER JACOBS: I'd like to take --

15 MR. CIFELLI: And I'd like to know if you and
16 your wife would use 36,640 gallons of water in 30 days.
17 You know what that amounts to? Twelve-hundred gallons a
18 day for 30 days. Who can use that water? I want a new
19 meter. You would think I was asking for the world or
20 something. I want a new meter. Put a new meter -- a
21 shock went through this meter or something. I don't know.
22 I don't have no pool; I don't have a sprinkler system; and
23 it's my wife and I. We get up in the morning; we'll take
24 a shower; I shave. What else do we do? Make a pot of
25 coffee, go to the bathroom a couple of times a day, what

1 else? Do you use 36,000 gallons of water in 30 days?

2 MR. BURGESS: I never have.

3 MR. CIFELLI: No. When I asked the people from
4 the PSC, you know what they told me? Well, we have wells.
5 What does that mean? That means they don't care. That's
6 what it means. Well, we'll take care of it, Mr. Cifelli.
7 I have letters here. I have letters in here. We'll take
8 care of it for you. Two days later, they call you, well,
9 you know this, that -- what are you talking about? P-S-C,
10 Public Service Commission, that means they're supposed to
11 do something for the public. Well, I'm the public.

12 Do you think I would spend money on phone calls?
13 Do you think I would spend money on return receipts
14 requested? Do you know how much that costs today? But if
15 I wasn't moving, I would have never paid that bill. I
16 would have never paid it. I only done it because I know
17 that he would have done that because that's the type of
18 individual he is.

19 COMMISSIONER JACOBS: Mr. Cifelli.

20 MR. CIFELLI: That man should not be in
21 business, period. And the only reason why Mr. Watford is
22 the president of this company is because he's part of the
23 family; otherwise, he couldn't manage a candy store.

24 COMMISSIONER JACOBS: Mr. Cifelli, excuse me.
25 Mr. Cifelli, if I may, I'd like to get copies of your

1 documentation. Is that okay?

2 MR. CIFELLI: You could have copies of
3 everything here, sir, whatever you want.

4 COMMISSIONER JACOBS: Okay. And I will
5 personally get back in touch with you --

6 MR. CIFELLI: Whatever you want.

7 COMMISSIONER JACOBS: -- about how we've handled
8 this and what you can expect our resolution will be.

9 MR. CIFELLI: I'm sure if you talk to
10 Jack Shreve and you mention my name, he'll know me right
11 away. I don't know what he looks like. Mr. McLean, I
12 don't know what he looks like. They might be sitting
13 right in here now. Kate Smith, I don't know what she
14 looks like. I don't know.

15 COMMISSIONER JACOBS: I won't bother you --

16 MR. CIFELLI: I have no idea.

17 COMMISSIONER JACOBS: I won't bother you with
18 all the distinctions and details, but let me get your
19 information and we'll get back to you.

20 MR. CIFELLI: But if you give them my name, they
21 will know who I am.

22 COMMISSIONER JACOBS: Okay. If you would, leave
23 them --

24 MR. CIFELLI: I even spoke to Ms. DeMello's
25 lawyer. Ms. DeMello, who is supposed to be so high, I

1 don't know if she's still there, but I spoke to her
2 attorney and she couldn't do nothing. That's
3 unbelievable. The PSC couldn't do nothing about it.
4 That's unbelievable.

5 COMMISSIONER JACOBS: Would you leave that for
6 me?

7 MR. CIFELLI: Sure, whatever you want.

8 COMMISSIONER JACOBS: Okay. Your bills and the
9 letters that you've received.

10 MR. CIFELLI: Yeah, I've got everything in here.

11 COMMISSIONER JACOBS: Okay. That will be fine.

12 MR. CIFELLI: You want the whole folder?

13 COMMISSIONER JACOBS: Yes, if you will.

14 MR. CIFELLI: Sure.

15 COMMISSIONER JACOBS: And I will make sure you
16 get it back.

17 MR. CIFELLI: Sure.

18 COMMISSIONER JACOBS: Thank you.

19 (Witness excused.)

20 MR. BURGESS: Ms. Shonitsky, Diane Shonitsky.

21 MR. JAEGER: Commissioner Jacobs, I didn't get
22 to cross him, and I wanted to make sure of when that
23 36,000 bill, but if you're getting the documentation, I
24 guess that will be okay. I just wanted to make sure of
25 the date of it.

1 DIANE SHONITSKY

2 was called as a witness on behalf of the Citizens of the
3 State of Florida and, having been duly sworn, testified as
4 follows:

5 DIRECT STATEMENT

6 MS. SHONITSKY: My name is Diane Shonitsky. I
7 live at 3533 Glenburn Court in Veterans Village.

8 COMMISSIONER JACOBS: May I get you to spell
9 your last name, please.

10 MS. SHONITSKY: S-H-O-N-I-T-S-K-Y.

11 COMMISSIONER JACOBS: Thank you.

12 MS. SHONITSKY: We have only lived in Veterans
13 Village approximately four years, and I know with my water
14 bill in the last four years, they have already had a
15 wastewater increase. In the last four years, my husband
16 hasn't gotten a raise at work. I've gotten a little bit
17 of a raise, but not 57 percent. Thank God I'm not on a
18 fixed income. I can work the extra overtime, and I feel
19 sorry for these people out here who are. That is a shame.
20 They get richer; we get poorer.

21 And what's with the quality of our water? Why
22 don't you come to my house and have a drink of water? You
23 might gag on it. It's nasty. It is nasty.

24 And for me and my husband, that's all there is,
25 and a dog and a cat, we only use approximately 3,000 to

1 4,000 gallons of water a month. It's not a lot, but yet
2 when you want to raise my wastewater rate to \$44, \$10 for
3 a thousand gallons of wastewater, come on. Let's be real.

4 And then we read in the paper about their new
5 building. I mean, we're the ones that are going to end up
6 paying for that building if it goes through. Well, that
7 makes us the owners, don't it? Then we should charge them
8 rent. There's no reason why they have to have that kind
9 of increase. I can understand a small increase, but then
10 work with us. Give us the better water quality to go
11 along with the increase. I'll go with that, but not
12 charging that kind of money because I don't have it.

13 Even though we are still working, I have
14 ourselves on a budget too. I know how much is coming into
15 my house every month, and I have to pay my mortgage and my
16 electric bill and everything else. And when you add these
17 dollars up over the years, that's a lot of money. I mean,
18 that's money I could be putting away for me when I get
19 into my golden years for my 401K and making a little bit
20 of the extra. I mean, I bust my butt now to make my
21 living a little bit easier. I can't afford my husband to
22 have the nice suites and me the beautiful dresses and
23 things like that and the nice cars. We struggle from
24 paycheck to paycheck, and that kind of money, I'm sorry,
25 it's ridiculous.

1 How much more do we have to keep making and keep
2 paying and keep paying? We're the first ones in the
3 Seven Springs area, and then you're going to slam all the
4 rest. I mean, when is it going to stop? This is the
5 first time in my life I have ever spoken up about
6 something because I feel that strongly about it, and it's
7 got to stop somewhere. And I'm trying to be part of the
8 younger community that's looking out for our future as
9 much as everybody else here. And that's all I have to
10 say.

11 COMMISSIONER JACOBS: Any cross? Thank you very
12 much, Ms. Shonitsky.

13 (Witness excused.)

14 MR. BURGESS: He has asked --

15 MR. CIFELLI: I forgot to say something. I want
16 to add something.

17 COMMISSIONER JACOBS: Okay. You want to add to
18 your statement. Since you're back -- we may want to go
19 ahead and do the cross since he's back.

20 DOMINIC CIFELLI
21 was recalled as a witness on behalf of the Citizens of the
22 State of Florida and, having been previously sworn,
23 testified as follows:

24 DIRECT STATEMENT

25 MR. CIFELLI: When I asked for a new meter, they

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1 said they wanted to make a bench test, what they call a
2 bench test. And at the time, I was speaking to Kate
3 Smith, and the first time I spoke to her, she said, oh,
4 don't worry about it because we pay that. I said, okay,
5 have the bench test. Then she calls me back, and she
6 says, the bench test will cost \$25. I said, well, you
7 told me that you would take care of it, the PSC. She
8 said, oh, no, you have to pay \$25. I said, why should I
9 have to pay \$25 to have Aloha's meter checked?

10 So anyways, to make a long story short, I said,
11 okay, let's have it checked. I get a letter saying that
12 the meter will be checked in Georgia. So I called the
13 PSC. I forget the individual who I was talking to, and I
14 said, I just got a letter today saying that the meter is
15 going to be checked in Georgia. Are you going there? So
16 they said, oh, we got the letter too. No, we're not
17 going. I said, well, I'm not going either. I said, for
18 \$25, it's going to cost me a couple of hundred dollars to
19 go to Georgia. You mean to tell me we haven't got the
20 need here in New Port Richey to check a meter?

