

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 010503-WU

In the Matter of

APPLICATION FOR INCREASE IN
WATER RATES FOR SEVEN SPRINGS
SYSTEM IN PASCO COUNTY BY
ALOHA UTILITIES, INC.

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VOLUME 1

Pages 1 through 196

PROCEEDINGS: NEW PORT RICHEY, FLORIDA, SERVICE HEARING

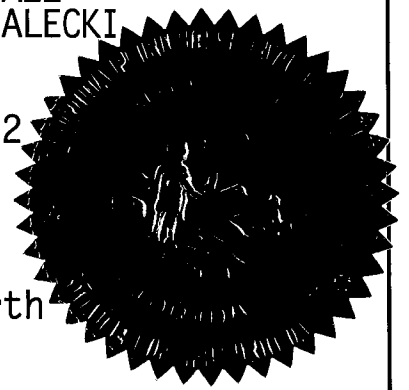
BEFORE: CHAIRMAN LILA A. JABER
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER MICHAEL A. PALECKI

DATE: Wednesday, January 9, 2002

TIME: Commenced at 10:10 a.m.

PLACE: Clarion Hotel
5316 U. S. Highway 19 North
New Port Richey, Florida

REPORTED BY: TRICIA DeMARTE
LINDA BOLES, RPR
Official FPSC Reporters



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4 Florida 32301, appearing on behalf of Aloha Utilities, Inc.

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7 Florida Water Management District (SWFWMD).

8 STEPHEN C. BURGESS, Office of Public Counsel, 111
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11 REPRESENTATIVE MIKE FASANO, 8217 Massachusetts
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13 EDWARD WOOD, 1043 Daleside Drive, New Port Richey,
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15 RALPH R. JAEGER and LORENA ESPINOZA, Florida Public
16 Service Commission, Division of Legal Services, 2540 Shumard
17 Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on
18 behalf of the Commission Staff.

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P R O C E E D I N G S

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2 CHAIRMAN JABER: All right. We're going to call this
3 hearing to order. Just as custom in PSC proceedings, this is a
4 formal legal proceeding, so I'm going to ask our Staff counsel
5 to read the notice, and then we'll take appearances from the
6 parties so you all know who they are, and then I'm going to
7 introduce my fellow Commissioners and walk you through the
8 procedure in this case.

9 And with that, Ralph, go ahead and read the notice.

10 MR. JAEGER: Yes, Chairman Jaber. Pursuant to notice
11 of hearing issued December 13th, 2001, this time and place has
12 been scheduled for formal hearing in the application for
13 increase in water rates for the Seven Springs water system in
14 Pasco County by Aloha Utilities, Inc. Specifically, 10:00 a.m.
15 and 6:00 p.m. today have been set aside for customers to
16 present their testimony; moreover, January 10th and 11th have
17 also been reserved for the technical portion of the hearing.

18 CHAIRMAN JABER: Okay. Let's take appearances.
19 Mr. Wharton.

20 MR. DETERDING: F. Marshall Deterding and John L.
21 Wharton of the law firm of Rose, Sundstrom & Bentley here on
22 behalf of Aloha Utilities, Inc.

23 MS. LYTLE: I'm Margaret Lytle. I'm counsel for the
24 Southwest Florida Water Management District who is an
25 Intervenor in this case.

1 MR. FASANO: I'm Mike Fasano, a State representative
2 from the Pasco County area, also a customer of Aloha Utilities.

3 MR. BURGESS: Commissioner, my name is Steve Burgess.
4 I'm here for the Office of the Public Counsel representing the
5 Citizens of the State of Florida.

6 CHAIRMAN JABER: Thank you. And I'm Lila Jaber. I'm
7 the Chairman of the Florida Public Service Commission. And the
8 panel that will be deciding this case is a three-member panel
9 that you see here today. We have Commissioner Braulio Baez.

10 COMMISSIONER BAEZ: Good morning.

11 CHAIRMAN JABER: And Commissioner Michael Palecki.

12 COMMISSIONER PALECKI: Good morning.

13 CHAIRMAN JABER: You need to know that the three of
14 us have made the commitment, as you would expect, to be here as
15 long as it takes to hear from the customers of this utility.
16 We very much want to hear from you. We have some Staff here as
17 well that I'd like to introduce. Ralph Jaeger is the attorney
18 that represents Commission Staff. Lorena Espinoza is also an
19 attorney that represents the Commission Staff. Marshall Willis
20 is on Staff. He's our lead manager with oversight over this
21 case. Mike Wetherington is one of our engineers.
22 Paul Stallcup is a witness in this case. He's one of our
23 economists. I'm sure there's some title that I should know,
24 and I don't. Connie Kummer and Jenny Lingo are here in the
25 back. We are all here to answer your questions.

1 You don't have to feel like you need to speak
2 formally today. If you want to come up to any of us during the
3 break, please feel free to do that. If you want to take our
4 cards and phone numbers and e-mail addresses and call us back,
5 please feel free to do that. There are some other folks here I
6 need to introduce you to. Harold McLean is our general
7 counsel, and he wanted to make sure that you knew he was here.
8 Kevin Neal is our new legislative affairs director at the PSC,
9 and next to him is Ignacio Ortiz. He is Commissioner Baez's
10 aide. And next to him is Sandy Moses. You probably saw her
11 when you were coming in. She was helping with the technical
12 part of the hearing. Bev DeMello and Dick Durbin from our
13 consumer affairs staff; Richard Tudor.

14 I point these people out to you because we wanted to
15 make sure we had enough people here to look at your bills,
16 answer as many questions as you have, so please take advantage
17 of that. And if I've forgotten any of our Staff people, I
18 apologize.

19 I want to tell you a little bit about the proceeding
20 today. Aloha Utilities has asked for a rate increase for its
21 water system. It is the Seven Springs water system that they
22 are seeking a rate increase for. So if you're here for Aloha
23 Gardens, you need to know you are not affected by the potential
24 rate increase. The word "potential" is very important because
25 this is a proceeding on the request for a rate increase. It

1 does not mean that the Commission will grant the rate increase
2 in any portion, in its entirety or any portion of that. That's
3 why your testimony here today is very important to us.

4 You need to also know that because this is a formal
5 proceeding I will ask those customers that wish to speak to
6 stand up in a minute and allow me to swear you in for the
7 testimony part of the proceeding. You need to know that when
8 you testify, this is not a bad thing to have parties ask you
9 questions. If it's Commission Staff, they are asking you
10 questions because we have directed them to make sure that this
11 record is fully developed. So if you say, you know, the water
12 that comes out of our faucet has an odor to it, please do not
13 be taken back by the question, what does it smell like?
14 There's a reason for that. If it has a rotten egg smell, that
15 leads us to believe it's one thing, that there's a cause for
16 it, and we know the cause based on the odor. So please don't
17 think any of the questions are sarcastic. We really are trying
18 to get to the heart of the problem. The same would be true if
19 Public Counsel or the utility or Representative Fasano asks you
20 a question. They are all trying to get the heart of the
21 problem.

22 This proceeding is only as good as the feedback and
23 the testimony that we receive, so it is my direction to our
24 Staff and to the parties that this proceeding be handled
25 professionally. And as customers testify, I would also ask the

1 people in the audience to respect their testimony and let them
2 have the opportunity to speak clearly and alone so that the
3 court reporter takes their testimony. Sometimes in the
4 audience our tendency is to agree publicly with them, and the
5 court reporter then misses their testimony.

6 I don't think I have forgotten anything, Public
7 Counsel. Public Counsel is maintaining the list of people who
8 have signed up to speak. This blue sheet you received tells
9 you a little bit more about the proceeding. For those of you
10 who do not wish to testify today, there is a page on the very
11 back of this that allows customers to submit their comments in
12 writing. So feel free to fill that out today. Make sure that
13 one of us has it. It will go into the docket for this
14 proceeding, and don't forget e-mail. I personally e-mail you
15 back. So if you would like to e-mail me, our e-mail addresses
16 are on our Web site, and our Web site is listed on this sheet.
17 It's psc.state.fl.us.

18 With that, we'll get started. Those customers who
19 wish to testify, please stand up and raise your right hand.

20 (Witnesses collectively sworn.)

21 CHAIRMAN JABER: Thank you. Mr. Burgess, call your
22 first witness.

23 MR. BURGESS: Commissioner --

24 CHAIRMAN JABER: Let me ask the parties, do you wish
25 to do the opening statements before the customers testify? I

1 don't know if you discussed that with the Prehearing Officer.
2 I know you had requested ten minutes of opening statements each
3 side.

4 MR. BURGESS: Commissioner, from our standpoint, it
5 really doesn't matter, whichever you think would be the most
6 expedient. Representative Fasano, who is a party to the case,
7 has indicated that what he would do is, his comments would all
8 be incorporated into the testimony that he's going to be
9 presenting. So it's all one presentation from his standpoint.

10 As to the other parties --

11 CHAIRMAN JABER: Well, I think for the customers'
12 convenience, we want to make sure we move that process along
13 quickly, so let us hear from the customers and -- for their
14 convenience. If they would like to leave after their
15 testimony, they're welcome to do that. If they would like to
16 stay and hear the opening statements, they are certainly
17 welcome to do that.

18 So, Mr. Burgess, go ahead and call your
19 first witness.

20 MR. BURGESS: Commissioner, Madam Chair, for the
21 first witness, Representative Fasano as a party to the case and
22 as a customer of Aloha, we would call first to the witness
23 stand.

24 Representative Fasano, if you would, begin by again
25 stating your name and address and as well whether you've been

1 sworn for the record.

2 MIKE FASANO

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

5 DIRECT STATEMENT

6 MR. FASANO: Thank you, sir. My name is Mike Fasano,
7 4705 Tiboron Drive, New Port Richey, Heritage Lakes, and I have
8 been duly sworn in. Good morning, Commissioners. I've been a
9 customer of Aloha Utilities since 1993. Forgive me for not
10 being able to stay and attend all the hearing scheduled for the
11 next three days, but the Florida House of Representatives is
12 meeting in the Capitol for its final week of interim committee
13 meetings prior to the start of a legislative session. And I
14 flew from Tallahassee this morning for the expressed purpose of
15 addressing you today, and let me tell you, it's colder in
16 Tallahassee.

17 Commissioners, I want to thank you and your Staff for
18 the taking the time to come to Pasco County today to once again
19 hear firsthand just how difficult it is to be an Aloha
20 Utilities' customer. It is a rare opportunity for our local
21 citizens to address you directly. I know I speak for all those
22 who will come before you in the coming days when I say, your
23 willingness to serve the people of Florida is truly
24 appreciated.

25 Although I'm a customer of Aloha Utilities, I'm also

1 in the unique position of being a state legislator who
2 represents most, if not all, of the geographic areas served by
3 Aloha in its Seven Springs service delivery area. During my
4 time in office, finding a solution to the ongoing problems
5 facing Aloha's customers, my constituents, has become one of my
6 top priorities. Because of the dual role that I play, I choose
7 to be an Intervenor in this case as well.

8 Shortly after my election as a state representative,
9 I began to receive phone calls from constituents who are
10 customers of Aloha Utilities. I learned very quickly that the
11 problems with this utility company was not isolated to just a
12 few homes scattered around the servicing delivery area. What
13 struck me was not only the number of complaints I began to
14 receive but the severity of the problems these people were
15 experiencing. Those problems were many and varied. From
16 relatively simple complaints of lower water pressure to
17 horrendous reports of black, foul smelling water gushing from
18 their taps, my office, my staff was inundated with calls and
19 letters from unhappy Aloha customers.

20 There's no rhyme or reason to the black water
21 incidents. Day or night, summer or winter, the black water
22 appears. Sometimes it shows up in customers' washing machines
23 as clothes are being rinsed. I've been even told that it will
24 show itself in the middle of a child's evening bath. Like a
25 specter, it appears at the most inopportune times and without

1 apparent cause. Aloha's usual response has been that the
2 problem is the customers' alone. Equally frustrating as the
3 poor water is to the customers, the defensive attitude and lack
4 of helpfulness from Aloha's staff.

5 We are here today, Commissioners, we're here today
6 because Aloha Utilities has filed a request to have its
7 drinking water rates increased a significant, a significant
8 amount. The basis for this argument in favor of the increase
9 is the fact that it must purchase more water to supply its
10 customers as has been well documented and has been attested to
11 by the fact that the Southwest Florida Water Management
12 District has become an Intervenor in this case, which I'm very
13 pleased to know. Aloha has illegally pumped more water than it
14 was permitted to from the ground wells. Let me say that.
15 Aloha has illegally pumped water from its wells than it was
16 permitted to.

17 SWFWMD has fined Aloha a huge amount of money for
18 this continued violation. If Aloha has acted in a legal manner
19 regarding its underground pumping and if Aloha had made greater
20 efforts to supply clean drinking water, perhaps they would not
21 be facing the enormous sanctions that it is before them today.
22 And may I add also that this is not the first time that Aloha
23 has been in trouble with a department or an agency, and I'm
24 sure you're aware of that. We're talking DEP and now SWFWMD,
25 and it goes on for years and years prior to today.

1 The Florida Legislature, Commissioners, met in two
2 special sessions to cut nearly \$1.5 billion from the current
3 state budget. These sessions were called in great part because
4 of the events of September 11th, 2001. An already uncertain
5 state economy was shaken by those horrific terrorist acts, and
6 as legislatures we had to bite the bullet, the people in the
7 audience today had to bite the bullet because of the cuts that
8 we had to make to the budgets. Many organizations, both public
9 and private, had to do the same. Ordinary citizens have been
10 directly impacted as well and many of them here in this
11 audience today. At a time when every dollar is precious,
12 especially to those on fixed incomes, an astronomical rate in a
13 basic service such as drinking water is both an undue burden
14 and a hardship.

15 Time and time again, I have advocated for
16 alternatives to increasing water rates, namely, by increasing
17 impact fees, but Aloha has repeatedly balked. Instead of
18 pursuing options other than raising rates, Aloha in the very
19 difficult fiscal is trying to double the water rates paid by
20 its customers. And again, shortly ago, about a month ago, I
21 came before you and asked you to please consider not to put the
22 burden on the present customers who are sitting in this
23 audience today, but if Aloha is going to be -- Aloha wants a
24 rate increase and needs to fix their filthy water problems, it
25 should be put on those who are causing the problems and that is

1 the growth in the area, not the present customer. The present
2 customer, those who are sitting in the audience today, have
3 paid and have paid for many years, and now Aloha wants to force
4 them to pay even more because of the problems that they created
5 and those who are joining in that community in the Seven
6 Springs area.

7 On November 6th, I spoke before the Public Service
8 Commission in Tallahassee to advocate Aloha's attempts for an
9 interim rate increase in the case we are discussing today. The
10 arguments I made that day are just as valid now, if not more
11 so, because two months later customers continued to receive
12 black water. They received black water at the time of the last
13 public hearing in March of 2000, at the time of the public
14 hearing held in September of 1996 and for years before that.

15 Nothing has occurred to make anyone expect that the
16 situation -- to change at anytime in the near future. Nothing
17 of any real value has been done to force Aloha to do anything
18 to correct whatever is causing the black water problem. Aloha
19 may say that things are getting better, but I'll bet that the
20 people standing and sitting behind us today have a different
21 story to tell you, and I know that they will over the next few
22 days.

23 Since Aloha has the sole privilege of providing water
24 service to these customers, there appears to be an incentive
25 other than common decency, which it's sorely lacking, for the

1 utility to clean up its act. These customers are captive to a
2 monopoly that has little consideration for its sole source of
3 income. And that is why we come to you today, Commissioners.

4 Commissioners, you and you alone have power to
5 intervene and make things right for these customers. And as I
6 pleaded with you in Tallahassee, I plead with you today to take
7 action, not to allow them to have that rate increase until they
8 clean up their act. Commissioners, I won't recount all the
9 events of the past several years regarding this utility. If I
10 did, we would all be here for quite some time, and I know that
11 there are others who wish to speak. But I do feel that it is
12 important to mention just a few highlights of the sad and
13 seemingly never-ending problem.

14 The members of the Commission more than anyone else
15 in the government should be aware of the problem facing Aloha's
16 customers. In September of 1996, this august body saw
17 the physical presence of over 1,000 customers who personally
18 came out to protest a rate increase requested by Aloha. The
19 testimony of the 50-plus people who spoke and the dozens of
20 jugs of black discolored water spoke for all who came out to
21 make their opposition known. I believed at that time and did
22 most people in attendance, I'm sure, that the evidence spoke
23 for itself.