21 Now, you people might think that this is all
22 crazy, but the people that I named out know all this
23 information, and they must have it in the office. So I am
24 not telling you any lies. And I still have the same
25 meter, and I take my meter every single day -- I take a

1 reading in the morning, tomorrow morning I take it again
2 to see how much water I used.

3 Now, I forgot to bring the book with me. I
4 brought everything else but that. One day I'll use 80
5 gallons, the next day I will use 300 gallons, the next day
6 I use 150 gallons, the next day I use 40 gallons, and I do
7 the same thing every day. We make coffee, we had the
8 glass of water, and whatever. I can tell you how much
9 water it takes to have a shower. I can tell you how much
10 water it takes for a dishwasher. I could tell you how
11 much water it takes for a washing machine. It don't come
12 that much. We don't wash our clothes every single day,
13 every other day. So if you use 30 gallons of water, big
14 deal.

15 You use your dishwasher, what do you use?
16 Fifteen gallons of water. You flush the toilet, you use
17 five gallons of water. How does it come to 350 or 270?
18 Or I don't know. I don't know if I'm getting the better
19 of the deal or if they are getting the better of the deal
20 now. They came, they said they went and checked the
21 meter. I said, how did you check it? We pumped 10
22 gallons. I said, so what does that mean? It means the
23 meter is okay. I have never seen anyone there. I have
24 never seen anyone from Aloha at my house checking the
25 water. I could tell you more, but let's leave it at that.

1 COMMISSIONER JACOBS: Mr. Cifelli, hold on. Did
2 you want to ask your question, Mr. Jaeger?

3 MR. JAEGER: Mr. Crouch was just telling me,
4 they can require an engineer, I think, to be there from
5 the PSC. I am going to have to look up the rule on that,
6 but --

7 COMMISSIONER JACOBS: We're going to discuss
8 that, but we're going to make sure we will get you an
9 answer.

10 MR. CIFELLI: I've been waiting for an answer
11 for three years almost.

12 COMMISSIONER JACOBS: I'll get you one, I'll be
13 sure.

14 MR. CIFELLI: Okay.

15 (Witness excused.)

16 MR. BURGESS: Mr. Dean. I believe that's Dean,
17 but I'm not positive I'm reading this right.
18 James R. Dean, Sr.

19 JAMES DEAN, SR.
20 was called as a witness on behalf of the Citizens of the
21 State of Florida and, having been duly sworn, testified as
22 follows:

23 DIRECT STATEMENT

24 MR. DEAN: My names is James Richard Dean, Sr.
25 I reside at 1668 Kinsmere Drive, Trinity Oak subdivision,

1 New Port Richey, Florida. When this action started
2 several years ago, it was about the building of an
3 effluent water plant. And we've been all over the map,
4 we've been dirty water, bad meters, all kinds of things.
5 But it started with an effluent water plant, and an
6 increase in our rates over three stages, up to 81 or 83
7 percent. I forget what the exact figure was. And they
8 built an effluent plant, and the process of that effluent
9 plant is dumped on Mitchell Ranch. I believe somewhere
10 around 450,000 gallons of water a day are spread over
11 Mitchell Ranch at the corner of Mitchell Ranch Road and
12 Little Road.

13 Now, in the time that the effluent plant was
14 built and today, there has been 3,000 houses built in the
15 Trinity area. And as far as I know, Aloha has not pumped
16 in one -- put in one line for effluent water. We're still
17 putting drinking water on our lawn in a drought period,
18 okay, while they are dumping 450,000 gallons of water that
19 we paid for with wastewater increases at Mitchell Ranch at
20 no charge.

21 MR. BURGESS: Excuse me, Mr. Dean. I've been
22 asked by someone in the audience, if you could lean
23 forward a little bit so the microphone can pick up, so
24 they can hear you.

25 MR. DEAN: And that's the problem I have with

1 these increases. The fact that they built the plant,
2 there's a construction boom going on in the Trinity area,
3 it's the Dr. Gill's (phonetic) master plan. There's no
4 effluent water being pumped in there today. We're using
5 drinking water on our lawns, and we're being charged a
6 wastewater charge for that drinking water that goes on the
7 lawn because deed restrictions require that we have
8 floratom grasses. Okay. And if we wanted to drill a well
9 and put water into our house, there's deed restrictions
10 that oppose that. Okay. So we're stuck with Aloha. It's
11 a monopoly. We don't have any other choice. We can't go
12 say, you know, can Pasco Utilities bring us in water?
13 We're stuck with Aloha.

14 All right. And the company has a revenue stream
15 that's sitting out in Mitchell Ranch being wasted. That
16 450,000 gallons should be generating \$10 or \$12 a month on
17 a home charge for effluent water for watering lawns.
18 Okay. And this is where this whole hearing started from,
19 and this is where it is here today. And they have not
20 done anything about this revenue stream, and until they do
21 something about the revenue stream, I think that the
22 Public Service Commission should deny any rate increase.

23 And once they put the effluent water on-line and
24 that becomes a revenue stream, then if they have a
25 shortfall in their budget, then come back to the Public

1 Service Commission. That's all I have to say. Thank you.

2 MR. BURGESS: Thank you, Mr. Dean.

3 COMMISSIONER JACOBS: Thank you. I think we
4 have a couple of questions.

5 CROSS EXAMINATION

6 BY MR. WHARTON:

7 Q Sir, are you aware of the fact that the reused
8 water that is put on the Mitchell property does not have
9 the quality to be put on residences and that, in fact,
10 this facility that is being proposed here will allow Aloha
11 to go to public access reuse for the first time?

12 A As I understood this when this issue first came
13 up, you were building an effluent plant, okay, to put
14 water for yards, not for drinking water, nonpotable water.
15 Okay. And I believe that plant's now finished, and every
16 time I drive down Mitchell Ranch Road or Mitchell
17 Boulevard or down Little Road, I see these sprinklers
18 whipping water all over Mitchell Ranch, and we're not
19 getting one drop of it. We're using drinking water in a
20 drought on our lawns. That's crazy, absolutely absurd.

21 They are pumping water out of the aquifer,
22 sending it to us, and under deed restrictions, we're
23 required to keep floritam grasses green. So we have to
24 use this water and we're being charged a wastewater -- if
25 I use 26,000 gallons to irrigate my lawn, I pay a

1 wastewater charge on that. Okay. So it's not just the
2 water I use in my house that I pay a waste charge on.

3 Now, if they take this revenue stream that they
4 are putting out in Mitchell Ranch -- and that's the
5 problem I have with you asking for this rate increase.
6 You have a revenue stream that's available to you; it's
7 called effluent water. Before these roads and sidewalks
8 were built in all these new subdivisions that are going up
9 around the Trinity area, you could have piped those in and
10 had those sprinklers operating today. And you have not
11 done that, and this has been an ongoing process of four
12 years.

13 And they knew they were not under a mandate to
14 build this plant. The State did not say you have to build
15 an effluent water plant. They decided to do that. They
16 floated a bond at 12 percent interest when the New York
17 market rate was 8 for 1.2 million, I believe, and nobody
18 that I know of had an opportunity to buy any of those
19 bonds. And under the Rule of 72, you double your money
20 every six years at 12 percent. That's not a bad deal. I
21 would have liked to have had some of them.

22 Q But to kind of go back to my question, sir, and
23 if you're not aware, that's -- if you don't know one way
24 or the other, that's fine. Are you aware that the plant
25 that is at issue in this proceeding will be the

1 first plant in Aloha's system that will be permittable for
2 public access reuse, the kind of residential reuse you're
3 talking about? Do you know one way or the other?

4 A I understood that's what you were building when
5 this all first came up, this issue. The water you are
6 dumping out at Mitchell Ranch, you're saying is no good
7 for lawns?

8 Q It is a bit more complex than that, but there
9 are reliability issues that will be met by this plant --

10 A But explain it to me. If it's good enough to
11 make mahigh (phonetic) hay to feed cattle, why is it not
12 good enough to put on my lawn?

13 Q There are reliability issues that are required
14 by the Department of Environmental Protection that this
15 proposed plant will meet. I mean, are you aware of that
16 one way or the other?

17 A I am aware of environmental problems. I'm not
18 aware of problems that you -- exist today.

19 Q So to your knowledge, to the extent that Aloha
20 is providing reuse now, you understand that that's
21 available for residential reuse?

22 A As I understood, it was supposed to be available
23 for residential use.

24 Q The reuse that Aloha has now, as we sit here
25 today?

1 A That's what I understood.

2 MR. WHARTON: Okay. That's all I have.

3 MR. DEAN: Thank you.

4 COMMISSIONER JACOBS: Thank you.

5 MR. BURGESS: Thank you, Mr. Dean.

6 (Witness excused.)