24 A similar hearing was held in this very location on
25 March 2000. Staff and Commissioners who were in attendance may

1 recall the hundreds, hundreds of dissatisfied customers who
2 spoke out against Aloha during that hearing echoing the
3 complaints afore year previously. The impact of the black
4 water problem on Pasco County's economic development was ably
5 illustrated by Mr. Steve Day who testified before the
6 Commission about the problems his then named company Well Built
7 was experiencing. It has now been nearly two years since the
8 March of 2000 public hearing, and one can only ask, what has
9 happened? What has changed? In the end, nothing,
10 Commissioners.

11 Following the 1996 hearing, Aloha submitted a
12 proposal to fix the black water problem but only because it was
13 ordered to by the Commission. Isn't that sad? They had to be
14 ordered to fix their black problem. That proposal came with a
15 price tag of \$10 million, a price tag that Aloha believed
16 should be paid by the customer. That \$10 million translates
17 into a nearly 400 percent increase in rates for every customer
18 in the Seven Springs servicing area. It was then and still is
19 today an absurd burden that no customer should ever have to
20 bear. With great wisdom, the Commission chose to heed the
21 protest of Aloha customers and continue to investigate the
22 black water.

23 As you all know, the survey that was developed and
24 sent to Aloha customers resulted in an unprecedented response
25 by over 3,700. 3,700 customers responded to your survey.

1 Aloha Utilities took complaints expressed in those survey
2 responses. The customers were very eloquent in expressing
3 their displeasure with the rotten egg smelling water, the
4 black, brown, and other strange colors of the water, the poor
5 service and other problems communicated in dealing with Aloha.

6 As a follow-up to the survey, I had the honor nearly
7 four years ago of accompanying then Commissioner Susan Clark
8 and Julia Johnson on a tour of several customer homes to see
9 firsthand the disgusting water and its aftermath that it
10 received by people who pay their good hard-earned money for a
11 product that is bad and is of no value. The stories of black
12 water spewing forth when babies were being washed in the
13 sink/shower, water turning black in the middle of bathing and
14 other equally disturbing accounts shared were enough to turn
15 over collective stomachs.

16 But to me, Commissioners, a picture that was snapped
17 by a newsreporter summarized the entire tour. The photograph
18 of Mr. Watford opening up a fire hydrant which subsequently
19 spewed discolored water for several minutes made the front page
20 of the St. Petersburg Times and became the symbol, the symbol
21 of all that is wrong with this utility company. Nothing to me
22 could communicate the repeated denials of Aloha and the stark
23 reality of life of thousands of Aloha customers than that photo
24 did in that newspaper the next morning.

25 As that Commissioners well know, following the last

1 public hearing, Aloha did undertake a pilot program to attempt
2 to address the black water problem. Aloha once again only
3 acted because the Public Service Commission forced it to. You
4 forced them to do that. What was the outcome of that pilot
5 project? As the Office of Public Counsel stated in its
6 prehearing statement, quote, this project has essentially been
7 suspended, unquote. What is suspended because a solution to
8 the black water problem had been found? If so, what is the
9 answer? It's obviously not been implemented because the
10 problem is still there, Commissioners.

11 While I have no idea how many people appear before
12 you today during this series of hearings, I imagine that you
13 will have the opportunity to see and hear for yourself that the
14 water quality issues with Aloha Utilities, despite whatever the
15 company may say, have not been resolved. They have not been,
16 and you'll find out when people come and testify before you
17 today and this evening. I could only look at the crowd
18 assembled here before you and suggest that you should expect to
19 hear many complaints that are well-founded and documented.
20 Undoubtedly, jugs of dirty water will be presented and perhaps
21 clogged water filters and other physical evidence of Aloha's
22 product will be brought forth. Do not discount anything that
23 you see and hear. Please, don't discount anything.

24 I have seen with my own eyes the horrendous water
25 that is delivered to these people's homes. I've had the phone

1 calls from mothers who are crying because they have to bathe
2 their children in dirty, filthy water in the morning. Sadly,
3 this is water that can come from no other company than Aloha
4 Utilities. I could come before you with copies of all the
5 correspondence my office has received complaining about Aloha
6 Utilities. I could tote the boxes of case notes and documents
7 my staff and I have collected over the past few years and dump
8 them on the table before you. I have chosen not to because I
9 believe the words of the people themselves will impress you
10 more than reams and reams of paper that I could deliver to you
11 this morning. At the request of Aloha's legal counsel last
12 year, the company has already had the opportunity to review
13 those documents, so there is nothing they don't know already.
14 If they claim ignorance, it's only because they choose to be
15 ignorant.

16 Black water aside, I would like to discuss Aloha's
17 efforts to intimidate -- intimidates its customers by trying to
18 frighten them into not participating in the legal process of
19 which today is yet another part. In my hand, Commissioners, is
20 a copy of letters that Aloha Utilities distributed to its
21 customers early last year. And the letter signed by Aloha's
22 president, Stephen G. Watford, the customers have been told
23 that if I, I pursued an appeal regarding the decision of the
24 Florida Public Service Commission made pertaining to
25 wastewater, the process would, and I quote, potentially take

1 many months and require Aloha to expend hundreds, hundreds of
2 thousands of dollars to comply with the appeal process, all of
3 which costs will ultimately have to be incorporated in further
4 increases in the customers' rates, unquote.

5 As soon as I saw this letter, I rapidly wrote to the
6 Public Service Commission on February 2nd, 2001, to both bring
7 this blatant attempt as intimidation to your attention as well
8 as to ask for an opinion of any possible deception on Aloha's
9 part. A response from your office attorney dated
10 February 14th, 2001, was written, and it shocked me nearly as
11 much as the original letter from Mr. Watford. In the Staff's
12 reply, it was indicated in a nutshell that Aloha's claims of
13 potential legal costs were not so exaggerated as to be
14 deceptive. The subsequent motion for reconsideration that was
15 filed in that wastewater case was defended by Aloha for a total
16 cost of \$12,100 in legal costs, only half of which was allowed
17 by the Commission. I find it hard, I find it hard to believe
18 that the Commission Staff could agree with Aloha's outrageous
19 claim that an appeal could cost hundreds of thousands of
20 dollars when the total cost in the case was \$6,050.

21 Instead of defending Aloha's attempts to frighten its
22 customers from participating in the legal process available to
23 them, the Commission Staff should have come down hard on the
24 utility's actions and future actions when they do this and any
25 other utility company in the State when they try to intimidate

1 a customer in the state of Florida. I was disappointed, to say
2 the least, Commissioners.

3 The crowning insult to the customer came in October
4 of last year when it was revealed by Aloha's accountants that
5 the entire cost of its newsletters are charged back to the
6 customers through the service rates. For the Commission to
7 have allowed Aloha to distribute downright false information in
8 an attempt to scare its customers is, in my opinion, a crime.

9 Instead of Aloha's repeated applications for
10 increases for its water and wastewater services, I have long
11 advocated for increases in Aloha Utilities' impact fees. Back
12 in '96, I suggested to this body that Aloha Utilities needs to
13 increase its impact fees to make them competitive with what
14 Pasco County has. I repeated that call again in March of 2000.
15 To the Commission's credit, it did order a slight increase, a
16 slight -- I think it was \$100 or \$200; still, thousands of
17 dollars less than what is paid as far as an impact fee to Pasco
18 County when a home is built outside of the Aloha servicing
19 area.

20 If those costs had been ordered years ago, I have
21 little doubt that given the phenomenal growth in the Aloha
22 service and delivery area, the revenue generated by the
23 increased fees would surely have offset most, if not much, if
24 not most, of the costs of making the required improvements to
25 Aloha's system without burdening the existing customer. While

1 the revenue lost over the past three years -- past years will
2 never be retained -- regained, I do believe it would be in the
3 existing customers' best interest to place the burden of future
4 customers on those very same customers.

5 If Aloha's impact fees would be raised to a level
6 competitive with those charged by surrounding Pasco County
7 utilities, then the need for the rate increase application
8 before you today, and perhaps future ones, would probably
9 diminish and wouldn't be before -- we wouldn't be here today.

10 Through the hearing process, through correspondence
11 with the Commission, through the involvement of as many
12 agencies as possible, I have tried to not only bring these
13 problems to your attention, I have tried to find solutions. By
14 the Commission's own admission, there are unresolved problems
15 with Aloha Utilities. The people gathered here today will
16 attempt to share their individual situation as well. Please
17 listen to them, and I know you will. And please remember that
18 the same stories were told two years ago and four years ago.

19 I hope you share my disappointment in learning that
20 nothing, nothing much has changed since then. As you know,
21 Aloha is a legal monopoly, a legal monopoly. Because of the
22 unique position the utility has over its customers, they unlike
23 in the free market have nowhere else to go. To allow a company
24 that has been engaged in both illegal overpumping and the
25 wanton distribution of foul, disgusting water is an outrage.

1 It is unconscionable that a publicly funded agency can
2 acknowledge that there is a problem and yet takes no action to
3 address that problem.

4 Commissioners, please listen to the people who follow
5 me. Please do not accept Aloha Utilities' endless innocence.
6 Commissioners, like you, I am a public servant. I have
7 committed myself to being a bridge between constituents and
8 their state government. You are part of that government.
9 Please do not turn your backs on these people today. You are
10 their last hope.

11 Commissioners, Aloha Utilities, the company that I
12 have been fighting with since I've gotten elected and the
13 people who sit in this audience who have been fighting them
14 since they have moved into the servicing area, is an ongoing
15 battle with a company who doesn't care about its customers, who
16 cares only about their pocketbook. Commissioners, they are
17 asking for an outrageous rate increase today. I don't usually
18 beg, but I did in Tallahassee when I asked you not to allow
19 them to have the interim rate increase of 15 percent, but I
20 come to you today and I beg to you to please not grant them
21 that increase.

22 Commissioners, people are getting dirty water. You
23 know, the argument always was that it was a wastewater rate
24 increase; therefore, the black, dirty, smelly water and the
25 poor service couldn't be taken into account. Well, today,

1 Aloha comes to you for a water rate increase of over
2 55 percent, and yet, they are delivering to people in this
3 audience smelly, foul odor, dirty black water and poor service.
4 And you will hear from those people, and I can assure you, they
5 are not here today for any other reason, but they don't want to
6 pay that huge increase. You will hear from people in the
7 audience today who are on fixed incomes, retirees, people who
8 are on Social Security, and their increase in their Social
9 Security check, if they're lucky, raises a point, a point and a
10 half, or two percentage points, but Aloha is asking for a
11 55 percent rate increase. Ask them how they will be able to
12 afford that as other soar, pharmaceutical costs, food,
13 gasoline.

14 I don't know what more to do. I don't know how else
15 to express how we are feeling today, but I hope that you will
16 not grant this increase, that you will tell Aloha, get your act
17 together; come back another day, another time. Thank you for
18 allowing me to come here today. God bless you.

19 CHAIRMAN JABER: Representative Fasano, I want to
20 personally thank you, but I also want to state on the record
21 just in case there are customers who don't know how active you
22 are and how you have tirelessly given us feedback and Public
23 Counsel feedback and worked diligently both at the PSC and at
24 the legislature to help with a solution, and I want to commend
25 you for that.

1 MR. FASANO: Thank you.

2 CHAIRMAN JABER: I want to also tell you that you
3 know we share that commitment --

4 MR. FASANO: Thank you.

5 CHAIRMAN JABER: -- and we are also working
6 diligently.

7 Are there any questions for Representative Fasano?

8 COMMISSIONER PALECKI: I have one question for the
9 Representative. Mike Palecki.

10 MR. FASANO: Oh, sorry, sir.

11 COMMISSIONER PALECKI: It's my understanding that in
12 Pasco County we have a situation where water is a very precious
13 resource, and conservation is very important. Is the black
14 water problem actually aggravating or causing a difficulty for
15 the consumer to conserve?

16 MR. FASANO: Absolutely. And I think that's a great
17 question, Commissioner. To think that we have customers and I
18 have constituents -- or Aloha has customers, you and I have
19 constituents that turn their taps on in the morning and have to
20 let the water run until it clears out, I think right there that
21 tells you that the waste of water that's going down the drain,
22 the wasted water -- it tells you right off the bat that we are
23 not conserving to the best of our ability when we're having to
24 turn our faucets on and allow the black water to drain out
25 before we get clear drinking water or water to even be able to

1 bathe in.

2 COMMISSIONER PALECKI: Thank you.

3 CHAIRMAN JABER: Representative Fasano, just for your
4 information, the Water Management District and DEP have both
5 testified in this case, and you know that all the parties will
6 be asking them questions to make sure that this record is fully
7 developed. But again, I thank you, and I thank you for being
8 here today.

9 MR. FASANO: Thank you. I think -- I'm sure that
10 Mr. Deterding has some questions for me.

11 CHAIRMAN JABER: Mr. Deterding.

12 MR. DETERDING: Yes. Thank you very much.

13 CROSS EXAMINATION

14 BY MR. DETERDING:

15 Q Good morning, Representative Fasano.

16 A Good morning, Mr. Deterding. How are you this
17 morning?

18 Q Good. I wanted to ask you a few questions about your
19 comments. You said that the utility has had problems in the
20 past with DEP. Isn't it true this utility has not been fined
21 or cited for any violations related to its delivery of water to
22 its customers?

23 A They were not -- to my -- I don't know whether they
24 would have been fined or not. I do know this, and in fact, it
25 was Steve Watford that came to my office and told me they were

1 having problems with DEP when I first got elected. He came to
2 my office and told me that DEP was forcing them to no longer be
3 able to use their perc ponds. In fact, after investigation, I
4 found out that they were told by -- or he and Aloha was told by
5 DEP for quite a while, to the point where they were almost
6 being forced by a court to have to close their perc ponds
7 because of the overflow. This is typical of Aloha, waiting and
8 waiting and waiting to the last minute until they're forced,
9 until they're demanded, until there's a court order, until
10 there's almost a fine, or in SWFWMD's case, there is a fine,
11 before they take action. And because of that, they are a poor
12 utility company.

13 Q Has there been any allegation -- I don't believe
14 you've answered my question. Has there been any allegation --

15 A Commissioner, I believe I have.

16 Q Has there been any allegation, Representative Fasano,
17 that this utility has violated any of the drinking water
18 standards from the DEP? I apologize if you misunderstood my
19 question.

20 A I cannot answer that question. You'll have to answer
21 that with DEP and ask them. And I'm sure they may have
22 testified to that. I don't know.

23 Q You don't know of any --

24 CHAIRMAN JABER: Mr. Deterding, the answer to the
25 question is "I don't know."

1 MR. DETERDING: Okay. Thank you, Commissioner.

2 BY MR. DETERDING:

3 Q You stated that Aloha bought --

4 A I will say, though, Mr. Deterding, and I appreciate
5 that, but I guess the answer to that would be -- is that unless
6 someone from DEP or another agency were to live in the Aloha
7 servicing area and have to deal with that water like the people
8 do sitting behind you and facing me, I guess until you have
9 actually had to live in the servicing area, you cannot
10 appreciate the problems that these people go through.

11 Q Well, Representative Fasano, didn't this Commission
12 undertake the most exhaustive investigation of water quality of
13 a utility it regulates at your urging and at the urging of the
14 Commissioners to investigate the problems you've cited?

15 A Well, I don't know how exhausting it was, but I know
16 that they did investigate it.

17 Q For approximately five years; correct?

18 A It might even go back farther than that because Aloha
19 has been servicing that area poorly probably beyond five years.

20 Q Okay. You stated that Aloha balked at the idea of
21 increased impact fees. Isn't it true Aloha has never once
22 balked at the --

23 A That is not true. That is not true. In fact, you
24 were forced by the Commission to have to increase. In fact,
25 you were told by the Commission -- Aloha was told by the

1 Commission to go ahead and file the necessary paperwork in
2 order to get an increase.

3 Let me ask you, Mr. Deterding, has Aloha ever come
4 before the Commission and asked for a rate increase on impact
5 fees?

6 Q Yes, they have.

7 A When?

8 Q The filing that --

9 A Because they were told to by the Commission; is that
10 correct?

11 Q Mr. Fasano --

12 A Is that correct?

13 Q -- I'm asking the questions.

14 A So you won't answer it.

15 Q I'm not a witness; I'm not sworn.

16 Are you familiar with the underlying requirements for
17 seeking an increase in impact fees before this Commission?

18 A I don't know the entire amount of paperwork or
19 bureaucracy that goes into -- bureaucratic red tape that goes
20 into it. I do know that, though, however, had a rate increase
21 been requested many, many years ago, that I'm sure it would
22 have been granted by now.

23 Q You are not familiar with the rules underlying the
24 standards for establishing impact fees?

25 A No, I'm not.

1 Q So you don't know whether it would have been granted
2 if they had sought it, do you?

3 A Of course we don't know whether it would have been
4 granted or not, but it was never asked for. So how would we
5 ever find out?

6 Q And if the rules specifically suggests that the
7 utility would not be entitled to such rate increase, you still
8 think they should have sought one?

9 A I think that Aloha should have tried to solve the
10 problems they were facing when they faced those problems many
11 years ago. They ignored them until the point where they were
12 forced to have to take action, and at that point, it was going
13 to put the burden on the existing customer, which I think was
14 wrong.

15 Q But you think they should have sought an increase in
16 impact fees even if the Commission's rules and standards
17 suggest that they would not be entitled to one?

18 A Well, I don't know what their rules and standards
19 are, but I would hope that Aloha would have sought some way to
20 put the burden on the future customer, not the existing one. A
21 good company usually does that.

22 Q Now, you participated in this water quality
23 investigation extensively, did you not?

24 A Well, not extensively. I met with, as I testified,
25 two Commissioners and toured some of the homes. Of course my

1 staff and I have kept -- tried to the best of our ability
2 abreast as to what was going on.

3 Q Did you attend the technical portions of those
4 hearings?

5 A I did not attend them, no.

6 Q Okay. Are you aware that the --

7 A And I apologize, I may have listened in on conference
8 calls. There have been dozens of meetings and conference calls
9 that I have listened to or attended in the last several years,
10 so I can't tell you exactly if I attended some of the technical
11 hearings or participated in them.

12 Q Are you aware that the regulator of water quality
13 testified at those hearings that the utility was in conformance
14 with all applicable standards?

15 A I've heard that that was so, yes, but I will tell you
16 that the people behind you will tell you that's not so.

17 Q Are you aware that Aloha specifically agreed that it
18 would implement a plan to increase its treatment of its water
19 approximately four years ago?

20 A I know that Aloha made several requests -- or several
21 statements that they would go ahead and try and rectify the
22 problem. But as you can and you will find out shortly that the
23 problem hasn't been solved.

24 Q You've expressed a concern with the quality of water
25 delivered. You mentioned that you were on the tour of

1 customers' homes --

2 A Yes.

3 Q -- several years ago when the Commissioners went
4 along.

5 A Yes.

6 Q Those were customers that were selected by you and by
7 the Office of Public Counsel, were they not?

8 A I don't know if they were selected directly by me. I
9 think it was a combination of -- you'd have to ask the Staff.
10 I cannot recall, but they were selected, I think, by two or
11 three people, whether it be myself and along with the PSC and
12 Public Counsel, maybe even your office got involved, I just
13 don't know.

14 Q Isn't it true that at each of those locations the
15 utility drew water from the point of connection --

16 A Yes.

17 Q -- to the customer's home and that that water was
18 clean and clear?

19 A Sure. But isn't it true, though, Mr. Deterding, that
20 each one of those customers that we went to to open up those
21 valves, just a day or two before that Aloha illegally went on
22 their property and hooked in and put another valve in there?
23 In fact, dug a hole in their ground. In fact, if I remember,
24 Commissioner Johnson was quite upset about that. And that, in
25 fact, we had reports and factual reports that just the day

1 before and all week long Aloha was out there in that same area
2 where we were going to go test those people's homes, they were
3 flushing the lines more than once, several times a day. And
4 then they went onto the properties of those people, the five or
5 six or how many we went to, illegally, in my opinion, and dug a
6 hole and put in a separate valve there so you could tap in
7 prior to the meter without even the permission of the people in
8 their home, without even knocking on their door and telling
9 them that you were going to do that.

10 Q Are you an attorney?

11 A No.

12 Q Have you done an investigation or had an
13 investigation done about whether or not the actions of the
14 utility in establishing that tap are illegal?

15 A No, but I -- I did not. But let me tell you, people
16 buy property, and I'm sure, Mr. Deterding, you own a piece of
17 property, and without somebody knocking on your door and
18 telling you that we're going to need to dig a hole and put a
19 line in here and put a valve in the middle of your lawn because
20 we're going to come and test your water tomorrow, is it okay
21 that we do that, and not even give the person the courtesy to
22 tell them that, I think speaks volumes in how Aloha treats
23 their customers.

24 Q You expressed a concern with the cost of an appeal
25 that was estimated by the utility in a letter to its customers.

1 A Yes.

2 Q Do you know the difference between an appeal and a
3 petition for reconsideration?

4 A I don't. No, I don't. You want to explain it to us?
5 I'm sure it might help me and the customers behind you.

6 Q I'd be glad to, but I don't think this is the time
7 for that, Representative Fasano.

8 A Okay.

9 MR. DETERDING: Commissioners, if you would like me
10 to make that explanation, I'd be glad to do so.

11 CHAIRMAN JABER: Ask --

12 THE WITNESS: Commissioners -- I'm sorry.

13 CHAIRMAN JABER: Ask your question again,
14 Mr. Deterding. Ask your question again.

15 MR. DETERDING: Well, I think I got the answer, he
16 does not know the difference between an appeal and a petition
17 for reconsideration. He suggested I might want to provide that
18 explanation. I'll be glad to do so.

19 CHAIRMAN JABER: Mr. Deterding, rather than -- do it
20 this way. Why don't you let me explain the procedure to the
21 customers at the right time, but let's be professional here.

22 MR. DETERDING: Okay.

23 BY MR. DETERDING:

24 Q And the letter that you referred to that Aloha sent
25 to its customers specifically referred to an appeal, did it

1 not?

2 A I believe so, yes.

3 Q And the costs that you related were related to the
4 costs for a motion for reconsideration, were they not?

5 A In my testimony or in my letter to --

6 Q You stated that there were certain costs that the
7 utility incurred in a petition for reconsideration, did you
8 not?

9 A Yes.

10 Q Not an appeal?

11 A Whatever was in your letter is what I was referring
12 to.

13 Q Well, does the letter refer to an appeal or
14 reconsideration?

15 A Do you have the letter in front of you?

16 Q No, sir, I do not. I thought you did.

17 A Okay. I do. I'll be glad, you know, to find it for
18 you.

19 Q Does it refer to appeal or reconsideration?

20 CHAIRMAN JABER: Representative Fasano, take your
21 time and look for that. I'm going to take this opportunity to
22 just explain a little bit of the legal jargon that's been used.

23 Customers, for your benefit, a petition for
24 reconsideration is something that is filed at the Commission
25 after we make a decision. When one of our orders is issued,

1 companies, consumer advocates, anyone that's affected by the
2 order may seek reconsideration from the Commission of that
3 order. They have to show a mistake of fact or a mistake of
4 law. After our final decision which addresses reconsideration
5 is done, a separate order is issued, and that's the point
6 parties file an appeal. I don't want you to be intimidated by
7 any of the legal jargon, but I want you to understand the
8 exchange that's happening here. So that is an explanation of
9 the difference between reconsideration and an appeal.

10 A I understand that it was an appeal.

11 Q That was referred to by the utility in its letter;
12 correct?

13 A I believe so, yes.

14 Q But you noted in, I believe, your prepared
15 comments --

16 A That it was a reconsideration.

17 Q -- that the costs incurred were for reconsideration.

18 A All right. Then I'll take the word out,
19 "reconsideration," and put in "appeal." The bottom line is,
20 though, Commissioners, and Mr. Deterding, you try to intimidate
21 the Aloha customers by saying that if they would force the
22 issue -- that if Mike Fasano was to force the issue to try and
23 stop a rate increase, that it could cost them possibly hundreds
24 of thousands of dollars, and I think that's intimidation.

25 Q Was there an appeal of that case, to your knowledge?

1 A I don't believe so.

2 Q You mentioned the newsletters that the utility
3 distributes to its customers in your comments.

4 A Yes.

5 Q Isn't it true that the great majority of information
6 provided in those newsletters is about issues such as
7 conservation and to inform the customers of the things that are
8 ongoing with the utility?

9 A Oh, I get one of those newsletters because I'm a
10 customer, and they have some interesting information in there.
11 I know when Mr. Watford came to see me when I first got
12 elected, I had suggested to him that he have better
13 communications with the people in the Aloha servicing area. Of
14 course, he could have cared less about that, and I was
15 disappointed to see that.

16 My concern, though, is that the newsletter sometimes
17 tries to show up the Aloha Utility company, show up that they
18 are this great company that provides good service and clean
19 drinking water and is trying to get out information to its
20 customers. The sad thing is that you're not a good company,
21 that your company is pitiful, and that you provide poor service
22 to its customers. And I think it's a farce to give out that
23 type of newsletter. Now, if you want to provide information to
24 its customers, I don't think the cost of that should be borne
25 on the people who have to pay the bill every month.

1 Q Tell me what it is in those newsletters that you
2 found that is false.

3 A Did I testify that it was false?

4 Q I believe that was your term, "false."

5 A Well, I think in there you mention my name a couple
6 of times in one of the newsletters.

7 Q And what about your name was false?

8 A Well, I'll be glad to get that information and
9 provide it to the Commission and to you.

10 Q I'd be glad to see it.

11 A We will get it for you.

12 Q I would like to see the information that you state in
13 those newsletters as false.

14 A Absolutely. Let me ask you this. In one of the
15 newsletters, didn't it say that it could cost the customers
16 here in the audience and others hundreds of thousands of
17 dollars if I were to pursue an appeal?

18 Q That's what you've stated.

19 A That's what I'm sticking to.

20 Q Okay. And what -- isn't it true that the only person
21 who has given you an opinion on that has stated that that was
22 not an unreasonable number?

23 A The Staff has stated that was not an unreasonable
24 number; I dispute that. And with my testimony, I made it clear
25 that the cost was not hundreds of thousands of dollars but in

1 fact came to just over \$6,000.

2 Q But that was not for an appeal.

3 A That was for reconsideration; is that right?

4 CHAIRMAN JABER: Mr. Deterding, your questions need
5 to be direct such that the witness is not confused by the
6 information you're trying to receive.

7 MR. DETERDING: Okay. I apologize, Commissioner.

8 BY MR. DETERDING:

9 Q You stated yourself that that was for
10 reconsideration, not for an appeal.

11 A In my testimony.

12 MR. DETERDING: Could I have just a second?

13 CHAIRMAN JABER: Mr. Deterding, finish up your
14 cross-examination, please.

15 MR. DETERDING: Yes, yes. Thank you.

16 BY MR. DETERDING:

17 Q Mr. Fasano, you talked about the overpumping of the
18 utility's wells.

19 A Yes.

20 Q What alternative did the utility have to pumping from
21 its wells for the source of water?

22 A Well, we don't know what the alternative is because
23 once again Aloha waited until the last minute. It's not like
24 Aloha was told last week or last month that they were
25 overpumping. They have been told by SWFWMD in -- I don't know

1 the exact date, but it's been quite a while. It's more than a
2 year, maybe a couple of years, that they have been notified by
3 SWFWMD that you're overpumping in these areas. They ignored
4 that. They ignored trying to solve that problem, and because
5 of that, eventually SWFWMD starts fining Aloha Utilities
6 because of the overpumping.

7 Now, yeah, there might be solutions out there,
8 Mr. Deterding. There may be solutions. There may be
9 solutions, and there probably are to the discolored, filthy
10 water that the company you represent sends them -- gives to its
11 customers. But Aloha, for some reason, ignores the customers'
12 complaints for years, ignores the letters, the calls. We don't
13 even bother calling -- my staff doesn't bother to call Aloha
14 anymore. We just send letters to the Public Service
15 Commission.

16 There are solutions, I'm sure, but the fact remains
17 that Aloha just waits and waits and waits, and I will tell you,
18 yes, ignores whether it be -- ignores SWFWMD, ignores the DEP
19 when it comes to perc ponds until they are forced into a
20 situation where they have to come and put the burden on the
21 existing customer, and I don't think that's right. I have
22 stated that I believe that had Aloha requested impact fees or
23 the Public Service Commission had forced them to have impact
24 fees years ago, we may not have these problems today, and the
25 costs that need to be put would not be put on the existing

1 customer.

2 Q Representative Fasano, isn't it true that the only
3 alternative this utility had to pumping water from its wells
4 was to purchase water from Pasco County?

5 A That's correct -- well, at this time, yes.

6 Q Okay. And that costs substantially more than the
7 cost of pumping and treating water from its wells, does it not?

8 A Yes. There's no question about that. But,
9 Mr. Deterding, on the corner of 54 and Little Road, I drive
10 past there many times. When I go to the airport, I go to
11 Tampa, and I see sprinklers going off, and I see, I don't know,
12 thousands, tens of thousands, I don't know how many, but
13 gallons and gallons of water being sprayed on open property.
14 This is water that could be used, reused in people's
15 properties.

16 And just think, Commissioners, if people could use
17 that water and spray their lawns and use it to wash their cars
18 and use it to wash down their homes, or whatever else it may
19 be, that Aloha wouldn't be fined by SWFWMD maybe, just maybe,
20 because they wouldn't have to pump so much water because people
21 wouldn't be using that water from the wells but using the
22 reused water that's being sprayed literally -- I want to be
23 careful because Mr. Deterding is saying, do you know how many
24 gallons, but literally tens of thousands of gallons because
25 they sit there and they spray, I don't know, maybe 50,

1 60 sprinklers go off. They're about 20 feet high, 30 feet
2 high, whatever, and they're spraying for hours. This is water
3 that they can't get rid of. And just maybe, maybe if Aloha
4 would come up with a plan to give to the Commission, to give to
5 somebody, and say, let's try and help these customers out, and
6 let them use the reuse water, and we may not have to pump so
7 much water coming out of the ground.

8 Commissioner Palecki, you just talked about -- asked
9 me a question about conservation. Well, isn't this a great
10 idea -- isn't this an opportunity to maybe look at something
11 like that? But Aloha just totally ignores it because they
12 don't care about the customer. I think if you can just
13 understand that -- and I have understood it for the last six
14 years, the day Steve Watford walked into my office. Aloha
15 Utilities does not care about their customer.

16 Q Representative Fasano, if Aloha had begun purchasing
17 water from Pasco County, the only alternative as you've agreed
18 that was available to it at an earlier point than the increase
19 in cost would have occurred at an earlier point, would it not?

20 A There would have been an increase in costs. I just
21 don't know how much of an increase in cost versus what it is
22 today. I will tell you also that I truly believe that Aloha
23 could sit down with our County Commissioners, and I'll be glad
24 to participate or work on, if you are going to have to purchase
25 water from Pasco County and the people in this audience are

1 going to have to pay the brunt of it, which I think it should
2 be put on the future customers, not the existing ones,
3 certainly you would hope that Aloha would try and work out the
4 best possible deal they could get. And just maybe, had they
5 complied with SWFWMD years ago, they could have gotten a better
6 deal.

7 Q Do you know what the rate was years ago --

8 A I don't know what the rate was --

9 Q -- for purchasing water from Pasco County?

10 A -- but you know what, Mr. Deterding? Just like
11 everything else, it goes up in price. And so I would imagine
12 just maybe that it was a bit cheaper several years ago when
13 they were told by SWFWMD they were overpumping, and they
14 ignored that.

15 Q To your knowledge, does Pasco County keep its bulk
16 rate the same as it was years ago?

17 A I don't know, but we can find that out.

18 Q You mentioned the reuse water, I believe, is what you
19 were referring to that is being sprayed.

20 A Yes, yes.

21 Q Isn't it true that this utility did take steps to try
22 and provide customers with reuse water through filing a reuse
23 project six years ago, five years ago?

24 A I don't know.

25 Q Isn't it true that every new development that this

1 utility serves, it requires that they construct internal reuse
2 systems?

3 A Because they have to.

4 Q Well, you say "they have to." By whose order do they
5 have to?

6 A I would hope that it's being done to conserve water,
7 and I would hope that they're doing it because they have to
8 conserve water in some way.

9 Q Okay. So they're doing the right thing in requiring
10 that then. Is that what you're suggesting by "they have to"?

11 A By offering any customer in the servicing area the
12 ability to use reuse water would be the right thing.

13 Q Okay. I heard you say during one of your responses
14 to my questions that the customers -- that the utility ignored
15 its customers' complaints. Isn't it true this company provides
16 a response to every customer complaint it gets?

17 (Audience responds no.)