7 MR. BURGESS: Ms. Memoli, Phyllis Memoli.

8 COMMISSIONER JACOBS: Ms. Phyllis Memoli. She
9 must have stepped out.

10 MR. BURGESS: Okay. Mr. McMahon, J.J. McMahon.

11 JOSEPH J. MCMAHON

12 was called as a witness on behalf of the Citizens of the
13 State of Florida and, having been duly sworn, testified as
14 follows:

15 DIRECT STATEMENT

16 MR. MCMAHON: My name is Joseph, I use the
17 middle initial J, my last name is McMahon, M-c-M-A-H-O-N.
18 I reside at 7723 Hamlet, H-A-M-L-E-T, Drive in New Port
19 Richey, Florida. I'm president of the Mill Pond Estates
20 Section 5 Homeowner's Association. Could someone here
21 tell me if Mill Pond is in the Seven Springs area?

22 UNIDENTIFIED SPEAKER: Yes.

23 MR. MCMAHON: It is. Then I will continue.
24 This hearing concerns wastewater rates. I notice here
25 that there's a gallonage charge per 1,000 gallons. Do you

1 measure the wastewater? This question is for Aloha.

2 COMMISSIONER JACOBS: Mr. McMahon, I'm going to
3 allow them to give you an answer, though for purposes --

4 MR. McMAHON: Are you speaking?

5 COMMISSIONER JACOBS: Yes.

6 MR. McMAHON: I'm sorry, go ahead.

7 COMMISSIONER JACOBS: I'm sorry. For purposes
8 of the record today, I'm going to allow them to answer
9 you, but understand that this is really for comments for
10 the record on quality of the service. Do you have an
11 answer for him?

12 MR. WHARTON: Not really, no.

13 COMMISSIONER JACOBS: Staff? No. They don't
14 have an answer for you right now.

15 MR. McMAHON: I didn't think so.

16 COMMISSIONER JACOBS: Okay.

17 MR. McMAHON: If you are charging me per gallon
18 or per 10,000 gallons, whichever way you wish to do it,
19 what I'm interested in knowing is how you arrive at these
20 numbers. Do you take the incoming water and use some sort
21 of a formula to calculate the wastewater? Simple
22 question.

23 COMMISSIONER JACOBS: I believe -- can you
24 explain it to -- how that works? Someone from our Staff
25 will explain that to you.

1 MR. CROUCH: For planning purposes when they
2 design a system, yes, they do look at the amount of water
3 sold. They take a percentage of that. We realize that
4 some of this water that you use will not be returned as
5 wastewater, so we take a percentage of it. The average
6 return wastewater for the customers in the Seven Springs
7 area is somewhere between 130 and 150 gallons per month
8 average. Now, you are using considerably more than that
9 in water, but it is based on an average, and it is a
10 percentage of the water used. You are not charged for all
11 of the water used.

12 And this is a cap. If you get up to
13 10,000 gallons, you are not charged beyond that.
14 Ten-thousand gallons is a maximum you would pay for in
15 wastewater. There are some places that might, because of
16 excessive irrigation and everything, have a lot more water
17 used. They are only charged up to 10,000 gallons of
18 wastewater, but to answer your basic question, yes, sir,
19 the Commission has authorized utilities to charge a
20 percentage of the water used is what your wastewater bill
21 will be.

22 MR. McMAHON: Thank you, sir. I understand your
23 answer. Now, my next question is this. I'm not
24 interested in reclaimed water. I think you have already
25 heard about that, probably enough. What I'm interested in

1 is submetering. I have a water main that runs from
2 Aloha's main line out in the street into my property, and
3 I must advise all here present this evening that this
4 homeowner's association in this area in Mill Pond has
5 three and four bedroom homes and large pieces of property,
6 almost all of them are sprinkler. I approached Aloha by
7 letter asking if I could have submetering in Mill Pond. I
8 got a lovely response from them. They laid out every
9 requirement they need in order to permit that.

10 What I had in mind was to cut a "T" into the
11 main water supply line and put a meter in so that I would
12 have two meters, one meter for the water coming into the
13 house, which would almost always wind up in the wastewater
14 system, and one simply for the sprinklers. We also have
15 deed restrictions and rules and regulations in Mill Pond.
16 It has been mentioned to me that in certain areas you
17 cannot sink a well. We have never faced that problem. We
18 have had no requests to sink a well. However, most of the
19 people use Aloha's drinking water to water their
20 substantial pieces of property.

21 That letter that I received from Aloha would
22 have cost me \$2,800 to do it their way. Their way was to
23 run in a separate water vein with a separate meter. Now,
24 I imagine the reason they did that, after you gave me the
25 explanation you just did, was to keep the maximum

1 gallonage coming into the house which is used to calculate
2 the wastewater rate as high as possible.

3 In addition to which, if I followed their
4 program, which would require another main and another
5 meter, it would have required another meter either way. I
6 would have had to pay a plumber to hook it up. I would
7 have had to get the permits, get a contractor, dig up the
8 street, make the attachment. The system I was talking
9 about was the simplest possible. You dig a hole, put a
10 "T" in, and put a meter in; then my plumber connects it to
11 my sprinkler system. \$2,800.

12 In my opinion, under Florida's Consumer Law,
13 that is an unfair and deceptive business practice. In
14 addition to which, I believe it is anti-ecology. To waste
15 the manhours, the cost of digging associated with
16 everything else to put this system in is absolutely
17 unfair. There are other water companies operating in
18 Florida that will submeter on request for a very small
19 amount of money, amount of money in the \$300 to \$400
20 bracket. That's all I have to say on the subject this
21 evening, gentlemen.

22 Any questions?

23 MR. WHARTON: No.

24 COMMISSIONER JACOBS: Staff. I think our Staff
25 has a couple questions for you.

CROSS EXAMINATION

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BY MR. JAEGER:

Q Mr. McMahon, did you say the utility quoted you a \$2,800 figure to submeter or do this irrigation meter?

A No, not to submeter, to do what they require for me to have a separate meter for the sprinkler system. They want me to open the street, run in another main, then they will give me another meter, then have my plumber run from there to my sprinkler system.

Q Okay. So that's to just get to a meter that's somewhere on the edge of your yard and that's \$2,800?

A To do the entire job, to bring it in, yes. By the way, I calculated that. They did not say to me this will cost you \$2,800. What they said was, it's going to cost so much to open the street, so much for the permits, so much to cut into the line, so much to install the meter. And I didn't actually figure it on paper; I did a mental calculation.

Q And, in your opinion, the utility is making this overly complicated and overly expensive?

A Oh, absolutely, no doubt in my mind.

MR. JAEGER: That's all I have.

MR. McMAHON: Okay. Anyone else?

COMMISSIONER JACOBS: Thank you very much.

MR. McMAHON: Thank you.

1 (Witness excused.)

2 MR. BURGESS: Mr. Dobrzykowski,
3 Robert Dobrzykowski.

4 ROBERT DOBRZYKOWSKI

5 was called as a witness on behalf of the Citizens of the
6 State of Florida and, having been duly sworn, testified as
7 follows:

8 DIRECT STATEMENT

9 MR. DOBRZYKOWSKI: My name is Robert
10 Dobrzykowski, D-O-B-R-Z-Y-K-O-W-S-K-I. I live at
11 7703 Craighurst Loop in Trinity, the community of
12 Wyndgate. I will make my comments brief. I have lived
13 in -- I've been a customer of Aloha for two years now, and
14 like everyone I know, I have nothing but contempt for
15 Aloha in their rude and crude way they try to handle their
16 customers with no respect to their customers when they
17 call about a complaint.

18 I also have more contempt for the PSC for even
19 considering any rate increase to a company that has no
20 regard for its customers. The PSC should be standing up
21 for the people that you work for and tell Aloha to fix all
22 their ongoing problems from meters to black water,
23 et cetera, et cetera. They should not be granted one
24 penny until all of their ongoing internal problems are
25 corrected. That's how I feel.

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1 COMMISSIONER JACOBS: Any questions?

2 MR. WHARTON: No.

3 COMMISSIONER JACOBS: Any questions?

4 MR. JAEGER: No.

5 COMMISSIONER JACOBS: Thank you.

6 (Witness excused.)

7 COMMISSIONER JACOBS: Next witness.

8 MR. BURGESS: I have Mr. and Mrs. Mitchell, Tom
9 and Pam Mitchell.

10 COMMISSIONER JACOBS: Tom and Pam Mitchell.

11 MR. BURGESS: It might be or Pam Mitchell.

12 COMMISSIONER JACOBS: They must have stepped
13 out. No one is coming forward.

14 MR. BURGESS: Mr. or Mrs. McCloskey, Bob or
15 Linda McCloskey.

16 BOB McCLOSKEY

17 was called as a witness on behalf of the Citizens of the
18 State of Florida and, having been duly sworn, testified as
19 follows:

20 DIRECT STATEMENT

21 MR. McCLOSKEY: My name is Bob McCloskey, that's
22 M-c-C-L-O-S-K-E-Y. My address is 7136 Fallbrook Court in
23 the Wyndtree subdivision. I'm quoting from the Florida
24 Public Service Commission bulletin that was distributed
25 this evening. "A formal hearing will be conducted on

FLORIDA PUBLIC SERVICE COMMISSION

1 October 2, 2000, in the company's service area to allow
2 the public to present testimony concerning," and here I
3 stress, "the company's quality of service." The rest of
4 it is gingerbread. The company's quality of service.