18 A No. I have your answer.

19 Q Okay. On what basis do you make such an assertion?

20 A On the basis that I get calls from people who tell me
21 they get no response from Aloha, that they're ignored by Aloha
22 Utilities, on the basis that I get e-mails from people telling
23 me they've gotten no response, on the basis that people will
24 meet me or see me in a store and say, we're having problems.
25 We've contacted the utility company and have gotten no help

1 whatsoever. You'll hear from some of those people today,
2 Mr. Deterding.

3 Q Can you name me one instance in which a customer has
4 complained and the utility has failed to respond?

5 A Mr. Deterding, I'll be glad to get you as many
6 letters as you want that I have stating that. And your office
7 has gone through most, if not all, of the documents that I have
8 up until the point that you asked for them. We may have gotten
9 some more since then. I'm sure we have.

10 Q And you're saying that those letters reflect that the
11 customers --

12 A There are some --

13 Q May I finish my question, Representative Fasano?

14 A Certainly. You can go right ahead.

15 Q You're saying that those letters reflect that those
16 customers filed complaints with the company, and the company
17 did not respond to those complaints?

18 A I will tell you that I have received letters, phone
19 calls from Aloha servicing area in the Seven Springs from
20 people telling me and my staff that they have not gotten any
21 response, help, or assistance in any way from Aloha.

22 CHAIRMAN JABER: Mr. Deterding, why don't we just
23 shorten this by my noting to you that the customers are here,
24 and they are willing to testify.

25 And I would ask that the customers, as you come up,

1 it would be very helpful for us to hear if you have sent
2 complaints or questions or inquiries to Aloha, please let us
3 know if you have not received a response. And not only will we
4 make sure that Aloha responds to you, but I'll have our Staff
5 follow up as well.

6 MR. FASANO: And, Commissioner, may I just reflect
7 again on the survey that you took? You may want to go through
8 the 3,700 responses and see through those 3,700 if there were
9 any complaints that people were not getting any response,
10 assistance, or help from Aloha. I think that might give you
11 better information than coming from either myself or
12 Mr. Deterding. That's coming directly from the people.

13 CHAIRMAN JABER: Thank you, Representative.
14 Mr. Deterding, that should speed up the rest of your --

15 MR. DETERDING: I don't have anything further,
16 Commissioner. Thank you very much.

17 Thank you, Representative Fasano.

18 COMMISSIONER PALECKI: Representative Fasano, I have
19 one further question.

20 MR. FASANO: Yes, sir.

21 COMMISSIONER PALECKI: There have been several
22 alternatives that have been suggested as means of correcting
23 the black water problem.

24 MR. FASANO: Yes, sir.

25 COMMISSIONER PALECKI: And these are things that I

1 intend to get into with some of the scientific witnesses in
2 this proceeding. But I know you've studied this issue very
3 thoroughly. Do you have an opinion as to what would be the
4 best and most economical way of correcting the black water
5 problem?

6 MR. FASANO: Commissioner, that's a great question,
7 and I'm not an expert in this. However, what I would ask you
8 to do, and I always ask the Commissioners, is to touch base
9 with Pasco County Utilities Department, touch base with the
10 City of New Port Richey, the City of Port Richey, the City of
11 Zephyrhills and any other public utility that exists in Pasco
12 County. Ask them, Commissioners. Ask Doug
13 Bramblett (phonetic), the executive director of the Pasco
14 County Utilities Department, ask the executive director or the
15 Public Works director of Port Richey and New Port Richey. Ask
16 them how many complaints they get from their customers about
17 black, smelly dirty water. I think that's the key.

18 And for Staff and for others to come up before us and
19 say that it is the copper piping in the people's homes is
20 laughable. And it's laughable because if that was the case,
21 Commissioners, if that was the case, why do we not see that
22 problem in other parts of Pasco County? I challenge you. I
23 challenge each of you to talk to each of the Public Works
24 Departments in the cities we have, and we don't have many in
25 Pasco, and we have one county that pretty much takes care of

1 most, if not all, of the same area.

2 I also challenge you, Commissioners, to touch base
3 with the other private utility companies in Pasco County and
4 find out how many complaints they get about black, smelly,
5 dirty water. I will tell you, I will tell you, I'll tell you
6 what, I don't have the figures, but I'm quite sure that they
7 don't come up with one-tenth of 1 percent of the complaints
8 that we get about Aloha. So that's got to tell you something.
9 And so until people will agree where this black water comes
10 from, it's a bit difficult to decide who's going to solve that
11 problem, because Aloha for years has just put it off. And if
12 they put it off -- let me ask, if they put off and they say --
13 well, they say that it's not us. Why then do they go out and
14 flush the hydrants all the time? Why?

15 Talk about a waste of water, Commissioner. Talk
16 about wanting to save water. Talk about, we have a water
17 problem in this county and in this State, and they go out --
18 and I've had people tell me almost on a -- there was one area I
19 know prior to them going out to those homes where they were
20 going out on a daily basis and opening up the hydrants. That's
21 an absolute waste of water. They are doing it for a reason.
22 If it's before -- if it's after the meter, why would you go and
23 open up your hydrants? If it's after the meter and caused by
24 the copper piping in the people's homes, why are we not seeing
25 it in the other servicing area?

1 When I go and talk to John Gallagher and to
2 Doug Bramblett about this, they smile because they say, that's
3 impossible because we don't get this problem. And I can assure
4 you that it would not just -- I mean, the Aloha customers would
5 not be unique in calling and complaining that Pasco County is
6 the largest utility distributor, I believe, in Pasco County
7 with more customers than Aloha and other areas. And I'm sure
8 they would be getting numerous calls and complaints if they
9 were having the same problem; they're not. So for Staff or
10 anybody else or experts to get up and say it's the copper
11 piping, again, forgive me, but it's laughable.

12 So until -- and your question is hard to answer
13 because until somebody will take responsibility for their
14 actions or their lack of actions, and that is Aloha, no one is
15 going to force them to fix this problem. But yet, they will
16 come up with a solution that would cost \$10 million, a
17 400 percent increase on the customers, and they say that will
18 solve it. No. What that does, Commissioner Palecki, is to
19 scare the poor customer, intimidate the poor customer to the
20 point where, well, maybe we better not push this issue. That's
21 wrong. That is so wrong. And you as Commissioners of a Public
22 Service Commission have the responsibility, the obligation to
23 tell them it's wrong and tell them to stop it.

24 I apologize for going on, but it is so frustrating to
25 deal with this company. And I don't know how to express it. I

1 know I got a little compassionate up in Tallahassee, and I was
2 going to try to avoid that today, but I just don't know what
3 more to do. The people in this audience don't know what to do.

4 When I have a mom who calls me and she's in tears
5 because she's trying to bathe her children in the evening or in
6 the morning and she has to turn the tap on, but yet she tells
7 me, I'm just from somewhere else in Pasco County and we never
8 had that problem, what do I tell that mom? It's your copper
9 piping, ma'am. Well, I had copper piping in the other home; we
10 didn't have a problem. It's Aloha. Please understand this.

11 CHAIRMAN JABER: Representative Fasano, your comments
12 are appreciated. Thank you for being here.

13 COMMISSIONER PALECKI: Thank you.

14 MR. FASANO: I appreciate it. God bless you. Thank
15 you.

16 MR. DETERDING: Commissioner, Representative Fasano
17 made a few comments that I'd like to follow up on if I could.

18 CHAIRMAN JABER: Mr. Deterding --

19 MR. DETERDING: In response to your question.

20 CHAIRMAN JABER: Mr. Deterding, I don't think
21 Commissioner Palecki's questions opened up any more room for
22 cross. I think that you've covered very efficiently your
23 cross-examination questions. I think that Commissioner Palecki
24 built on that. He didn't open up the door for any more.

25 Mr. Burgess, call your next witness.

1 To the degree, Mr. Deterding, you want to ask
2 customers -- other customers additional questions, feel free.

3 MR. DETERDING: Thank you.

4 (Witness excused.)

5 CHAIRMAN JABER: Mr. Burgess, go ahead.

6 MR. BURGESS: Commissioner, Sabino Metta is the next
7 witness.

8 CHAIRMAN JABER: Thank you.

9 SABINO METTA

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

12 DIRECT STATEMENT

13 CHAIRMAN JABER: And, Mr. Metta, for the benefit of
14 the court reporter, if you will, spell your last name for us.

15 MR. METTA: M-E-T-T-A.

16 CHAIRMAN JABER: Thank you.

17 MR. METTA: Thank you, Aloha. My name is a
18 Sabino Metta.

19 CHAIRMAN JABER: Mr. Metta, I just need you to take
20 that microphone right close to you there and speak into it.

21 MR. METTA: My name is Sabino Metta. I moved down
22 here from New Hampshire six years ago. And up in New Hampshire
23 I was in the water treatment business, and they have terrible
24 water up there. And in treating the water problems up there, I
25 came across this product that's called KDF. And I was at a

1 home show one day and this lady came up to me and told me that
2 her well had been condemned by the state of -- well, she lived
3 in Maine, the state of Maine. There was too high a count of
4 bacteria. And she asked me if I would go down and check her
5 well out and I agreed to. So I went down and I tested her
6 water. When you open the water, the faucet, it stunk like
7 sewage. That was the hydrogen sulfide in it. And the iron was
8 terrible. It was a high content of iron and manganese, and it
9 was acid water. So I told her I would put a system together
10 with her.

11 And what I did, I put a chlorinator in her well, the
12 water going into her well. So the chlorinated water would go
13 into her pressure tank, and then I had a retention tank, an
14 80-gallon, and the retention tank would give the chlorine
15 enough time to kill the bacteria, oxidize the iron, manganese,
16 and hydrogen sulfide and tannins, and then I had the water go
17 through one of these KDF filters. And it was like a miracle.
18 The stink was gone, and I checked, the iron was gone. And then
19 I brought a sample down to have it tested for bacteria, and the
20 bacteria was gone also. So she ended up with real good, pure
21 water, drinking water.

22 And my business grew up there just with this product.
23 And I found that it was new on the market, and I did a lot of
24 field work with it and testing. And I found that the product
25 would -- well, it removes chlorine and iron and manganese,

1 hydrogen sulfide and tannins. And also, the people who told me
2 that it would soften the water, which I didn't know anything
3 about because this is a new product, and we didn't know exactly
4 what it would do. And through testing, I found that it would
5 soften the water 50 to 80 percent.

6 And so I did real good up there with this product,
7 and then I kind of retired and I moved down here. And I heard
8 the water wasn't all that great, but it looked clean coming
9 through the faucet but it stunk. And I put a softener in
10 because it was hard, and within two years, the softener was
11 depleted. It was just gone. The water ruined it. And then I
12 put a KDF filter in ahead of the softener, and I had to put a
13 new softener in also, and then I -- it worked out also with a
14 reverse osmosis with drinking water under the sink.

15 When I backwashed this filter, this is what I get out
16 of it. I get about 20 or 30 gallons of this sludge out of it.
17 So in doing so, it's costing me -- well, it cost me for the
18 first softener I put in, and it's costing me for the KDF
19 filter, also for backwash water, which I hate to backwash it
20 but you have to because the price of the water is so high.
21 This is what we're receiving, and this is what the problem is.
22 It's not the copper tubing that's in the houses. It is this
23 sludge, this slop, slime that we're receiving through our water
24 pipes, you know.

25 One way of fixing it is through this KDF. Years ago

1 I lived in Brockton, Massachusetts, and some contractors were
2 building these slab homes, and they depleted -- our water
3 supply came from Silver Lake which was in Hanson, Massachusetts
4 and it was good water. And it started depleting with all these
5 news homes that they built, the water supply. And they were
6 pumping water from these small ponds, and actually, you were
7 getting black swamp water out of the faucets at home, and the
8 tub, you get the slime coming through it. And so I decided to
9 drive my own well, which I worked on it a whole summer because
10 I wasn't driving in a lawn ground. It was sort of hardpan and
11 clay. So then I kept trying, and finally, I spoke to this
12 old-timer, and he said, try it closer to the front of the house
13 because down in that area there is some swamp and hardpan, you
14 know, and I did.

15 Finally, I went down in the cellar, and I drove a
16 point there. And it -- this time it went down like going
17 through butter. And within about a half an hour, I had the
18 point driven, and I put a hand pump on it. And I started
19 pumping, and the water just poured out, beautiful, clean and
20 all. So I had that tested, and it tested out good. So I
21 hooked it up to my house. And when I filled the tub with
22 water, it had a greenish color to it. And the reason for it
23 was that it was acid water, and it was eating out the copper
24 tubing so it made a lot of green. But I thought that -- not
25 knowing anything about water in those days, I thought that that

1 was the natural color of water, you know, blue. But then years
2 later when I got into the water treatment, I found that that
3 was caused by acid water that was eating out the copper tubing,
4 you know.

5 And so -- but anyway, the Brockton Water Commission,
6 they did solve the problem of the bad water. So the people
7 finally had decent water coming through their pipes, you know,
8 instead of the swamp water. But I guess that's about all I
9 have to say.

10 CHAIRMAN JABER: Okay. Mr. Metta. Mr. Metta, thank
11 you for your testimony. Let me make sure no one has a question
12 for you.

13 Thank you, Mr. Metta.

14 MR. WHARTON: We do have a question.

15 CHAIRMAN JABER: Oh, you do have a question. All
16 right. Tell me in the microphone.

17 MR. WHARTON: Sorry. Okay.

18 CROSS EXAMINATION

19 BY MR. WHARTON:

20 Q Sir, isn't it true that you have only filed one
21 complaint with Aloha and that was for low pressure?

22 A Yes.

23 Q Okay. I'm not casting aspersions on your product. I
24 just want to ask you a couple of questions about it. Has it
25 been subjected to any kind of rigorous testing?

1 A Well, yes, it has.

2 Q By who?

3 A I have papers down at the office. I can supply that
4 for you.

5 Q Has it ever been used for central treatment, that is,
6 not just on a home-by-home basis?

7 A No, it isn't suitable for central treatment.

8 Q Are you aware of the specifics of the water chemistry
9 of the water that you receive at your house?

10 A Am I aware of it?

11 Q Yes.

12 A I did get one report from Aloha.

13 Q And that would be the basis for your knowledge of the
14 water chemistry of the water you receive at your house?

15 A Yes.

16 Q Now, that bottle that you've brought here and that
17 you've shown to the Commissioners is Aloha water?

18 A That's Aloha water.

19 Q And it's water you received at your house?

20 A Yes.

21 Q Where did that water come from?

22 A Where did it come from?

23 Q Specifically in your home.

24 A You tell me where it came from, you are supplying it.

25 Q No, specifically in your home, sir. What part of

1 your home did you get the water out? Is it backwash?

2 A It's from a point of use filter. Okay. And that's
3 the backwash water.

4 Q Okay. From the filter.

5 Sir, you live in Aloha Gardens?

6 A Yes.

7 Q Okay. Would it surprise you to know that the water
8 that Aloha delivers to you in Aloha Gardens is water that Aloha
9 purchases from the Pasco County Utilities Department?

10 A Well, to me, it doesn't matter where it's coming
11 from. It's who's delivering it, and who I'm paying for it --
12 who I'm paying the water -- you know, for the water to and
13 that's Aloha Utilities.

14 Q But you don't know what the source of your water is
15 in Aloha Gardens?

16 A That's for you to tell me, you're supplying it.

17 Q Well, I'm asking you. Do you know whether the source
18 of this water is the wells which are at issue in this case or
19 is in fact the Pasco County Utilities Department?

20 A You tell me, you are supplying it.

21 Q I'm asking you if you know, sir. If you don't, it's
22 okay.

23 A I don't know.

24 MR. WHARTON: Okay. That's all we have.

25 CHAIRMAN JABER: Thank you, Mr. Metta. Thank you for

1 your testimony.

2 THE WITNESS: Yes, you are welcome.

3 CHAIRMAN JABER: Thank you for being patient with us
4 this morning.

5 (Witness excused.)

6 CHAIRMAN JABER: Mr. Burgess.

7 MR. BURGESS: Commissioner, Aldo Stingo.

8 ALDO STINGO

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

11 DIRECT STATEMENT

12 MR. STINGO: I'm Aldo Stingo, and I live in Heritage
13 Lake, New Port Richey. Now, I'm here to discuss another aspect
14 of the problem with Aloha.

15 CHAIRMAN JABER: Mr. Stingo, may I ask you to spell
16 your last name for me.

17 MR. STINGO: S-T-I-N-G-O.

18 CHAIRMAN JABER: Thank you.

19 MR. STINGO: Now, it seems ironic to me that Aloha is
20 asking for a large increase when in fact the homeowners have
21 been paying an inflated and what I consider to be an illegal
22 overcharge in the sewer rate. Now, I am saying this, and to
23 the best of my ability I have my facts straight, I'm saying
24 this because they are charging a sewer charge for all of the
25 water, not just the part that's in the home. The irrigation

1 water does not go into the sewer, but they are charging a sewer
2 rate.