5 Ladies and gentlemen, you have been listening
6 all day and all evening thus far, and it's going to
7 continue, to people who are discussing this company's
8 quality of service. And as I understand it, this kind of
9 discussion has occurred between customers of Aloha and
10 representatives of Aloha and representatives of the
11 Public, and I stress public, Service Commission for what
12 is now going on three years, and issues that were
13 presented in 1997 have not been resolved. Problems that
14 have been uncovered, identified, and discussed have been
15 exacerbated over the period of time that it has come --
16 that has passed.

17 I think it is unconscionable that
18 representatives of the public would tolerate this kind of
19 behavior on the part of any company providing a service.
20 I would suggest to you that if you were in a position to
21 address issues relating to the poor quality of meat from a
22 grocery store or the poor quality of a car that is sold by
23 an auto agency, that there is no way that three years
24 would pass with nothing being done. The key thing here is
25 that if, in fact, we were buying meat from a grocery

1 store, we were dissatisfied with the service, we could go
2 elsewhere. If we were buying a car from a dealer and were
3 dissatisfied with the quality of the service, we could go
4 elsewhere. The customers of Aloha water are prisoners to
5 the service, or lack there of, that they provide. And the
6 Public, and here I stress public, Service Commission does
7 not seem to be doing a damn thing about it as far as the
8 public is concerned.

9 Now, I recognize the fact that the subject for
10 this evening's discussion is an increase in wastewater
11 rates, and I would suggest to everyone in this room,
12 especially to the Public Service Commission, and here I
13 stress the word, "public," that there are different
14 pockets in the single pair of pants that Aloha wears. One
15 of those pockets can be identified as conventional
16 drinking water service, the other one can be identified as
17 wastewater, but the bottom line, ladies and gentlemen, is
18 that all of the dollars that will be realized from a
19 57 percent increase in rates goes into the same pair of
20 pockets or the same pair of pants. And I would suggest
21 that somebody should do something about that. I'd be
22 happy to answer whatever questions you have.

23 COMMISSIONER JACOBS: No questions. Thank you.

24 (Witness excused.)

25 MR. BURGESS: Mr. Hatsios, John Hatsios.

1 JOHN HATSIOS

2 was called as a witness on behalf of the Citizens of the
3 State of Florida and, having been duly sworn, testified as
4 follows:

5 DIRECT STATEMENT

6 MR. HATSIOS: Mr. Chairman, and ladies and
7 gentlemen, here we go again.

8 COMMISSIONER JACOBS: Could we get you to
9 announce your name and spell it, please.

10 MR. HATSIOS: My name is John Hatsios,
11 H-A-T-S-I-O-S. I live in the Chelsea Place subdivision,
12 which is part of Seven Springs. And as I started saying,
13 here we go again with another hearing about Aloha, another
14 opportunity for a waste of your time, waste of our time.
15 And we ask -- we didn't ask to pay for that waste. Okay.
16 The main problem is, as we all know, wastewater -- by the
17 way, I think the water that comes to my house is
18 wastewater, frankly, because I don't drink it. Okay. But
19 while we're doing all of this, what's happening to my
20 house, my water is getting darker and darker. Okay. And
21 at the same time, I've been asked to pay more and more.

22 I can be talking about the service of Aloha for
23 hours, but I'm not going to take all this time, and I know
24 that many people here can do the same thing. You have
25 been having a public hearing here for a couple of years,

1 without exaggeration, by the way, because I can tell you a
2 lot of stories. But, anyway, I'm going to make it very
3 brief.

4 Waste, okay, that we are being asked to pay for,
5 just a few days ago, I had a plumber service my water
6 heater. He went to purge the sludge, the black sludge,
7 and he said, I never in my life saw anything that, because
8 it took two hours of purging my water heater just to get
9 the black sludge out and still it was not clean. He just
10 said, what's going on? I didn't tell him because he was
11 from Brooksville. He didn't know about Aloha. Okay. So
12 I didn't even tell him because I didn't want to tell him
13 long stories.

14 Now, this is waste, okay, and I'm paying for
15 that. But I'll tell you some other waste. Okay. Some
16 mornings, I will go, and usually it's Saturday morning,
17 there will be a particular hydrant being purged of black
18 water. A couple of times, I stayed in my car far away and
19 I watched it. Okay. You should see the water gushing out
20 of that hydrant, and it was going on for a long time. I
21 calculated that that water could feed the whole
22 subdivision for a week or two, depending on what how you
23 calculate it. Okay. Who's paying for that, the
24 57 percent or whatever we pay now?

25 Well, let's get down to being very honest with

1 ourselves. Okay. We know what's going to happen here.
2 We've got the answer about the bad water. Okay. It meets
3 federal requirements, federal standards. All right.
4 Okay. The people who wrote the standards, why don't they
5 come here and drink some of that water right in front of
6 us? Okay. There's the proof in the pudding. Come on.
7 This is the United States of America. I haven't seen any
8 water like that anyplace I have been, and I know the
9 counsel here probably is going to say, have you seen all
10 the water in the world? And let's not get into that.
11 Okay.

12 And I know what you're going to do. I can
13 picture it right now. You're going to go back, do your
14 evaluation, like you said, and I respect very much, you
15 know, your time trying to do your job, but the bottom
16 line, what are going to do? You're going to do us a
17 favor. You're going to say the increase is not going to
18 be 57 percent, it's going to be 40 percent. Thank you
19 very much.

20 Okay. Let me tell you. As you know, the
21 underlying issue is the bad water. That water is not
22 good, and what's happening -- because nothing is happening
23 with Aloha, Aloha is not doing anything, the Public
24 Commission is not doing anything, I think both of you are
25 becoming irrelevant, because we're sick and tired of

1 drinking that water and coming here and getting no action.

2 Okay. I don't know how this is going to be
3 resolved, but I think you've become irrelevant. I think
4 we are going to go around you. I don't know what's going
5 to happen. Okay. Sooner or later -- there are going to
6 be more people, by the way. They are building hundreds
7 and hundreds of new houses. There are going to be many
8 more of us, and we're going to go around you, either
9 community wells, probably, class action suits. I don't
10 know what's going to happen, but please remember what
11 we're saying today. Many of my friends and neighbors said
12 there is no reason to come to that meeting. Okay. We're
13 going to go around them. They are not doing anything. So
14 what more do you need? Okay. Any questions?

15 COMMISSIONER JABER: Mr. Hatsios.

16 MR. HATSIOS: Yes.

17 COMMISSIONER JABER: One of the things that
18 Chairman Jacobs said in the beginning I want to elaborate
19 on a little bit more, because you're right, you don't know
20 what we've done, and I just want to take a minute to let
21 you know.

22 MR. HATSIOS: I watch the Internet. I see -- go
23 ahead. I know you're trying, but, you know, how many more
24 years, bottom line? Okay. You are not drinking that
25 water. Okay. I pay for that water. Now, who's going to

1 reimburse me for the water I'm paying? Aloha is supposed
2 to provide my drinking water, but I'm paying for that.
3 Should I send them a check, or should I show you the bill,
4 or should I send you the bill? Because it's another
5 expense. Okay.

6 COMMISSIONER JABER: Let me just have a couple
7 of minutes to summarize something, and we sense your
8 frustration. Your being here is important. Let me tell
9 you what we found in the last case. You're absolutely
10 right, DEP said that the water met the standards. That
11 wasn't acceptable to us, so we have taken the lead to form
12 an interagency work group. We have called DEP to the
13 table with us, and we have had three meetings since then.
14 But your views and your comments are important, and I
15 would encourage you to do the same thing with the
16 Department of Environmental Protection.

17 The black water problem we have seen all over
18 the state of Florida, and we do need your help. We have
19 sat silently because we sense your frustration, and we are
20 not the agency that says, you know, we have done X, Y, and
21 Z, but I think the Office of Public Counsel and
22 Representative Fasano and we can sit down with you and
23 show you some of the things we have done. Our Staff,
24 along with those work groups, will give us a
25 recommendation in December that we hope we'll be able to

1 take to the Legislature for some solutions once and for
2 all.

3 We are working on it. I don't know what will
4 happen, but you have got our commitment that we know that
5 there are problems with water throughout the state of
6 Florida. DEP does say it meets standards, but that has
7 not been acceptable to us.