3 Now, I have bills, and the sewer rate is at least
4 double the water rate or more. Sometimes it's almost tripple.
5 How are they allowed to do this? That should be illegal. Not
6 only should it be illegal, but it's discriminatory because they
7 are targeting the homeowners. They are not targeting
8 everybody. It's the homeowners who are paying this inflated
9 rate for sewer charge.

10 Now, I don't know how this started. The only thing I
11 can say -- and I did a little research on it, and some of the
12 information comes right from Aloha's blueprints. What they did
13 when the houses were constructed is that they put one waterline
14 and one sewer line for two houses, and then they branch one on
15 one side and one on the other. Now, that's not the way they
16 should have done it. They knew from day one that they were
17 going to charge the customers too much of a sewer charge. Why
18 were they allowed to do this? Because what they could have
19 done and what they should have done is to put one waterline,
20 one sewer line for each house.

21 And in addition to that, they should have put a
22 second water meter to cover the irrigation, but Aloha didn't do
23 this. They weren't interested in doing this. They are not
24 looking out for the customer. So they knew from day one that
25 we were being overcharged. Now, you can imagine -- I know my

1 house is about maybe 14 or 15 years old. Can you imagine in
2 that length of time how much extra money I have paid and other
3 homeowners have paid for the sewer charge?

4 Now, I found out fairly recently that you could put
5 in a second water meter. Well, let's look at that. I thought
6 maybe it would be a viable alternative and would pay for itself
7 in the long run. So I researched that part of it. I got a
8 letter from Aloha, and they give you the details. And what it
9 says -- and of course they go into a whole lot of specifics,
10 but I would have to pay Aloha up front \$663.36. Plus I would
11 have to get a contractor to install the water meter.

12 Now, when I first began to ask contractors, what will
13 you charge me for the water meter? Well, they thought all they
14 had to do was drop a line and go to my present waterline, and I
15 got estimates as low as \$75. Well, that was great. I was
16 ready to go with that. But in further discussing the situation
17 with the Aloha representative, I found out, no, I can't do
18 that. I have to have a waterline go all the way out to the
19 main waterline. Well, now, I called the contractors. Some of
20 them didn't even want to talk about it, but the ones that did,
21 they said, well, you're now talking some big bucks, a few
22 thousands dollars plus ripping up a good part of your lawn.
23 Well, that's not a viable alternative. And why did this occur?
24 Because Aloha didn't do it right from the beginning.

25 Now, why is the customer supposed to bear this kind

1 of a burden when it is Aloha who did it wrong to begin with?
2 That's what I would like to know. Why were they allowed to do
3 it? Why does this continue? Now, if Aloha gets an increase,
4 you are only exacerbating the situation. You're compounding it
5 because we are now going to have to pay even a larger amount of
6 money that they're not entitled to. Something needs to be
7 done.

8 I think that, if anything, Aloha has to take the
9 responsibility of seeing that a water meter can be installed at
10 a reasonable price. Now, that might mean they should pay to
11 have it tied into the main waterline. They should really pay
12 for the whole thing because they did it wrong to begin with.
13 But I don't mind. I'm a pragmatist, so I will pay that \$663
14 that they have to get, and I understand that. That includes
15 impact fees and so on. And I will pay what would be a normal
16 charge for the installation if they had done it right from the
17 beginning. The entire cost shouldn't be more than \$800 at the
18 most, and I would be willing to go along with that, but I can't
19 afford to go along with a few thousand dollars, and I don't
20 think most other people can.

21 As you know, most of us are retirees. We're on fixed
22 incomes, and all our expenses keep going up. Aloha does not
23 care about the customer. They're not interested in having
24 another water meter because they're going to lose income. Now,
25 why is this situation existing? I think we need to get some

1 answers, and I am asking for answers.

2 CHAIRMAN JABER: Right. Mr. Stingo.

3 MR. STINGO: Please take this into consideration, and
4 I don't think until Aloha gets its act together that they
5 should be entitled to any increase at all. Thank you.

6 CHAIRMAN JABER: Mr. Stingo, one of the things we can
7 do immediately is answer your question, so let's take it one at
8 a time. With respect to your bills on the wastewater usage,
9 wastewater cannot be metered. And what we do in setting the
10 wastewater rate is, we base the rate on a proxy using your
11 water usage as the proxy. And I'm going to ask Marshall to
12 elaborate a little bit more, but basically the wastewater rate
13 is set by taking 80 percent of your water usage and using that
14 as a proxy.

15 With respect to your bill, I would ask, if you don't
16 mind sticking around for two or three minutes, let our engineer
17 and our rate people look at your bill because I'm not sure that
18 it doesn't have a mistake in it. Perhaps there's actually
19 something wrong with the amount, not just the calculation.

20 MR. STINGO: I have bills going way back. I don't
21 think there's anything wrong with the amount.

22 CHAIRMAN JABER: Well, take a few minutes and meet
23 with Staff, and let them look at the bill. Let them look at
24 the calculations and see if that was done accurately.

25 And, Marshall, with respect to the additional water

1 meter charge, could you educate all of us on that, the \$663 for
2 the new meter?

3 MR. WILLIS: Well, the \$663 for the new meter is the
4 cost for the meter and the plant capacity charge for the extra
5 demand, especially if the meter is going straight out to the
6 service lateral. Now, one thing we need to look at as Staff is
7 to why the company is having to go straight to the service line
8 to tap in instead of the service lateral coming in. I can only
9 guess at this point as to why. I don't know the size of the
10 lateral coming in from the service pipe. It may be too small
11 at this point to put another meter on which would lower the
12 actual pressure coming into the home. We don't know that at
13 this point. It is something that I'm going to have my engineer
14 look at to see exactly what the problem is for Mr. Stingo's
15 house at this point. He'll have to go out and look at the
16 actual service area.

17 MR. STINGO: May I just say this, please.

18 MR. WILLIS: Uh-huh.

19 MR. STINGO: I spoke to an engineer from Pasco
20 County, and he told me the reason you need that waterline going
21 out to a main is because if my neighbor was using water and I
22 wanted to use water, I would not have the water pressure.
23 That's the reason. I'm not arguing for the reason, but I am
24 saying that this wasn't done correctly from the beginning, and
25 then it's the customer that they are putting the burden on to

1 correct the situation. And I think that that is terribly
2 unfair.

3 CHAIRMAN JABER: Mr. Stingo, what Staff was
4 representing, and we'll make sure to follow up on, is our
5 engineer will go out and look at the meters as well.

6 But in the meantime, Marshall, make sure that we have
7 Mr. Stingo's bill, and let's take a look at that and get back
8 to him today if possible.

9 MR. WILLIS: We'll do that.

10 MR. STINGO: I wasn't quite sure, I'm sorry, what you
11 said about the wastewater.

12 CHAIRMAN JABER: Explain the rate calculation for the
13 wastewater rate, Mr. Willis.

14 MR. WILLIS: Well, the wastewater rates -- normally
15 in the state of Florida, you're going to find that the
16 wastewater rates are higher than the water rates. The reason
17 for that is, it costs a lot to treat the effluent to the high
18 quality standards now that the Department of Environmental
19 Protection is requiring. Over the years, the cost of treating
20 wastewater has risen, and that's because the standards have
21 risen to the level you have to treat this wastewater prior to
22 having it discharged in surface water or other means such as
23 the company is using for reuse.

24 It used to be many -- you know, twenty years ago, you
25 would find water rates and sewer rates pretty well equal.

1 Sometimes you'd find that wastewater rates were cheaper than
2 water rates, but that's totally changed over the last 25 years.
3 It's constantly risen to meet the higher standards.

4 MR. STINGO: I don't think that changes the fact that
5 I'm paying more because I'm being charged for water that they
6 say is going into the sewer when in fact I am not, and that's
7 what I am saying is wrong. You know, I can understand what you
8 are saying about it being a little higher than the water rate,
9 but the fact is, if -- you know, this is the reason that I
10 would be putting in a second water meter so that then I
11 wouldn't be paying for water that they're charging me is going
12 into the sewer when in fact it is not going into the sewer.

13 MR. WILLIS: I understand what you're talking about.
14 Let me explain also the cap that the company is required to
15 have on its wastewater rates. They have what we call a 10,000
16 gallon cap currently in place, and each month, if your water
17 usage exceeds 10,000 gallons, you're not charged for anything
18 in excess of 10,000 gallons for your wastewater service.
19 There's a limit to how many gallons they can charge you for
20 wastewater service.

21 MR. STINGO: I understand that.

22 MR. WILLIS: And in the calculations that we use,
23 that the company is required to use, we factor in that at least
24 20 percent of the water in that first 10,000 gallons is not
25 going back into the system, that it's being used for washing

1 cars or any other usage which would not put it back in the
2 wastewater system. That's a normal factor that most utilities
3 will use, is to factor in a percentage in there that will not
4 go back to the wastewater system. And I know you can't see it
5 on your bill because there's a certain charge for each thousand
6 gallons. And it's a little hard to understand, but there's a
7 lower charge per thousand gallons to make up the fact that
8 we're only charging you for 80 percent.

9 MR. STINGO: I understand. But are you telling that
10 if I put a second meter in that I'm not going to be paying a
11 smaller sewer charge?

12 MR. WILLIS: You would if you're using less than
13 10,000 gallons monthly. You might actually get a less sewer
14 charge for that. You really have to analyze it.

15 CHAIRMAN JABER: Mr. Stingo, I think one on one if
16 you would talk to Marshall and Mike and actually show them your
17 usage, and let's look at the circumstances of your case and
18 make sure you have a response that is specific to the
19 circumstances of your case.

20 MR. STINGO: Okay.

21 CHAIRMAN JABER: Let's do that. Marshall, have
22 Mr. Wetherington meet right now with Mr. Stingo, and let's make
23 sure that he's got a formal response.

24 MR. WILLIS: Sure. We can do that.

25 MR. DETERDING: Commissioner, I have a few questions.

1 CHAIRMAN JABER: Go ahead, Mr. Deterding.

2 MR. DETERDING: Thank you.

3 CROSS EXAMINATION

4 BY MR. DETERDING:

5 Q Mr. Stingo, you said that the utility was charging an
6 illegal sewer charge. Isn't it true that the charges that they
7 are imposing are pursuant to the approved tariff for that
8 service?

9 A I'm sorry, they had what?

10 Q Isn't it true that the charges that they are imposing
11 for sewer service are in accordance with their approved tariff
12 for that service?

13 A You know, what I am saying is this, I didn't say they
14 were illegal because I don't think Aloha would do something
15 that was technically illegal. I'm saying it should be illegal.
16 I don't think they should be doing that. I didn't say it was
17 illegal. There's a difference.

18 Q Okay. Are you aware that the lines within your
19 community, within your development were installed by the
20 developer and not by Aloha Utilities?

21 A I wasn't there at the beginning when they first put
22 the house up. It was a resale. I got that later on. I don't
23 know who put the lawn (sic) in.

24 Q And do you have any basis for believing that those
25 were not installed in accordance with applicable building

1 standards?

2 A Once again, I didn't say that whatever was done was
3 not done in accordance. I said I don't think it should have
4 been done that way. There's a lot of ways of doing a job.
5 There's a halfway doing the job, and there's the best way of
6 doing a job.

7 Q Okay.

8 A I know that as a homeowner, when I do something, I
9 get it done even -- you know, the way it should be done. I
10 don't cut corners.

11 Q I just want to clarify one other thing with you,
12 Mr. Stingo. You said they put two customers on one line.

13 A That's correct.

14 Q Let me try and make sure everybody, especially the
15 Commissioners understand, and you correct me if I'm wrong, but
16 my understanding is, what you're talking about is a service
17 line that comes off, splits, and then is metered to serve two
18 homes, two separate homes; correct?

19 A Yes.

20 Q It's not one meter serving two homes or something --

21 A No, it's not one meter. There are two meters, but
22 there's one line. And as I said, if it wasn't done that way,
23 there would be a relatively simple matter to put in the water
24 meters, but it turns out that it becomes a major thing because
25 they didn't do it that way. That's what I said.

1 MR. DETERDING: Thank you, Mr. Stingo.

2 CHAIRMAN JABER: Thank you, Mr. Stingo, for your
3 testimony.

4 (Witness excused.)

5 CHAIRMAN JABER: Mr. Burgess.

6 MR. BURGESS: Edward Marden.

7 EDWARD MARDEN

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

10 DIRECT STATEMENT

11 CHAIRMAN JABER: Thank you, Mr. Marden. Do you mind
12 speaking right into the microphone? And I'm assuming the
13 spelling of your last name is M-A-R-V-I-N?

14 MR. MARDEN: D-E-N.

15 CHAIRMAN JABER: D-E-N. Thank you.

16 MR. MARDEN: I am here today as a representative of
17 the Heritage Lake Community Association. And my complaint at
18 this time, it could have been dirty water, but I'm sure that
19 many residents have already before me and in Heritage Lake
20 submitted their dirty water to no avail. However, my complaint
21 here today why Aloha should not be granted their exorbitant
22 increase is a safety reason. Recently, we experienced a
23 problem within Heritage Lake of hydrants not working. I
24 personally looked at one hydrant yesterday, and I don't know
25 how many more there are that would not work in case it were

1 needed for a fire. We had one meter, and it just so happens
2 it's on Mr. Stingo's street. It covers 29 homes. The next
3 closest hydrant if that one didn't work would be over
4 1,200 feet. I think that with a little bit of care from Aloha
5 and cooperation, this could have been solved.

6 What I'm asking for is some straight answers and
7 consideration for the safety of residents within Heritage Lake.
8 The hydrant that we looked at the day before yesterday had been
9 inspected by the Fire Marshal and the Fire Marshal's Office,
10 and it was determined that it was faulty. We called Aloha.
11 They said to me -- they didn't say to me, they said to my
12 office manager at the office, that that is not their
13 responsibility. I would have to go to the U.S. Homes and find
14 out how they turned over the systems to the residents when they
15 did it in the early 1990s.

16 I would think that the backwash of hydrants would be
17 done on a regular basis, but I have lived in Heritage Lake for
18 six years, and the only time I have ever seen hydrants
19 backwashed or flushed was when a complaint was made about dirty
20 water. After the complaint was made for dirty water and it was
21 then going to be taken samples of, Aloha came and flushed every
22 hydrant. And that's the only time I have ever known it to be
23 done since I have lived there. Now, it will show you that
24 Aloha is looking out for Aloha. Business is business, I
25 understand that. But the safety of our community is my

1 business, and I don't only speak for myself, I speak for every
2 resident within Heritage Lake.

3 Why aren't these flow testing on a meter -- on a
4 hydrant, rather, has not been done? Aloha says it's not their
5 responsibility, it's the responsibility of the residents. I
6 have tried to get from U.S. Homes to know avail. I have
7 started in October writing letters to them and calling, and I
8 haven't got a straight answer yet from them. So it's you're
9 damned if you do, you're damned if you don't. And all I can
10 say is that something has to be done to protect our citizens in
11 Heritage Lake, and my action here today is in no way -- should
12 it be considered trivial, because when we have 29 homes on one
13 street and if that hydrant doesn't work -- and I watched it
14 yesterday. One of the caps came off, and we notified Aloha
15 that that happened. The next time we went, there was a piece
16 of wire holding it on. We don't know who did it, but they were
17 the only ones who knew that we were having a problem with it.

18 Since then, we had contacted the Fire Marshal's
19 Office, and they advised us that the flushing of hydrants
20 should be done, and the County Ordinance 46-58 would require
21 them to do it regardless of the hydrant inspections. So I am
22 looking to the Commission here today to take a look into this
23 and protect our citizens. Thank you very much.

24 CHAIRMAN JABER: Thank you, sir. Mr. Willis,
25 Mr. Marden had sent us a letter notifying us as well of the

1 fire hydrants. And if you would brief us on what you have
2 discovered since then and what responsibility it is of the
3 utility's to flush the hydrants, if there is a -- how often
4 should it be done? Is there any guidance, any rules?

5 MR. WILLIS: There is no real guidance at this point.
6 There should be a line flushing program that every utility has,
7 and this utility from my understanding does have a line
8 flushing program. And the real reason to have a line flushing
9 program is to get sediment which forms naturally -- sand and
10 anything else that's drawn from the well should be normally
11 flushed out of the lines on a normal occurrence, and that
12 really depends upon how much sediment builds up in a pipe over
13 time. And you could have different parameters on when you
14 flush certain areas depending on how much sediment gets in
15 those lines.

16 CHAIRMAN JABER: Who is U.S. Homes?

17 MR. WILLIS: That's one of the developers in the
18 area.

19 CHAIRMAN JABER: All right. Let me ask Staff to do
20 this, Mr. Marden, and to respond to your formally in writing.
21 Let us do a little bit of research on that address -- that
22 issue. We'll call the county, we'll call the Fire Marshal's
23 Office, and through cross-examination we'll receive a little
24 bit more information on the line flushing program that the
25 utility has as well. And we'll respond in writing back to you.

1 MR. MARDEN: Thank you.

2 CHAIRMAN JABER: Thank you.

3 MR. DETERDING: And I have a few questions, but I
4 just want to note that we intend to investigate this. And as
5 we always do with the Commission, we will be filing a
6 late-filed exhibit to respond to these customer concerns, and
7 we will investigate this. And I want to get a little more
8 information so that we can do that properly.

9 CHAIRMAN JABER: Thank you, Mr. Deterding.

10 CROSS EXAMINATION

11 BY MR. DETERDING:

12 Q Mr. Marden, where is the hydrant located that you're
13 referring to as being not properly operating?

14 A It is Prince George Circle. It goes in a circle, and
15 it comes in one way and goes around and comes out. It's way
16 down at the end of Prince George Circle. Probably from
17 Heritage Boulevard in, I would say it's got to be at least
18 500 feet, and it's sitting right out there in plain view.

19 We opened the hydrant the other day. And you should
20 see the grime and soot and everything that came out of it,
21 brackish water. It hadn't been opened for a long while. We
22 had to open it.

23 Q Okay. You say, "we had to open it." Who?

24 A The "we" would be the maintenance supervisor and
25 myself, along with his helper.

1 Q The maintenance supervisor at?

2 A Heritage Lake.

3 Q Okay. Thank you. Are you familiar with the
4 responsibilities for construction of the hydrant ensuring that
5 it has proper -- meets proper flow standards, and who has
6 responsibility for inspecting, who has responsibility for
7 maintaining those hydrants?

8 A Maintaining the hydrants, that's what I'm trying to
9 find out now, who's going to be responsible for it. Aloha has
10 abdicated their responsibility in all cases with me.

11 Q They have told you they are not responsible for
12 maintaining the hydrants?

13 A Yes, they have.

14 Q Do you have a letter to that effect or something?

15 A I have a memo on a telephone conversation, and it was
16 back on October -- on September 20th -- August 20th, '01. And
17 our office manager talked to a person named Sylvia from Aloha,
18 and that was at 10:53 a.m. in the morning.

19 Q Thank you very much. Now, you say that the hydrant
20 was determined by the Fire Marshal to be faulty. Did they give
21 you a letter or something to that effect?

22 A They came out -- the Fire Marshal came out and looked
23 at the hydrant themselves, the representatives of the Fire
24 Marshal. And they said that we should contact Aloha, which we
25 did, and I just -- I didn't follow up exactly what was done by

1 Aloha because they said they weren't responsible for it. Once
2 they told us that.

3 Q But I guess what I'm trying to get back at is the
4 issue of them finding it was faulty, something was faulty with
5 the hydrant. The Fire Marshal found there was something faulty
6 with the hydrant?

7 A Yes. And I can tell you what that is.

8 Q Okay. Please do.

9 A There's a fire hydrant -- there's a knob on top where
10 you can turn it on and off. On each side and in the front,
11 there's a place where you can attach a fire hose. Looking at
12 the fire hydrant from the street, the left-hand cap was laying
13 on the ground, and in that left-hand cap was a collar that was
14 broken off from the inside of the hydrant itself. That collar
15 would be adaptable to a fire hose. That was frozen right in
16 the cap. So if a fireman opened that, he wouldn't have
17 anything to screw his hose on.

18 Another thing, too, because of the way the hydrant is
19 constructed, and I'm not a plumber, I'm not an engineer, I'm a
20 number cruncher, and that's my business, but the way -- if they
21 used another one on the other side, they wouldn't get the
22 pressure because everything would be going out the side where
23 the cap wasn't on. So the hydrant is useless at the present
24 time.

25 Q I understand. This situation with the hydrant

1 continues today. It's in the same condition?

2 A Right this minute as we speak.

3 Q Okay. And have you reported this -- you reported
4 this to Aloha, and they told you that this broken hydrant was
5 not their responsibility?

6 A I think I said that.

7 Q Okay. I just wanted to make sure I understood.

8 A That's all right.

9 Q Now, you talked about proper flushing. Are you
10 familiar with the flushing program that the utility has
11 undertaken?

12 A No, I'm not.

13 Q Are you familiar with what's required by the DEP with
14 regard to flushing?

15 A No, I'm not. All I'm interested in doing is getting
16 our hydrants all inspected and make sure they all work.

17 Q I understand.

18 MR. DETERDING: Thank you very much.

19 CHAIRMAN JABER: Mr. Marden, thank you, and we will
20 follow up with you.

21 MR. MARDEN: Thank you.

22 (Witness excused.)

23 CHAIRMAN JABER: I need to give the court reporter at
24 least a five-minute break so she could relax her fingers just a
25 bit, so bear with us. We'll take a very short break and come

1 back and complete the customer testimony.

2 (Brief recess.)

3 CHAIRMAN JABER: If we could go ahead and get started
4 again. Mr. Burgess, let's go ahead and call the next customer
5 witness, please.

6 MR. BURGESS: Okay. Mr. Linwood Oberg.

7 CHAIRMAN JABER: It's Linwood --

8 MR. BURGESS: Oberg.

9 CHAIRMAN JABER: -- Oberg.

10 Good afternoon, sir.

11 LINWOOD OBERG

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

14 DIRECT STATEMENT

15 MR. OBERG: Oh, by the way, cheers.

16 CHAIRMAN JABER: Is it Mr. Oberg?

17 MR. OBERG: Oberg, that's right. I'm wearing my
18 Cheers hat, so I'll give you a cheer.

19 CHAIRMAN JABER: Thank you. You want to spell your
20 last name for me?

21 MR. OBERG: O-B-E-R-G.

22 CHAIRMAN JABER: Thank you, sir.

23 MR. OBERG: No apostrophe and a small "B."

24 CHAIRMAN JABER: Thank you, sir.

25 MR. OBERG: It's Swedish; it's not Irish. Okay. I

1 want to leave these with you. My name and address and
2 everything is on here and the date I took the sample. One of
3 them came from the bottom of my filter that's on the outside of
4 the house coming in from the street, and at the bottom of the
5 filter there's dirty water and sand too. The other one came
6 from the hot water faucets and the hot water tank, and this is
7 an improvement. Evidently taking Pasco water is a little
8 improvement. My wife will not cook with it. I wouldn't dare
9 to make coffee with it, would you? And --

10 CHAIRMAN JABER: Mr. Oberg, there's been a request
11 from the audience, if you'll just bring the microphone up to
12 you a little bit more, they can hear you.

13 MR. OBERG: Okay.

14 CHAIRMAN JABER: Thank you.

15 MR. OBERG: Can you hear me now?

16 (Audience responds yes.)

17 MR. OBERG: Okay. I'm not going to take too much
18 time. We're here to dispute the raise that they want, and I'm
19 against it unless they give us better water and clear water
20 that we can use. If they get a raise, they have got to
21 consider what we're spending money for to buy water to drink to
22 use cooking. About all we can use the water for is washing
23 clothes, which occasionally turn gray, and taking showers. And
24 occasionally that smells like hydrogen sulfide, I guess.
25 That's rotten eggs. And I keep wondering, sulfides are in the

1 water before they enter the house, before they even come to our
2 source. Can anything be done about -- and this would be a
3 question for Aloha. Can anything be done about reducing the
4 sulfides in that water that's coming into our pipes and causing
5 this thing?

6 CHAIRMAN JABER: Mr. Oberg, there are several issues
7 in this proceeding on that very question. And we have a DEP
8 witness and several Water Management District witnesses,
9 including the company witnesses, that will speak directly to
10 that.

11 MR. OBERG: Okay.

12 CHAIRMAN JABER: And certainly I don't want to take
13 away from Aloha's opportunity to answer your question, but I
14 wanted you to hear from me that that's precisely one of the
15 issues that we're looking at.

16 MR. OBERG: Okay. Let me see. I'm going to present
17 the bill when I first moved in there, and this is Wyndgate.
18 And the last one was in December that I have here. The water
19 was \$8.31; the sewer was \$24.19. I don't know how they arrived
20 at that figure. It's just the two of us living in the house.
21 We don't use that much sewer, I'm sure. And the original bill
22 for water and sewer was \$19.71, and now it's 32.49. If they
23 want a raise, they're going to have to do much better than they
24 are doing now.

25 About the hydrants. We live where the guy comes

1 frequently to flush out the hydrants, and I don't think it's
2 for the purpose of seeing if the hydrant works. It's probably
3 to drag in some more chemicals to clear the water out, I
4 assume. Oh, yes, we had a little problem. The flush was
5 running and running, and so I shut off the water and looked in
6 there. It was terribly black in there, so I checked the other
7 toilet tank and that was black. Everybody else has the same
8 problem, I assume. I'm open for questions.

9 CHAIRMAN JABER: Thank you, Mr. Oberg. Any
10 questions, Staff?

11 MR. DETERDING: Go ahead.

12 MR. JAEGER: Go ahead.

13 CROSS EXAMINATION

14 BY MR. DETERDING:

15 Q I just want to get some clarification. Mr. Oberg,
16 the company did come out to your house on numerous occasions
17 and inspected and offered some suggestions for what you might
18 do about the copper corrosion, did they not?

19 A They did come out, I think, every time that I called
20 at the beginning, and I finally stopped calling. They went out
21 to where they can disconnect the pipes and run some water, and
22 it looks nice and clear. Does that mean there's no sulfides in
23 it? Can you answer that?

24 Q To be honest with you, I'm not an expert to do so,
25 but I'd be glad to have somebody talk to you about that if

1 you'd like. But as the Commissioner --

2 A Talk to the group. This is what we're all here for.

3 Q Well, as the Commissioner noted, there will be people
4 who are expert in the area, engineers who, I believe, will be
5 able to give you answers to those kind of questions. And I
6 believe if you would give those kind of questions to
7 Mr. Burgess, he'd be glad to ask them for you.

8 I just wanted to understand what has gone on in the
9 past. And you were explaining to us what those two bottles
10 were --

11 A Yes.

12 Q -- and I just wanted to clarify again where they came
13 from.

14 A Yes. I have an outside filter; it's fairly large.
15 It's probably 5 inches in diameter and 10 inches high,
16 11 inches high, and that's right on the outside wall where the
17 water comes in from the street. I tried to clear the water,
18 but it really doesn't do that much. The filter, when I change
19 it, it's covered with a yellowish thing and a little dark at
20 the bottom where the black stuff comes from. And it's enough
21 so we can get by washing clothes, I guess, and taking showers,
22 but as far as drinking or using it, cook with it, we can't do
23 that. We buy water for that.

24 Q This water on, I guess, your left, that comes from
25 where?

1 A It comes from the bottom of the filter. I took the
2 filter out and the water at the bottom was black.

3 Q Okay. And this is like a backwash water, is it not?

4 A I don't know what you mean by "backwash."

5 Q Okay. Well, I don't want to get in the technical
6 side of it. And the other bottle that is on your right?

7 A Yes, that comes from the hot water tap and also the
8 hot water heater. My heater sits up high, and I can drain
9 some, and that was black too.

10 Q Okay. You drained this from your hot water heater?

11 A Partially, yes.

12 Q Okay.

13 A Any other questions? Is there one over here?

14 MR. DETERDING: One second.

15 CHAIRMAN JABER: Mr. Oberg, on your question with
16 respect to the sulfides, and Staff, you need to correct me if
17 I'm wrong, but it's my understanding that not all of the
18 sulfides are ever removed and that's not bad water. Even
19 treated water will continue to have some level of sulfides, and
20 I'll be glad to have Mr. Wetherington meet with you after you
21 testify to explain a little bit more about the chemical makeup.

22 MR. OBERG: Well, I don't know if I can be here all
23 day.

24 CHAIRMAN JABER: No. Right after you're done, if
25 you'd like to see -- Mike Wetherington is our engineer, and he

1 could tell you a little bit more about the elements in the
2 water.

3 MR. BILANCIONE: Thank you.

4 MR. DETERDING: That's all I had. Thank you very
5 much.

6 MR. JAEGER: I have two questions, Chairman.

7 CHAIRMAN JABER: Go ahead, Mr. Jaeger.

8 CROSS EXAMINATION

9 BY MR. JAEGER:

10 Q I just want to make sure, when was the hot water tap
11 water -- when did you take that?

12 A This one?

13 Q Yes.

14 A January the 7th.

15 Q Okay. And since we haven't made that an exhibit, I
16 want you to describe that. Would you describe that as dark
17 gray to almost black?

18 A Well --

19 Q I mean, nobody has described that on the record, and
20 I don't think anybody is going to be able to tell what you're
21 showing there.

22 A It isn't totally black, but it's heading that way.
23 It's pretty darn gray, believe me.

24 MR. JAEGER: That's all I have, Mr. Oberg.

25 CHAIRMAN JABER: Thank you, Mr. Jaeger. Thank you,

1 sir, for your testimony.

2 MR. OBERG: Thank you.

3 COMMISSIONER PALECKI: Thank you.

4 MR. BILANCIONE: Can I leave these here for --

5 CHAIRMAN JABER: Yes, please do.

6 MR. OBERG: Oh, and I also want to leave this -- the
7 bills that I had originally and now.

8 CHAIRMAN JABER: Thank you, sir. Mr. Wetherington
9 will take those from you. Do you need those copies back,
10 sir --

11 MR. BILANCIONE: No.

12 CHAIRMAN JABER: -- or can we keep them?

13 MR. OBERG: No. They are yours for keeping.

14 (Witness excused.)

15 MR. BURGESS: Mr. Bilancione.

16 JOSEPH BILANCIONE

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

19 DIRECT STATEMENT

20 MR. BILANCIONE: My name is Joe Bilancione,
21 B-I-L-A-N-C-I-O-N-E. I'm a resident of Heritage Lake. And I
22 want to state truthfully, I have never made a complaint against
23 Aloha Gardens about my water. When I moved there five years
24 ago, I was told about the bad water. And as I researched my
25 home at the time, I did see all this back water in my bowls in

1 the house, flush bowls, and I did notice that some of the areas
2 that people were complaining about, and they had gone through a
3 big ordeal with Aloha with their water, and they showed me all
4 this black water at the different things that they had. So
5 upon myself, what I did is, I tried to clean up some of this
6 stuff myself. So what I did is I tried to take my sinks apart,
7 and I couldn't, for all the particles that had grown in there,
8 they were so tight that I had to change all my faucets, which I
9 did.

10 And further on, I went on to getting filters -- an
11 in-house filter as well as a filter for under the sink for the
12 drinking water, and recently I bought a refrigerator with a
13 filter on it. So all these filters are helping me to get clean
14 water. Now, as I changed these filters, you would be amazed at
15 the colors that they are, dark brown, as dark as rust you could
16 possibly see. And I have to change these -- the one outside I
17 change every three months. That's how bad that one is. The
18 one under the sink, which is a more expensive filter, I change
19 every six months.

20 Now, I want you to understand now, I've lived in
21 Pasco County 30 years. I lived in Port Richey, and I was a
22 Councilman and a Commissioner for the City of Port Richey, and
23 living in Port Richey for 23 years, my copper wire in my house
24 has been there all these years, and I've never had a problem
25 with that water being black, discoloring, or anything happening

1 to my faucets, not until I reached Heritage Lake where we're
2 being serviced by Aloha Gardens. Whatever the problem really
3 is, I believe that somehow the filtering system in Aloha
4 Gardens may not be as well as it was in Port Richey, because as
5 long as I lived in Port Richey and being a Commissioner in Port
6 Richey, I've never heard a complaint about our water until I
7 reached Heritage Lake and I see all these complaints. And I've
8 noticed that maybe it's possible that Aloha Gardens should have
9 a better filtering system of the water before it reaches the
10 main line that it gets to these homes because I noticed my
11 water is getting better because of my filters.