8 MR. HATSIOS: Thank you.

9 COMMISSIONER JACOBS: Thank you.

10 (Witness excused.)

11 MR. BURGESS: Commissioner, Pat Bradley has
12 signed, but I'm not certain whether that person wants to
13 speak or not.

14 COMMISSIONER JACOBS: Pat Bradley. I don't see
15 anyone coming forward, so I guess not.

16 MR. BURGESS: Okay. Jerry or Anne Rosin.

17 JERRY ROSIN

18 was called as a witness on behalf of the Citizens of the
19 State of Florida and, having been duly sworn, testified as
20 follows:

21 DIRECT STATEMENT

22 MR. ROSIN: I've been here since 10 o'clock this
23 morning; they finally called me. Thank you very much, all
24 of you. My name is Jerry Rosin, R-O-S-I-N; 3142 Munson in
25 Veterans Village. I just want to say that nobody has

1 brought this up before, but they are all talking about a
2 57 percent rate increase, but I remember four or five
3 years ago, the Public Service Commission authorized a rate
4 increase which, to me, amounted to 100 percent.

5 If they add this 57 percent to it in the matter
6 of four to five years, it's going to amount to
7 157 percent, which is, like, 30 percent a year, which is
8 way over what the wage and -- amount that we look at for
9 inflation. And my bill went up for the last four or five
10 years for wastewater 100 percent, and I've been paying
11 that every month for four to five years. And it looks
12 like with another 57 percent, it's going to be 30 percent,
13 which is quite steep. I think everybody would agree to
14 that.

15 And the amounts that I'm considering and talking
16 about are at a minimum amount because I don't use a whole
17 lot of gallonage. I am blessed that I have an irrigation
18 system for my drain basin, so I use no water for
19 irrigation that I buy. And my bills are still near \$50 a
20 month, and I've been paying that for the last five years.

21 I've been a member of the Aloha Utility customer
22 usage since 1993, and this lady from Parklake Estates who
23 got these \$80 bills, I really feel sorry for her. And my
24 wife and I who live in the next subdivision would be glad
25 to come over at no charge and determine whose fault, is it

1 her property or Aloha's. We can find out because we've
2 had to do it on our property, and we think we can help her
3 if she's willing.

4 And I have had people -- workers from Aloha come
5 out several times over the last seven years, and I have to
6 say, they have been very nice to us both verbally and
7 physically. There's been a lot of knocking against them.
8 I think they are pretty good people. That's all I have to
9 say. Any questions?

10 COMMISSIONER JACOBS: No. Thank you very much.

11 MR. ROSIN: Okay.

12 (Witness excused.)

13 MR. BURGESS: Mr. Corelli, Vincent Corelli.

14 VINCENT CORELLI

15 was called as a witness on behalf of the Citizens of the
16 State of Florida and, having been duly sworn, testified as
17 follows:

18 DIRECT STATEMENT

19 MR. CORELLI: I'm Vincent Corelli,
20 C-O-R-E-L-L-I. I live at 7644 Albacore Drive in the
21 Wyndtree subdivision. I'm here tonight to speak about
22 something that happened sometime ago, a couple of years,
23 when Aloha Utilities was involved in some controversial
24 and not so nice business dealings. At that time, the
25 Commission asked Aloha to open its books so that these

1 business practices that they were involved in could be
2 scrutinized. Well, they refused, and the Commission
3 responded by issuing a statement that they would not
4 consider any rate increases for Aloha Utilities until such
5 time as they opened their books. Well, nothing has
6 changed. They haven't opened their books.

7 And I'm here tonight to ask you, Commissioners,
8 to honor your own statement and not grant any rate
9 increases. Now, I suspect that if they did open their
10 books, you might be so shocked that you would probably
11 lower their rate. I don't know why else they wouldn't
12 open their books. Now, it seems that it's not very pretty
13 when the rich and powerful take advantage of people less
14 fortunate than themselves, and this has been going on with
15 this company for quite sometime.

16 It's been many, many years that we have been
17 complaining about their water quality and their quality
18 of service, and nothing has changed. The water is as bad
19 as it ever was; the service is as bad as it ever was.
20 Once again, I would beseech you to honor the words of
21 the previous Commissioners and not grant any rate
22 increases until such time as they open their books to the
23 public.

24 COMMISSIONER JACOBS: Thank you. I think we
25 have a couple of questions.

CROSS EXAMINATION

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BY MR. WHARTON:

Q Sir, are you aware in the last two years, Aloha has been audited by the Public Service Commission five times, and that there's an audit going on right now by the PSC of Aloha? I'm just asking whether you're aware of that.

A You would have to repeat that. I didn't hear that.

Q Are you aware that in the last two years the Public Service Commission has audited Aloha five times, and that one of those audits is going on as we speak?

A Yes, I am aware of that.

MR. WHARTON: Thank you.

COMMISSIONER JACOBS: Staff.

MR. JAEGER: No questions.

COMMISSIONER JACOBS: Thank you very much, Mr. Corelli.

(Witness excused.)

MR. BURGESS: Mr. Allen, Neal Allen.

NEAL ALLEN

was called as a witness on behalf of the Citizens of the State of Florida and, having been duly sworn, testified as follows:

FLORIDA PUBLIC SERVICE COMMISSION

DIRECT STATEMENT

1
2 MR. ALLEN: My name is Neal Allen, that's
3 N-E-A-L A-L-L-E-N. I live at 7055 Fallbrook Court, New
4 Port Richey. I live in the Wyndtree subdivision. I was
5 listening to the gentleman that talked about his
6 35,000 gallons, and I realize that that is particularly a
7 pretty much one-time thing with a few residents, but of
8 importance to note is the fact that he did say they opened
9 up on two occasions within about 11 years, they opened the
10 fire hydrants, and that his walk was so black that it took
11 him additional expense, et cetera, to clean it up each
12 time.

13 My wife and I moved in, in July of 1997. Before
14 we closed on our home, I noticed the headlines that had
15 Aloha with the brouhaha that was going on. We decided to
16 go ahead and close on the home with the anticipation that
17 this would not be an ongoing situation. Well, here we are
18 three and a half years later. The quality of our water
19 is, in my opinion, I would be drinking wastewater. If I
20 had the concession for bottled water and bagged ice, I
21 would be doing very well.

22 I have a six-year-old grandson who came to visit
23 me from Gainesville. We ran bath water, and not just on
24 one occasion, he said to his grandmother, he says, Nana,
25 this water stinks, and he's right. I've been here three

1 and a half years, and I have yet to see anybody on Aloha's
2 side do one thing to correct the problems at hand. Nobody
3 has ever flushed out our fire hydrants that I know of, but
4 I would be willing to bet and I would be willing to wager
5 that you open up any of these hydrants, it would be such a
6 mess and such an expense to clean up that you couldn't
7 believe. All you have to do is lift the lid on your
8 toilet bowl and look in and see what quality of water you
9 get from Aloha.

10 The problem here is quality; there is none.
11 Also, the problem is service; there is none. And that's
12 basically all I have to say at this point in time.

13 MR. BURGESS: Thank you, Mr. Allen.

14 COMMISSIONER JACOBS: Thank you, Mr. Allen.
15 Thank you very much. No questions.

16 (Witness excused.)

17 MR. BURGESS: Ms. Graca, Dorothea Graca.

18 DOROTHEA GRACA

19 was called as a witness on behalf of the Citizens of the
20 State of Florida and, having been duly sworn, testified as
21 follows:

22 DIRECT STATEMENT

23 MS. GRACA: Hi. My name is Dorothea Graca.
24 That's D-O-R-O-T-H-E-A, last name Graca, G-R-A-C-A. I
25 live at 4454 Devon Drive, New Port Richey, Florida 34653.

1 That's in the Mill Pond subdivision. I am familiar with
2 Aloha ever since 1986, when I used to be a snowbird and
3 come down every so often, and the water was horrendous.
4 It was a bad smell of -- I wouldn't give that water to my
5 dog to drink. It was really bad. And this is since '86,
6 and the water has not improved since. I am a permanent
7 resident since 1992 -- I'm a little nervous -- and the
8 water was not improved. I understand that you have
9 expenses. I understand that the area is expanding with
10 more population, but I don't think that the 57 percent
11 increase is justified. I think it's exaggerated because
12 nothing good has been done, and I don't see no
13 improvement.

14 I put a water softener in my house because the
15 water was very hard. If I want drinking water, I have to
16 buy it, which is another expense. I mean, I'm not a bank,
17 you know, where I have money just coming in. And like
18 other people stated, I have to work still. My husband and
19 I, we work, you know, paycheck to paycheck, and this is
20 just robbing us more of our paycheck. Nothing else to
21 say.

22 MR. BURGESS: Thank you, Ms. Graca.

23 COMMISSIONER JACOBS: Any questions? Thank you
24 very much, Ms. Graca.

25 (Witness excused.)