12 And we also have people with filters that are closer
13 to the line that it comes in from the area that they have a
14 problem because it doesn't get a chance to filter as well.
15 Maybe I'm further away from that problem, and I get a cleaner
16 water because of my filter. But I think it should be
17 understood that most of the problem, I believe, is the first
18 filtering of the water from Aloha Gardens coming in, and they
19 should do more for that before they think about raising the
20 prices of our water, because we are paying a lot of money for
21 our own filters, our softeners to get better water, and many of
22 us are going out and buying water. And I can't see why we're
23 giving these people more money when it's costing us money now
24 to better our water on our own. Thank you.

25 CHAIRMAN JABER: Thank you, sir. Mr. Bilancione, I

1 need to make sure that I clarify for you. I don't want you to
2 think that you are affected by the potential rate increase.
3 Let me clarify, again, for the record, Mr. Willis, that
4 customers in Aloha Gardens are not affected by this case.

5 MR. WILLIS: That is correct.

6 MR. DETERDING: Commissioner, he referred to the
7 utility as Aloha Gardens. He is in fact a resident of the
8 Seven Springs system -- within the Seven Springs system.

9 CHAIRMAN JABER: All right.

10 MR. DETERDING: This would probably be a good time --
11 at the break you asked if we could perhaps agree to something
12 that would help speed things along. I hope it will.

13 Mr. Burgess has agreed that -- and correct me if I'm stating
14 this incorrectly, Steve, but that unless a customer expresses a
15 specific area of expertise, we would stipulate and Mr. Burgess
16 would stipulate that the customers have no particular expertise
17 or knowledge in the technical areas, water treatment, utility
18 rate setting, the law, that is relevant to their testimony.

19 CHAIRMAN JABER: Thank you. I appreciate that from
20 each party. Let me explain to the customers what Mr. Deterding
21 just said. During the break I asked the parties to come
22 together or reach an agreement on how this procedure could go
23 more expeditiously because we're here to hear from the
24 customers. And I recognize that Mr. Deterding has some legal
25 concerns in filling the record. He has a job to do, and I'm

1 sensitive to that, but we're here to hear from the customers.
2 So I commend the parties for getting together and reaching that
3 kind of settlement.

4 MR. BURGESS: Commissioner, Madam Chairman --

5 CHAIRMAN JABER: Go ahead.

6 MR. BURGESS: -- may I speak for our agreement? What
7 I had agreed to, and I'm not disputing what Mr. Deterding said,
8 but it's basically that the customers are coming forward and
9 testifying, for the most part, as customers of the utility
10 without necessarily any specific area of technical expertise to
11 provide expert testimony. However, a number of these customers
12 do have an expertise that would serve the Commission well and
13 so -- and when they do, they perhaps might offer expert opinion
14 testimony.

15 And so what I'm suggesting is that if they do have a
16 particular expertise and they note it in their testimony, then
17 of course that would be expertise that we would proffer to the
18 Commission. If they do not note any particular expertise in
19 their introduction of themselves or statement or brief
20 biography of themselves, then we will assume that they're
21 testifying simply as customers of the utility.

22 CHAIRMAN JABER: Thank you, Mr. Burgess.

23 MR. DETERDING: And I understand that and the
24 distinction he's drawing. That means, I assume, that any
25 customer who is claiming any expertise in any specific area

1 will let that be known up front, so we don't have to deal with
2 that. I do have a little concern that to the extent there is
3 expert testimony that Mr. Burgess was aware of, that he
4 intended to put on with the customers, that that, I believe,
5 should have been prefiled in this case to the extent that it is
6 expert testimony, but we'll leave that --

7 CHAIRMAN JABER: Let's cross that bridge when we come
8 to it. It was not my intent to engage in lengthy dialogue
9 here. I'm looking for ways to make this go smoother so that
10 the customers that have been sitting here since ten o'clock get
11 to testify.

12 MR. DETERDING: I understand.

13 CHAIRMAN JABER: Any questions for Mr. Bilancione?
14 Okay. Thank you, sir, for your testimony.

15 MR. BILANCIONE: Thank you.

16 (Witness excused.)

17 CHAIRMAN JABER: Mr. Burgess, next customer.

18 MR. BURGESS: Mr. Hawcroft.

19 HARRY HAWCROFT

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

22 DIRECT STATEMENT

23 MR. HAWCROFT: Good afternoon. Fellow Commissioners,
24 Public Service Staff, Defense Counsel, and members of the
25 public. My name is Harry Hawcroft, spelled H-A-W-C-R-O-F-T,

1 and I live at 1612 Boswell Lane. It can be either termed
2 "Trinity" or "New Port Richey" -- we actually have kind of two
3 post offices -- Florida 34655. Our home is served by Aloha
4 Utilities, and the water that comes to our home is foul
5 smelling and discolored as it comes from the taps in our home.
6 We have constant problems with this situation. Stained laundry
7 and the need for consuming bottled water are rules for the day.
8 It is almost two years since I testified before this Commission
9 about the very same water quality problems that we are having
10 today.

11 The Public Service Commission held a meeting at this
12 location in March of 2000. And we listened to the testimony
13 which was very important, I thought, from a person by the name
14 of Mr. William Day, spelled D-A-Y, who at the time was the
15 operations manager for Well Built Technology Center that was
16 located in the Trinity Commerce Park. Pasco County spent a lot
17 of time and money to lure Well Built Technology to this area
18 from northern Hillsborough County. It was a move deemed
19 significant because of the company's global market for food
20 service equipment. This is a quote. They are big players in
21 the world market. It is going to give us some good exposure to
22 have them up here, Pasco County's chief industrial recruiter
23 said at the time. Well Built operations manager, Mr. Day,
24 delivered a somber message on Wednesday, March the 29th, 2000,
25 at this location during a public service hearing on the quality

1 of Aloha's water.

2 MR. DETERDING: Commissioners. I apologize,
3 Mr. Hawcroft. I just wanted to make a point. This witness is
4 testifying about what another individual did and said, not
5 about his quality of service. We heard Mr. Day's testimony; we
6 investigated it. We provided the Commission with a detailed
7 response to the concerns of Mr. Day at Well Built which is all
8 in the prior docket.

9 I don't think it's appropriate for this gentleman to
10 present evidence as to what Mr. Day did or said or other
11 parties did or said about Mr. Day's service. If the witness
12 has some concerns with quality of service, they should be his
13 quality of service that he's expressing concerns with.

14 CHAIRMAN JABER: Mr. Burgess.

15 MR. BURGESS: Commissioner, if I might respond. At
16 this point, we don't know -- I suggest Mr. Deterding hear the
17 witness out, hear Mr. Hawcroft out, and hear what he has to say
18 and how he intends to use this. He has testified about his own
19 service, and he's also testifying now about his consternation
20 about the duration that these problems have lasted. And so he
21 is expressing his concern about information that was brought
22 forward some period of time ago, and I think it's perfectly
23 legitimate testimony.

24 MR. DETERDING: And Mr. Hawcroft did testify in the
25 water quality case, and I am all for him telling us about what

1 has happened, what was occurring then, and what he's
2 experiencing now. My concern is with his uncorroborated
3 hearsay and that he is talking about Mr. Day when Mr. Day is
4 not here and has not testified, and I believe it's
5 inappropriate.

6 CHAIRMAN JABER: Okay. Let me remind the audience
7 first, I think, before we go further that I really need the
8 court reporter to be able to hear all the statements. Bear
9 with us.

10 Mr. Hawcroft, explain to me the point you want to
11 make before you read the statement, and I'll tell you how we
12 will deal with it. The attorney's point -- Mr. Deterding is
13 making an objection as it relates to hearsay. That is not your
14 testimony that you are about to read. It was someone else's,
15 and they don't have an opportunity to cross-examine that
16 person, but I think what you're trying to do is make a point
17 using that person's statement. So why don't you make that
18 point?

19 MR. HAWCROFT: That is correct. And this research
20 for these paragraphs -- I have the articles here from the
21 St. Petersburg Times who I am very sure can corroborate
22 anything that was said, and these words are probably from your
23 public service -- but my final point here in this, I have two
24 paragraphs dealing with this final -- you know, I'm going to
25 make a final point. And Mr. Day went on to say that he cannot

1 recommend this area for business relocation. My point is,
2 if -- a company with Well Built Technologies resources and test
3 facilities. At that time he talked about extensive testing was
4 done on the incoming product and that -- he said, unless Aloha
5 Utilities improves its service or alternate service water is
6 made available to us, Mr. Day testified, and this is his
7 quote --

8 CHAIRMAN JABER: Mr. Hawcroft, let me stop you there
9 because I'm sure we're going to get an objection in a minute.

10 MR. HAWCROFT: Okay.

11 CHAIRMAN JABER: You recognize Mr. Day is not here to
12 have cross --

13 MR. HAWCROFT: I do that, yeah.

14 CHAIRMAN JABER: But I think the point -- and let me
15 try to help you with this, and you tell me if I've captured the
16 point you're trying to make. Good quality service promotes
17 economic development into the region.

18 MR. HAWCROFT: Correct.

19 CHAIRMAN JABER: And if I company does not provide
20 good quality of service, then that has a detrimental effect on
21 the economic development of the area. That's what you want me
22 to know from what you're stating.

23 MR. HAWCROFT: And then finally, if I can continue.
24 A short while ago, Well Built Technologies moved their
25 operations center from the Trinity Park. That was the point

1 that I was going to make.

2 After the conclusion of all the PSC meetings -- that
3 is another subject. After the conclusion of all the PSC
4 meetings in March of 2000, the Commission saw fit to place the
5 Order Number PSC-00-1285-FOF-WS, which was that the Commission
6 required Aloha to implement a pilot project to enhance the
7 water quality and diminish the tendency for the water to react
8 with the copper piping in the customers' homes. The consumers
9 and myself, I suppose, would like to know the results of any
10 projects that have been carried out as a result of this order
11 to date.

12 If such tests or projects prove to produce a higher
13 level of water quality to the Aloha customers, how soon will it
14 be before the consumer will see the benefits of such projects?
15 In closing my testimony, I would ask the Commission and all the
16 Public Service Staff to take a moment in their daily tasks and
17 to think about the people who are Aloha customers and what they
18 can do to help improve our situation here in this area. Ask
19 yourself, can I help solve this problem for the customers of
20 Aloha Utilities?

21 I, in final closing, am in opposition to any rate
22 increase that is proposed by Aloha Utility until such a time
23 that they supply water that is clear and clean and has no bad
24 taste or odor. Thank you, and thank you for your time.

25 CHAIRMAN JABER: Thank you, sir. Questions?

1 MR. DETERDING: Yes, I have a couple.

2 CROSS EXAMINATION

3 BY MR. DETERDING:

4 Q You spoke extensively about Mr. Day and Well Built.
5 Isn't it true that Well Built and Mr. Day never filed a
6 complaint with the Public Service Commission or with this
7 utility on the issue of water quality?

8 A I can't answer that. The only thing that I can say,
9 Mr. Deterding, that I sat directly behind you March of 2000,
10 and Mr. Day presented an eloquent complaint. If that was not
11 deemed a complaint, I don't know what was.

12 Q Okay. Did you read the response provided by the
13 utility to the complaint filed by Mr. Day at that hearing?

14 A I do not have the privilege to all of the replies and
15 complaints. I'm just a basic Aloha customer. I'm not
16 privileged to all the information that goes back and forth, no.

17 Q You were reading from a -- some documents there, and
18 you referenced some St. Pete Times articles. Am I
19 understanding that your information comes from either documents
20 that Mr. Day provided at that hearing or newspaper articles?

21 A The basic paragraphs that I quoted today were from
22 the St. Petersburg Times dated March the 31st of 2000, and it
23 was, in essence, the quotes that the reporter put in the paper.

24 Q Okay. So you've had no conversation with Mr. Day
25 about his experience with water quality nor concerning the

1 responses that he's gotten from Aloha to those concerned?

2 A No, sir, I have not.

3 MR. DETERDING: Okay. Thank you.

4 CHAIRMAN JABER: Thank you.

5 MR. JAEGER: I have just couple of questions,

6 Chairman.

7 CHAIRMAN JABER: Go ahead, Mr. Jaeger.

8 CROSS EXAMINATION

9 BY MR. JAEGER:

10 Q I think at first when you started talking about your
11 own water, you said it was discolored.

12 A Yes, sir.

13 Q Is it a black to gray color like those jugs sitting
14 in front of you? Is that what you have?

15 A Yes. I have a -- the characteristics of my water
16 were pretty much like this one. They are a -- they vary from a
17 darker color like this one. This one here looks very bad, and
18 sometimes I have a small particles that when I try to clean
19 them from any of the fittings or fixtures, you almost have like
20 a -- it's not oil, but it's like when you smear it, it's like
21 you're smearing like paint, you know, like a watercolor paint.

22 MR. JAEGER: I'd just like the record reflect that he
23 held up the darker-colored black water.

24 Q And also one last question. How long have you been
25 experiencing this black water?

1 A We have been experiencing this for the whole time
2 that we've -- since the house was built, approximately
3 four-plus years.

4 MR. JAEGER: Thank you, Mr. Hawcroft.

5 CHAIRMAN JABER: Thank you.

6 (Witness excused.)

7 MR. BURGESS: Dr. Kurien.

8 V. ABRAHAM KURIEN, M.D.

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

11 DIRECT STATEMENT

12 DR. KURIEN: My name "V" as in Victor, that's my
13 first initial, Abraham, A-B-R-A-H-A-M, Kurien, K-U-R-I-E-N. I
14 reside at 1822 Orchard Grove Avenue in New Port Richey 34655.
15 Honorable members of the Public Service Commission and
16 everybody else who is here, I had the honor of becoming a
17 citizen of the Sunshine State just five months ago. That I
18 might have to address the Public Service Commission meeting as
19 one of my first community activities was furthest from my mind
20 when my wife and I moved to New Port Richey in August of 2001.

21 I'm a physician by profession and have an additional
22 degree in chemistry and was a lecturer in physical chemistry
23 before obtaining my medical degree. Today, I sit before you to
24 present evidence to show that the public water supply which I
25 receive through the pipes in my home does not meet the

1 community standard of potable water.

2 When we were looking to retire in Florida and visited
3 friends at Hunters Ridge in New Port Richey and stayed in
4 hotels in Tampa and Port Richey, we inquired about the quality
5 of water in this area but had no reason to suspect that we
6 would have a problem with our water supply in Wyndgate, a
7 community on Mitchell Boulevard. In fact, when we walked
8 through the villa that is now our home and checked the water in
9 the toilet tank, I innocently assumed that the grayish
10 discoloration was merely the result of stagnancy and nothing to
11 be concerned about, since I could not imagine that a water
12 supply in the state that launches spacecraft could be anything
13 other than Class A, a designation that has been given to Aloha
14 Utilities. Neither did the staff of Aloha Utilities in our
15 initial contact with them notify us that the community had any
16 concerns about the appearance and quality of the water. I
17 presume that "customer beware" is the motto.

18 Within a month of our arrival, after cleaning out the
19 toilet tank to get rid of the stagnant water, we realized that
20 there was a problem of which we were not initially aware of but
21 which had been the focus of attention by the Wyndgate and
22 Chelsea Place communities for several years. The history of
23 this matter is well-known to most of the audience, and I do not
24 intend to go into it. Suffice it to say that in spite of the
25 affirmations by Aloha Utilities about its water meeting federal

1 and state standards for the solid material and contaminants,
2 the water that comes out of the tap does not meet the common
3 sense standard of appropriateness.

4 Persistence of black water, the intensity of its
5 color changing from time to time has been a source of concern
6 to me and to a large number of customers of Aloha Utilities.
7 In an attempt to allay my concerns, I first contacted Aloha
8 Utilities to obtain information. I had been impressed with
9 their willingness to provide information in a generic manner
10 about the processes that their staff declares to be the cause
11 of black water. That data is also public knowledge, and I do
12 not need to reiterate it. But Aloha Utilities has been very
13 slow in providing information about the specifics of its own
14 processing operations or in admitting that surrounding
15 utilities have adopted methods for solving the problem.

16 What is of concern to my neighbors and to me is the
17 unwillingness of Aloha to address the issue in an immediate
18 manner instead of sidestepping the issue. Obviously, the
19 utilities in the surrounding communities have also been plagued
20 with the same problem as shown by the report of May 1998,
21 Copper Pipe Fitting Corrosion Study, submitted to the Board of
22 Pasco County Commissioners.

23 The Pasco County Utilities and the utilities of the
24 other surrounding communities have effectively dealt with the
25 problem of black water by reducing the tendency to corrosion

1 induced by sulfides in the water by adapting remedial methods
2 and by altering the alkalinity of water during processing.