1 COMMISSIONER JACOBS: How many more do you have,
2 Mr. Burgess?

3 MR. BURGESS: One.

4 COMMISSIONER JACOBS: One more. All right.

5 MR. BURGESS: Clayton, Robert Clayton.

6 ROBERT CLAYTON

7 was called as a witness on behalf of the Citizens of the
8 State of Florida and, having been duly sworn, testified as
9 follows:

10 DIRECT STATEMENT

11 MR. CLAYTON: Robert Clayton, 1441 Straud Court,
12 New Port Richey, the Wyndtree development. My home is
13 occupied by two adults. We don't have a pool. The
14 grounds are watered by the homeowner's association, so the
15 water use is all internal in the house. Aloha has applied
16 for an increase in rates; however, it seems they have had
17 material increases since I started using their services in
18 1994. I have reduced my expenses to a table, which I will
19 give you. It's all supported by checks.

20 My monthly average when I started in 1994 with
21 Aloha was \$25.69. This has risen to this year on a steady
22 basis to \$47.90. That is an 86 percent increase in
23 monthly cost from 1994. I don't know how that happened.
24 I'm not using any more water. Subsequent to the 1999 PSC
25 hearings, Aloha representatives visited my home because I

1 testified at the hearing and, among other things, told me
2 that eventually the hydrogen sulfide in their water would
3 erode my copper plumbing. They said I could replace it
4 with PVC for around \$3,500. With over 8,400 customers,
5 this implies they are causing over \$29 million in property
6 damage, not including replacement of the water heaters.

7 Aloha has claimed they need a 398 percent rate
8 increase to correct the problem. This would increase my
9 monthly average cost to \$190.64. Does anyone in this
10 country pay such an amount for water?

11 Lastly -- and I heard a little bit about the
12 financials being audited -- are the Aloha financials
13 audited to disclose such practices as padding the payroll
14 with relatives and friends and their cars and also doing
15 business with related companies at inflated prices? Their
16 financials should be carefully examined before
17 consideration is given to an increase in rates.

18 Now, somebody told me that their present at
19 least premises are leased from the owner of the company
20 whose name is something like Speers or something like
21 that. That's as a related, and he is dispossessing his
22 own company. Now, that's hearsay, but maybe you could
23 look into that. Thank you.

24 COMMISSIONER JACOBS: Thank you. Any questions?

25 MR. BURGESS: Thank you, Mr. Clayton.

1 COMMISSIONER JACOBS: Thank you very much.

2 MR. BURGESS: That's all I have, Commissioner,
3 unless there is anybody in the audience that did not fill
4 out a form.

5 COMMISSIONER JACOBS: That makes the end of the
6 list of those who signed up in advance to testify. Do we
7 have anyone here who did not sign up but who does have a
8 statement that they would like to give regarding
9 wastewater treatment?

10 MR. CLAYTON: Could I say one more thing before
11 I depart? I'm sorry, it slipped my mind. It's been so
12 interesting here. The literature I've read about Aloha's
13 petitions for rate increases has consistently said our
14 average rate -- our average monthly cost rate is about
15 \$25, and the increase will be to about \$31. I haven't
16 heard anyone talk here today about \$25 a month. I think
17 that's a deceptive statement they have made.

18 COMMISSIONER JACOBS: Thank you.

19 (Witness excused.)

20 COMMISSIONER JACOBS: I saw a couple of hands go
21 up of folks who wanted to make a statement. If I may
22 indulge you, our court reporter has been going at it since
23 six o'clock. We need to give her a brief break, so we're
24 going to take a ten-minute break. And then we'll come
25 back, and we'll swear you in, and you can give your

1 statements. Thank you very much.

2 (Brief recess.)

3 COMMISSIONER JACOBS: Okay. We had a couple of
4 hands that were raised of people who had not signed up,
5 who wanted to give a statement. Okay, for those people
6 who have not signed up who wanted to give a statement, I'm
7 going to ask you be sworn in first and then I want you to,
8 I guess, maybe just come forward in order and give your
9 name and testify for us. Would you stand and raise your
10 right hand.

11 Thank you. You may be seated. Okay. You can
12 come forward, ma'am.

13 MARY RITA WARD

14 was called as a witness on behalf of the Citizens of the
15 State of Florida and, having been duly sworn, testified as
16 follows:

17 DIRECT STATEMENT

18 MS. WARD: Hello. My name is Mary Rita Ward,
19 W-A-R-D. I live at 8040 Blue Finch Way, New Port Richey
20 in Parklake Estates.

21 And I would like to know why is the 57% increase only
22 being levied against the Seven Springs area? That's the
23 way I understand it. Can anybody answer me?

24 MR. CROUCH: That is the only area -- the Seven
25 Springs area is the only area that uses the sewer

1 treatment plant that Aloha has for that area. The other
2 area that they have, the Tahitian Gardens or Aloha
3 Gardens, over there does not use that sewer treatment
4 plant. So, they would not have to pay for it, because
5 they are not using that plant.

6 Only the Seven Springs, which includes Wyndtree,
7 Chelsea Place, a number of subdivisions in the Seven
8 Springs area. They are served by Aloha sewer treatment
9 plant that is being modified. Consequently, they would be
10 the only ones benefitting from it, they would be the only
11 ones that would be getting the billing increase.

12 MS. WARD: Where is this sewage treatment plant
13 located that you're speaking of?

14 MR. CROUCH: Ma'am, I've been there, but I
15 cannot tell you the direct address. I could drive you to
16 it, but I don't -- it's in the service area.

17 MS. WARD: You don't even know the area, like
18 Little Road or Rowen Road or --

19 MR. CROUCH: If I'm not mistaken, it's just off
20 of Little Road.

21 MS. WARD: Little Road's a long road.

22 MR. CROUCH: It's a long road. I'm going to
23 have to let the utility give you the exact address. I
24 have been there, but I cannot tell you the exact address,
25 ma'am.

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MS. WARD: And the only reason is because we'll be the only ones using that treatment plant?

MR. CROUCH: Yes, ma'am.

MS. WARD: Sounds like a lot of money to me for a treatment plant. But thank you very much, I appreciate your answer. I don't agree with it, but --

COMMISSIONER JACOBS: Thank you.

Okay, there was a gentleman -- come forward, sir, come forward. And there was one more gentleman in the back, I think.

FRED GREEN

was called as a witness on behalf of the Citizens of the State of Florida and, having been duly sworn, testified as follows:

DIRECT STATEMENT

MR. GREEN: I'm also a resident of Mill Pond subdivision where the water is of the poorest quality. I feel the sewerage rate is much too high now, and it should be reduced, not increased.

I think, any improvements or new buildings should be paid by the investors of the companies, instead of the customers like other utility companies do. Therefore, I ask the Public Service Commission to deny any rate increase to Aloha Utilities Company. That's all I

1 have to say.

2 COMMISSIONER JACOBS: Sir, could you give us
3 your name, please.

4 MR. GREEN: My name is Fred Green of Mill Pond
5 Estates.

6 COMMISSIONER JACOBS: Thank you. Any questions?
7 Thank you very much, Mr. Green.

8 Yes, sir, come forward. And then, there was a
9 young lady? Okay, next.

10 Now, Mr. McMahon, did you have an additional
11 statement?

12 MR. McMAHON: Yes, I did, sir.

13 COMMISSIONER JACOBS: Okay. We'll get you after
14 they've gone.

15 AL SHONITSKY
16 was called as a witness on behalf of the Citizens of the
17 State of Florida and, having been duly sworn, testified as
18 follows:

19 DIRECT STATEMENT

20 MR. SHONITSKY: Thank you. My name is Al
21 Shonitsky. I live at 3533 Glenburn Court.

22 COMMISSIONER JACOBS: Can I get you to spell
23 your last name, please.

24 MR. SHONITSKY: S-H-O-N-I-T-S-K-Y --

25 COMMISSIONER JACOBS: Thank you.

1 MR. SHONITSKY: -- in Veterans Village.

2 And I just want to ask this gentleman here, you
3 said the wastewater plant's going to be a benefit to us.
4 How is a 57% increase in my bill a benefit to me and all
5 these other people out here? I'm going to be going from
6 \$29 to \$44.

7 And, if I'm talking to Aloha Utility. If I go
8 away for a month and don't use any water, I'm still going
9 to get that price, whether I use no water at all. That's
10 just not fair to myself and everybody else that was here
11 tonight and is still here and out there.

12 And on the bad water part of it, I'd like to
13 address you. You brought up it's all over the state,
14 there's bad water. To me, my personal opinion, you blew
15 up a smoke screen. We don't care about the rest of
16 Florida. We care about Aloha Utilities and our water, not
17 everybody else's. I took it -- my personal opinion, we're
18 just a small cog. You're here to pacify us.

19 And just in one closing statement, a question
20 for Mr. Baez, and I don't know your name, sir, and this
21 gentleman here, the gentleman on the end, and all the
22 women in the back, why are you drinking bottled water? Is
23 there something wrong with our water that you can't have
24 regular water? And that's all I have to say, thank you.

25 COMMISSIONER JACOBS: Any questions? Thank you.

1 Were you sworn just now?

2 MS. BOYCE: Well, I stood up when everybody else
3 did.

4 COMMISSIONER JACOBS: Okay, thank you.

5 DORIS BOYCE

6 was called as a witness on behalf of the Citizens of the
7 State of Florida and, having been duly sworn, testified as
8 follows:

9 DIRECT STATEMENT

10 MS. BOYCE: My name is Doris Boyce, B-O-Y-C-E.
11 I live in Aloha Gardens in Holiday.

12 And I listened to Mr. Cifelli before about the
13 bench test that he spoke of when they took the meter and
14 they brought it to Georgia. I had the same experience.

15 My husband and I went to Australia a few years
16 ago. And when we came back, I got a bill. We were gone
17 for three weeks, I got a bill for \$120, and we were in the
18 house one week out of that month.

19 So, I went down there and I, you know, I just
20 got a little excited and I asked them what was going on
21 and they said that I could get the meter bench tested, but
22 it cost me \$75 instead of \$25. And the meter was gone.
23 And when it came back, the meter was perfect. Then, they
24 told me somebody must have stole my water. Somebody must
25 have come to the side of the house where the fresh water

1 is in the faucet and taken it.

2 So, I went down there and I wanted to speak to
3 Mr. Watford and they wouldn't let me talk to him. And so,
4 I wouldn't leave the office. I said, "I'm not leaving
5 until I see him." So, they went and they called the
6 police. And they had the police come and physically take
7 me out of the office. And the cop said to me, well, this
8 is a civil matter so, you know, we can't do anything about
9 this.

10 But, of course, I had to pay the \$120 bill and
11 the \$75, and I was really -- I'm really -- I hate them. I
12 hate them with a passion, because everybody I know, all
13 they do is complain and gripe and, I really, I just hate
14 them. That's all I have to say.

15 COMMISSIONER JACOBS: And that was everyone who
16 had not spoken before; is that correct?

17 Okay, Mr. McMahon -- I'm sorry.

18 RANDY C. PACKER
19 was called as a witness on behalf of the Citizens of the
20 State of Florida and, having been duly sworn, testified as
21 follows:

22 DIRECT STATEMENT

23 MR. PACKER: My name is Randy C. Packer. I live
24 in 4222 Tall Oak Lane in Wood Trail Village.

25 I don't like speaking up front, but I got a few

1 things I have to say, because I think the whole reason to
2 have people here is to show support, yea or nay, for the
3 cause for the Public Service Commission on, if they're
4 here. Whether or not anything be done about it is yet to
5 be seen. But if you don't show some kind of support or
6 something, then everyone just figures that everything's
7 hunky-dory, and you just go on your way.

8 So, with that, I just wrote a few things down
9 here from my point of view, from what I see and what I've
10 heard and what I know, and that's all I've got to say
11 about it.

12 I will say that I've lived here for 48 years in
13 this area. And most of the time I've been on well and
14 septic tank, and no treated water to drink, and stuff like
15 that. And in the Florida area, and all the water I've
16 ever had -- no, not all the water I've ever had, but in a
17 lot of areas where I've had water in Florida coming out of
18 the well, out of the ground, it tasted fine.

19 If you take it to a lab and have it tested,
20 there's a lot of impurities in that water you would find,
21 but the first and foremost thing you'd look at is smell
22 and visual look and taste, then all the other stuff from
23 the lab is another story.

24 I realize that this is all about wastewater.
25 It's got nothing to do with the drinking water, as far as

1 for that increase, but the wastewater is a direct link to
2 the drinking water. Because, number one, like it was
3 stated, the only way you have to monitor wastewater, to
4 meter it, I mean, you don't put meters in the wastewater,
5 you do it through the gallonage of supply water coming in
6 the house. The more that you use out of supply, which is
7 metered, is how the wastewater's figured.

8 Now, I want to look at some notes that I have,
9 so I can remember what the hell I'm supposed to say here.
10 Let's see. Yeah, the problem with this whole thing is I
11 know you're trying to keep separated the supply water --
12 the drinking water issue from this wastewater.

13 This is strictly on wastewater, but as you can
14 see, everyone is concerned. There's two things they're
15 concerned with. Everyone's concerned with the increase
16 being such a large increase and hitting their pockets real
17 heavy, especially most of them. They don't make the money
18 like ya'll make or even like I make, because I'm still
19 working. Most of them aren't -- a lot of the people in
20 these areas, they don't have -- they have a fixed income.
21 They don't have an increase to amount to anything.

22 So, anything -- I mean, \$5.00 may not sound much
23 to you, but when you add up the increase on this and an
24 increase that you get on that and food and gas and
25 electrics and everything else, it all adds up to an awful

1 lot. So, that's why they're up here for that.

2 And the other thing that irritates everybody is,
3 again, the drinking water issue. If the drinking water
4 issue was resolved to everyone's satisfaction, you took it
5 up and you looked at it, and it was clear, and you could
6 drink it, and it doesn't ruin your hot water heater and
7 all your plumbing in the house, which it's the water doing
8 it, not the plumbing in the house, then, everyone can say,
9 well, okay, maybe it's justifiable to have an increase now
10 on the wastewater system, because you've got the supply
11 water system all squared away. And everyone's happy and
12 everything else.

13 But since you have that problem to start with
14 that hasn't even been resolved yet, in my opinion, you
15 shouldn't be -- it shouldn't even be here. It shouldn't
16 be an issue brought forward on an increase on anything
17 until that first problem is resolved. I mean, it's like
18 taking a car into a garage and you've got a transmission
19 problem, and they'll fix the wheel for you, but the
20 transmission's still broken, but, you know, you've got
21 your tire fixed. It's silly.

22 Even though they have -- they want to build the
23 wastewater treatment plant for other reasons, I don't
24 think it should be allowed until their other issues is
25 squared away first. I'll get off of it in a minute here.

1 I want to get back on the groundwater for just a
2 minute and the supply water coming in and the wastewater.
3 Normally, the supply water coming in and the wastewater
4 going out of your house is -- the treatment plant and
5 stuff is put in so that people don't pump water out of the
6 ground and mess up the aquifer so easily and that they
7 don't have septic systems which hurts the environment,
8 they say. I don't really think it does, but to some
9 extent.

10 So, they've quit using -- they're not allowed to
11 have a well and a septic in subdivisions anymore, but
12 you're supposed to have had a good quality of water and
13 good wastewater, no problems with that. The problem
14 should be less with supply water and wastewater than what
15 you were doing when you had a well and a septic. And that
16 isn't any better. I mean, if you're having water problems
17 from a treatment plant that treats the water that comes
18 out of the ground, that's not right. It's not good for
19 the environment there, either.

20 I think, a lot of the reason -- I might be way
21 off on this one, but a big reason why Aloha is pushing an
22 increase in wastewater treatment, if it's for -- if it is
23 for an increase for them, for whatever reason, is that's
24 the only area that they could even possibly think that
25 they could get an increase in, because they know they

1 couldn't get an increase if they start claiming it on the
2 supply water, because people would really raise even more
3 holy hell than has been raised already about it.

4 So, I mean, it's a treatment plant that supplies
5 water and effluent water, supply water and effluent water.
6 Well, they can't do anything with the supply water now,
7 because it's already crapped up. So, the only thing they
8 can go on is the effluent water, the wastewater.

9 And the individuals that live in this area is
10 being affected, and other areas as well also. Like that
11 one gentleman said, right now it's the Seven Springs area,
12 and they will get around to increasing other areas, too.
13 It's just a matter of time.

14 Have to give me a minute here. Oh, yeah. If
15 you had a -- I'm sure if everyone had an option of a
16 different utility company, a supplier of water and
17 discharge, or the option of well and septic, either one of
18 those options, I would imagine Aloha would have no
19 customers at this time right now with the problems they
20 have, basically.

21 And here again, if Aloha would do whatever has
22 to be done -- and there is something to be done about it.
23 I don't claim to know what the answer is, but if they
24 would attack the first problem, which is the reason why
25 probably 75% of the people are here, is if they'd attack

1 the first problem, which is the water problem, and get it
2 squared away, they probably wouldn't have much of a fight
3 on the increase of their wastewater plant, and they could
4 go forward with that.

5 Because the residents don't have any choice at
6 all, your hands are pretty much tied. I mean, you can go
7 to these and talk to the Public Service Commission, you
8 can write letters, you can phone and all this other stuff,
9 but when it gets right down to it is a decision to be
10 made, if it isn't already made and the increase will be
11 made and that will be all there is to it and you'd just go
12 back to square one.

13 I don't understand -- some of these people
14 talked about their increase, how their bill has increased
15 in, say, a 5-year period up to 100%. There must be a cap
16 that the utilities get -- have on the bill, and they must
17 start at the low end and then go up to it and they're at
18 the cap now and can't go no higher, I guess. Because
19 otherwise, I don't know how you get an increase without
20 having to have it voted or go to the Public Service
21 Commission and then they vote for an increase, which
22 that's the other thing that could be happening.

23 I mean, it's like the utilities; you can't have
24 -- the electric utilities, you can't have an increase
25 until the Public Service Commission says so. So, either

1 they -- Aloha has gone to the Public Service Commission
2 many times in the past and have gotten these increases or
3 there's some kind of a cap that they're able to work
4 within and to increase that up to. Well, I'm done anyway.
5 Any questions?

6 COMMISSIONER JACOBS: Any questions? Very well.
7 Thank you very much.

8 (Witness excused.)

9 COMMISSIONER JACOBS: I think, we've got one
10 more. Mr. McMahon.

11 MR. McMAHON: Ladies and gentlemen --

12 COMMISSIONER JACOBS: I'm going to ask you --
13 I'm sorry, if I can ask you, this is a different statement
14 from what you gave before?

15 MR. McMAHON: Yes.

16 JOSEPH J. McMAHON

17 was called as a witness on behalf of the Citizens of the
18 State of Florida and, having been duly sworn, testified as
19 follows:

20 DIRECT STATEMENT

21 COMMISSIONER JACOBS: Could you restate your
22 name for the record, just so we have it again?

23 MR. McMAHON: Surely. Joseph, I use the middle
24 initial J, my last name is McMahon, M-c capital M-A-H-O-N.

25 When I returned to my seat, I'm sitting with a

1 group of my members. And needless to say, some of them
2 are a little shy and not good public speakers. So they
3 appointed me their mouthpiece.

4 They raised several items. One of the things
5 they don't understand is when was this particular
6 wastewater facility built, who paid for it, and who
7 planned it? Can anyone respond to that question?

8 COMMISSIONER JACOBS: Here's what I'd like to
9 do, if I may, Mr. McMahon. Why don't I let the company or
10 Staff give you an answer to those questions when we're
11 completed, if that's okay.

12 MR. McMAHON: You mean after the meeting is over
13 tonight?

14 COMMISSIONER JACOBS: Yes, if that's okay; yes,
15 tonight.

16 MR. McMAHON: Or perhaps by letter.

17 COMMISSIONER JACOBS: If that's okay with you,
18 that would be okay as well.

19 MR. McMAHON: That's absolutely fine. You have
20 my address?

21 COMMISSIONER JACOBS: Right.

22 MR. McMAHON: All right.

23 COMMISSIONER JACOBS: Okay.

24 MR. McMAHON: Another concern that the folks
25 have, and I share it with them --

1 COMMISSIONER JACOBS: Just a minute. Let me
2 make sure they have all those written down. Did you get
3 those?

4 MR. JAEGER: Just wanted to confirm that, 7723
5 Hamlet Drive, H-A-M-L-E-T, New Port Richey.

6 MR. McMAHON: Right, 34653.

7 UNIDENTIFIED SPEAKER: Excuse me, I'd like to
8 hear the answer to that also.

9 UNIDENTIFIED SPEAKER: Yeah, send us all a
10 letter. That's a very good question he had, and I'd like
11 to know that answer.

12 COMMISSIONER JACOBS: Excuse me. If you want to
13 speak, we need you to come to the microphones for purposes
14 of the record.

15 UNIDENTIFIED SPEAKER: He asked a question.
16 Please, answer it.

17 COMMISSIONER JACOBS: Let me state then, it's
18 stated in the audience that they wanted to get -- the
19 members, I assume, of your association, Mr. McMahon, in
20 the audience wanted to get copies of the questions --
21 answers to those questions; is that correct?

22 UNIDENTIFIED SPEAKER: Correct.

23 MR. McMAHON: If I may make a suggestion. Let
24 me make a suggestion.

25 COMMISSIONER JACOBS: Sure.

1 MR. McMAHON: If you folks will meet with me
2 after this meeting and give me your names and addresses, I
3 will be certain to send you a copy of the letter I
4 receive.

5 UNIDENTIFIED SPEAKER: You got it.

6 MR. McMAHON: Okay?

7 COMMISSIONER JACOBS: Or you can give us those
8 names and addresses, and we'd send to it them, however
9 you'd like.

10 MR. McMAHON: Whichever way you prefer.

11 COMMISSIONER JACOBS: Okay.

12 MR. McMAHON: You're the PSC.

13 COMMISSIONER JACOBS: I'll let the Staff tell
14 you their preferred route.

15 MR. McMAHON: Okay, that's fine.

16 COMMISSIONER JACOBS: Does that meet your
17 agreement? Great, thank you.

18 MR. McMAHON: Now, I take it that at some point
19 in time, Aloha decided that due to the new building in the
20 area, the Seven Springs area, they needed this plant
21 built. And someone planned it and designed it and it was
22 built. My next question is why does it now need
23 rehabilitation, renovation, improvement, or call it what
24 you may, and how old is this facility?

25 COMMISSIONER JACOBS: Well, I'll gave you an

1 answer to that, since it happens to be here before us.

2 There were some requirements for upgrades that
3 came about, and the exact rationale and the reason behind
4 those improvements is an issue in this case. In the
5 company's petition, the justification is that certain
6 requirements from the Department of Environmental
7 Protection, which is the environmental oversight agency in
8 the state of Florida, they were required, pursuant to
9 certain purported violations of those rules, to upgrade
10 certain parts of their system. And so, that was the
11 genesis, if you will, of many of the upgrades that we're
12 seeing today. Not all, but many of them.

13 MR. McMAHON: So, if I understand it correctly,
14 the EPA said to Aloha, your system is not up to standard.
15 You have to improve it by making these changes; is that
16 correct?

17 COMMISSIONER JACOBS: I think, that's a fair
18 statement.

19 MR. McMAHON: Fair statement?

20 COMMISSIONER JACOBS: Yes.

21 MR. McMAHON: And, of course, the cost of those
22 improvements is passed on to the customer.

23 COMMISSIONER JACOBS: That's an issue in the
24 case. That has not been -- that has been requested by the
25 company, but that's an issue in the case that will be

1 resolved.

2 MR. McMAHON: And Aloha owns these facilities.
3 So, if they improve them, it is a benefit to Aloha in that
4 it raises the value of these facilities; is that correct?

5 COMMISSIONER JACOBS: I can't answer that, but I
6 think you could take a logical conclusion.

7 MR. McMAHON: And Aloha, of course, pays taxes,
8 as we all do. And I'm sure, that there's a certain amount
9 of depreciation and credits for depreciation concerning
10 their taxes. So, while we pay for it now, we do not
11 benefit from their tax credit for depreciation. I
12 believe, the Public Service Commission should take a very
13 serious look at that factor.

14 In addition to that said, we have in this
15 country a cost-of-living index and an inflation index.
16 I'm going to use a round number of 3%, which is
17 approximately what it's been running these last several
18 years; yet, I have a utility here who comes down the pike
19 and says we want 57%. I cannot put those two numbers
20 together.

21 We heard from people tonight who are retired on
22 fixed incomes. They get a 3% cost-of-living increase on
23 their Social Security and a 57% increase on their sewer
24 bill. That's unjustified, and it's unconscionable. And
25 that's all I have to say.

1 Thank you.

2 COMMISSIONER JACOBS: Any questions? Staff?

3 Very well.

4 If I'm not mistaken, that completes the
5 customers who had requested to testify. You don't have
6 anyone else, Mr. Burgess, do you?

7 MR. BURGESS: I sure don't.

8 COMMISSIONER JACOBS: Well, thank you very much
9 for your participation tonight. I can guarantee you we've
10 heard what you've said. And I appreciate you all coming
11 out tonight.

12 And with that, we will recess until 9:00 a.m.
13 tomorrow morning. We'll reconvene here to continue
14 Mr. Larkin's testimony.

15 (Transcript continues in sequence in Volume 4.)

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1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTERS
3 COUNTY OF LEON)

4 We, KORETTA E. STANFORD, RPR, and TRICIA
5 DeMARTE, Official Commission Reporters,

6 DO HEREBY CERTIFY that the Hearing in Docket No.
7 991643-SU was heard by the Florida Public Service
8 Commission at the time and place herein stated; it is
9 further

10 CERTIFIED that we stenographically reported the
11 said proceedings; that the same has been transcribed under
12 our direct supervision; and that this transcript,
13 consisting of 87 pages, Volume 3, constitutes a true
14 transcription of our notes of said proceedings.

15 DATED THIS 16TH DAY OF OCTOBER, 2000.

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