3 The customers of Aloha Utilities alone have been left
4 as an island of communities which need to continue to face the
5 psychological trauma and the cost and the unknown health
6 effects of black discoloration of water due to the presence of
7 copper sulfide in their water. This violates the principle of
8 community standards which is more and more being accepted as a
9 standard for corporations whose activities affect essentials of
10 life such as air, water, and environmental quality.

11 The answer of Aloha Utilities, as I understand, is
12 that there is no EPA or federal standards for clarity of
13 processed water, and that they meet all the prescribed
14 regulatory standards at the appropriate intervals. That may
15 indeed be so. Unfortunately, tests conducted and reported once
16 in three months is hardly frequent enough to monitor the
17 quality of water used for drinking, bathing, and washing
18 clothes. Notice the claim valid that there is no known health
19 effects to the presence of copper sulfide in water and that the
20 discoloration is merely of aesthetic concern. What you do not
21 know cannot hurt you may have been an acceptable standard when
22 physicians were recommending cigarettes to improve your health,
23 but such a careless attitude is no longer acceptable.

24 I do recognize that preventing the formation of
25 copper sulfide in pipes is a complex matter and that it costs

1 money to alter the characteristics of water in such a way that
2 the tendency to form copper sulfide is reduced. There may be
3 many ways to deal with the problem, and I would want to admit
4 that there may not be a 100 percent effective solution.

5 However, the neighboring communities have obtained a high level
6 of efficiency in this matter which shows that it does not
7 require the expertise of rocket scientists to achieve that
8 goal. It only takes the willingness to adopt a methodology
9 that is readily available along with financial sources to
10 obtain it. In this context, as a member of the customer
11 community served by Aloha Utilities, I'd like to remind the
12 corporation not to forget that the situation can be addressed
13 in a win-win manner for both the customers and the corporation.

14 The corporation is ultimately a steward to the
15 community in its task of extracting the water from the aquifer,
16 processing it as necessary, and distributing to its customers.
17 The relationship between the corporation and the community can
18 be a friendly one in which both parties understand and
19 appreciate the concerns of each of them. As customers, we can
20 recognize that it costs money to process water, and that in
21 Florida in the 21st century, we cannot produce higher quality
22 of water that is cheap. The corporation in its time can
23 recognize that the least common denominator of DEP and federal
24 expectations is not a gold standard for the product it delivers
25 to the community. And if given the financial resources to

1 improve the quality of water, it should adopt the higher but
2 easily attained community standard as a commitment to its
3 customers. Only in that way can friendly relationships between
4 the corporation and its customers be maintained.

5 The monopoly status given to Aloha Utilities to
6 create a business from the underground resources that
7 ultimately belongs to all of us as a people is a circle of
8 trust that should not be violated, especially when the
9 corporation is guaranteed a good rate of return for its
10 investment. Therefore, in the spirit of cooperation and as an
11 expression of my willingness to work with Aloha Utilities to
12 bring the quality of our water supply to the level of the
13 community standard that exists in this area of Florida, I'd
14 like to suggest to the Public Service Commission that it allows
15 Aloha Utilities a graduated and conditional increment in its
16 rate structure if, and only if, Aloha makes a commitment to
17 improve water quality so that the costs involved in reducing
18 the tendency to copper sulfide formation in the water can be
19 amortized over a reasonable number of years. The water rates
20 in the service area of Aloha can then be brought up to the
21 level which Pasco County Utilities charge for its supply as
22 long as the water provided by Aloha Utilities also meets the
23 same standards.

24 Further, an aspect; as the customers of Aloha
25 Utilities do not have a choice about once they get their water

1 supply, I will request the PSC to mandate that compliance with
2 community standards be independently monitored by methods which
3 are currently used by Pasco County Utilities. Thank you very
4 much for the opportunity to talk to you.

5 CHAIRMAN JABER: Dr. Kurien, thank you very much for
6 your testimony, and I have a couple of questions for you, but
7 let me make sure no one else has questions.

8 MR. BURGESS: Commissioner, I've got a little bit
9 additional direct, if I might --

10 CHAIRMAN JABER: Go ahead.

11 MR. BURGESS: -- because this falls into the area
12 that we spoke of with the expertise.

13 CHAIRMAN JABER: Yes.

14 DIRECT EXAMINATION

15 BY MR. BURGESS:

16 Q Dr. Kurien, you noted that you were an M.D. Do you
17 have any other experience or background in the area of public
18 health that -- besides being a medical doctor?

19 A I have only in the sense that I'm aware of effects of
20 copper sulfide on health, or at least the possible effects,
21 which have not been so far addressed by DEP and federal
22 standards. Another qualification that I may have, which if
23 anybody wants to use it, is that I was the Chairman of the
24 Community Advisory Board to the Office of Intercultural Affairs
25 in Santa Fe before I moved here, and one of my responsibilities

1 was to create win-win situations where there had been conflicts
2 in the past. So that's why I have not taken specific issue and
3 brought jars of water here because I'd like to work with Aloha
4 Utilities because I feel that it is possible for Aloha
5 Utilities to provide a better product if they want to be
6 community-sensitive. And in the long run, no corporation will
7 survive if they are not sensitive about the needs of the
8 community in which they live and act or deliver their product,
9 except if it be a monopoly.

10 And in that situation, I think the PSC has a very
11 specific responsibility here, which is, as I mentioned, of
12 maintaining the community standard and not be bullied by claims
13 that they meet DEP and federal standards because that is not a
14 good enough standard. And if I made a cocktail out of this
15 water, even the lawyers of Aloha will not drink it.

16 So I think we need to adopt an approach which is
17 conciliatory, which is the ability to understand each other's
18 position, the fairness of the offer that each side makes to
19 achieve the solution. I'm here to try to create a solution of
20 to the problem. I'm not here to battle anybody, either Aloha
21 or the customer of the PSC or anybody else. I'm here to be of
22 service to the community.

23 MR. BURGESS: Thank you, Dr. Kurien. Thank you,
24 Madam Chair.

25 CHAIRMAN JABER: Mr. Deterding, did you have

1 questions?

2 MR. DETERDING: Well, I do, Commissioner, but I
3 believe given the nature of the questions that the Staff has
4 asked, I would prefer to go after them since they seem to be
5 eliciting additional direct testimony from the witnesses.

6 CHAIRMAN JABER: Mr. Deterding, they are not
7 soliciting additional direct testimony. They are
8 cross-examining on the color of water and issues like that,
9 so --

10 MR. DETERDING: I understand. I apologize for
11 interrupting.

12 CHAIRMAN JABER: It's okay. Go ahead and ask your
13 questions. If Staff or the Commissioners ask questions that
14 you have not yet had an opportunity to address, we'll visit
15 that again, but go ahead and ask your questions.

16 MR. DETERDING: Okay, Commissioner. Thank you.

17 CROSS EXAMINATION

18 BY MR. DETERDING:

19 Q Doctor, you have stated that you do not believe that
20 the water provided by Aloha is in conformance with community
21 standards, have you not?

22 A Yes, I did.

23 Q Okay. Have you done a chemical analysis of the water
24 provided by Aloha Utilities?

25 A No.

1 Q Have you prepared or undertaken a chemical analysis
2 of the water provided by Pasco County or Pinellas County?

3 A No.

4 Q Have you reviewed chemical analysis of any of those
5 water systems?

6 A No.

7 Q Are you familiar with the DEP standards for treating
8 drinking water?

9 A I am familiar with it in the extent to which the
10 different utility companies have reported. I have with me the
11 standards of Aloha, Tampa, Clearwater, and I recognize at least
12 in the way Aloha has reported it that they have not reported
13 all the standards that were expected by the community. So I'm
14 subject to the limitations that you have placed on your
15 customers in knowing how much information you have given them.
16 I have not taken the opportunity, nor have I felt the need to,
17 unless I'm directed to do so in an attempt to cooperate with
18 you in finding that information.

19 Q Okay. Are you suggesting that the utility has failed
20 to do testing that it is required to do?

21 A No. I said the community standard is a common sense
22 standard of the clarity of water, and I don't need to do tests
23 to know how clear the water is. And I would -- again, in the
24 spirit of accommodation, if you wanted to go and look in your
25 own toilet in your office, you may be surprised to find that it

1 is as black as this. So that's what I am saying.

2 So I don't need a chemical analysis to know that I
3 don't want to drink this water. I have drank this water for a
4 month thinking that I was getting water which -- and to the
5 credit of everybody here, the water that comes from is clear.
6 And if your representative comes and takes out a test tube full
7 of water and shows me and says it is clear, you are not using a
8 chemical standard either. And I have done the experiment of
9 putting water from every tap in my house through filter papers
10 and filtering them. At one gallon, you won't see it. Take
11 500 gallons, then you'll see it. So the question is not simply
12 of holding it up against the light. There are scientific
13 methods of assessing it.

14 And let me ask you the question: Have you used a
15 scientific method of analysis to tell us that there are no
16 deposited material in it which cannot be seen? Have you?

17 CHAIRMAN JABER: Dr. Kurien, he --

18 MR. DETERDING: I'm an attorney; I don't do those
19 things.

20 DR. KURIEN: Yeah, in the technical session --

21 CHAIRMAN JABER: Right.

22 DR. KURIEN: -- I'll be very glad --

23 CHAIRMAN JABER: Exactly.

24 DR. KURIEN: -- if I need to stay on for the
25 technical session.

1 CHAIRMAN JABER: Mr. Deterding --

2 MR. DETERDING: And we will be glad to have --

3 CHAIRMAN JABER: -- hang on a second. Hang on a
4 second.

5 MR. DETERDING: I'm sorry.

6 CHAIRMAN JABER: Dr. Kurien, I want to answer your
7 question with respect to whether he can answer the question.
8 They have filed testimony on that technical issue, and what I
9 was going to invite you to do is to stay as long as you can and
10 be back tomorrow if you'd like, so you can hear that technical
11 expertise.

12 DR. KURIEN: I'll be glad to.

13 CHAIRMAN JABER: Mr. Deterding, finish up your
14 questions.

15 MR. DETERDING: Okay.

16 BY MR. DETERDING:

17 Q And in fact, the utility had proposed to you just as
18 late as yesterday that they would set up a meeting with their
19 engineer to discuss your questions, did they not?

20 A Yes. I'll be very glad to, and I look forward to it.

21 Q And they did propose that yesterday?

22 A Yes, yes. I suggested and I said I would be very
23 glad to sit down.

24 Q Okay. You talk about a scientific standard for
25 determining clarity or determining constituents of water.

1 Isn't it true this utility has to make certain tests of this
2 water in order to determine whether or not it is in compliance
3 with applicable standards?

4 A I said I'm not aware that DEP has a standard for
5 clarity of water. That's what I said.

6 Q Isn't it true that DEP does have a standard for
7 clarity or coloration of water?

8 A I don't know that, sir. I asked DEP a number of
9 questions, and I know what they have and what they don't have.
10 And one of them that they don't have is hydrogen sulfide. It
11 is not necessary to measure hydrogen sulfide. So there are
12 areas in which DEP, for whatever the reason, do not have
13 standards which cause problems with common sense standards.

14 Q And where would the utility find these common sense
15 standards that you believe they ought to be utilizing?

16 A Right here.

17 Q Well, you're holding up a bottle, and I want to
18 identify this for the record. He's referred to that bottle two
19 or three times, and that is a bottle that a gentleman said he
20 got from his hot water heater. Do you drink water from your
21 hot water heater?

22 A I can bring water to you, and I'll be glad to bring
23 water to you from my household. I didn't want to burden
24 because I knew that a lot of people would be bringing water.
25 If you are saying that my water is completely clear, you are

1 using the standard of holding it up against the light. That's
2 what I'm saying. Let us use a scientific standard. Filter the
3 water. Filter 500 gallons of water, and I didn't have to
4 filter 500 gallons of water. I took a coffee filter and poured
5 water after water, or take water from your toilet tank. And
6 one of the reasons why I mentioned the toilet tank is that is
7 the point at which the maximum water flow occurs in a
8 household. Okay. And if you do that, okay, and you clean out
9 the toilet tank, wait ten days, you will find deposit at the
10 bottom. Okay. And that's what I'm saying. That is a common
11 sense standard. And if you see that, you would not want to
12 drink that water if it comes through your drinking facility.
13 And that's the point that I'm making.

14 And I wish, sir, if I can say that, let's not split
15 hairs. We are not here to split hairs. We are here to solve a
16 problem. And if you want to solve a problem, the community
17 will work with you to solve the problem and will meet, I
18 presume, part of the cost amenity in the problem -- fixing the
19 problem.

20 Q Okay. Isn't it true that this company has tested its
21 water based upon scientific standards for clarity?

22 A I said that they have met the DEP and the federal
23 standards. I didn't deny that.

24 Q Okay. And concerning the issue of remedying these
25 concerns that you have about what you call community

1 standards -- I guess first of all, let me understand again,
2 that was what my question was, was where is the utility to find
3 these community standards? Where does it look to find
4 something that says, the DEP standard is not the appropriate
5 standard, it should be another standard? Where do they find
6 this?

7 A No, I didn't say that. See, I'm not a lawyer, but
8 I'm a very precise person about the way I use language.

9 Q Okay.

10 A Okay. All right. I said that you met DEP and
11 federal standards, that you submit quarterly reports to those
12 agencies, and I conceded the fact that you had met all those
13 standards. That wasn't my point. But my point was that if you
14 follow the standard of looking at the water that comes from
15 here into your household, if you hold it up against the light
16 as your technicians will do and say, this water is clear, I
17 said, you need to use a more rigorous standard. Okay. And
18 that standard can be achieved by pouring water through a filter
19 paper. You may need to pour 500 gallons of it before you will
20 see it. Okay. That's what I'm saying. And that's a very
21 simple thing for you to do, and I will be glad to do it for
22 you. I'll be glad to stand in some place and pour the 500 if
23 that's the difficulty.

24 Q Well, are you aware that DEP does have standards
25 concerning testing water for clarity or for coloration?

1 A I said I am not aware of it. If there is a DEP
2 member, they can tell me about the standard because I don't
3 know. Maybe you can tell me the standard.

4 Q I don't know them specifically.

5 CHAIRMAN JABER: Mr. Deterding, how about we leave
6 that question for the DEP witness --

7 MR. DETERDING: I agree.

8 DR. KURIEN: I'll be glad to --

9 CHAIRMAN JABER: Dr. Kurien.

10 DR. KURIEN: Yes.

11 CHAIRMAN JABER: Excuse me, I'm sorry. For the
12 benefit of the court reporter, we need to make sure one person
13 is speaking at a time.

14 DR. KURIEN: Yes.

15 CHAIRMAN JABER: Mr. Deterding, the DEP witness is
16 the most qualified to discuss the rules.

17 MR. DETERDING: I agree. And I'm just trying to
18 determine whether or not this witness has some definition for
19 these community standards he's saying we should be held to. I
20 still don't understand what they are. For instance, DEP has a
21 standard for clarity. DEP has a standard for many constituents
22 in the water, and I'm trying to find out where this utility
23 should look to find the heightened standards that you're
24 suggesting that they should measure themselves by.

25 DR. KURIEN: Now, that we do at the technical session

1 when we can talk to people from different communities in this
2 area. I have talked to Pasco. I have talked to Clearwater. I
3 have done my part of it, and maybe the utility, Aloha
4 Utilities, should do the same.

5 BY MR. DETERDING:

6 Q Would you agree that the discoloration in that water
7 on your right is caused by copper sulfide?

8 A I can't say that by looking at it.

9 Q So you don't know what it is?

10 A If it is tested, we can tell it because copper
11 sulfide is also black.

12 Q Have you read the information from the previous water
13 quality dockets or cases about the --

14 A Yes. I have read every document. I have a lot of
15 them here.

16 Q And isn't it true that the water, the darkish,
17 blackish water, grayish water has been identified by several
18 experts as copper sulfide?

19 A Not in this particular bottle.

20 Q Okay. Isn't it true that this utility undertook a
21 study of appropriate treatments to increase quality of water
22 approximately six years ago? Do you know that?

23 A I wasn't here. I hear that it has been done, and
24 there has been some improvement according to some people.
25 There has been -- again, I'll wait until the technical session

1 because there's a very close correspondence to what happens in
2 the pipes here, and I'm a cardiologist by training. It is like
3 heart disease and vascular disease in the human body. There's
4 a very close similarity, and that's why I am very much
5 interested in it.

6 Q Okay. I'm not talking about a change in treatment
7 that was undertaken. I'm asking you about the Commission --
8 are you aware the Commission required this utility to undertake
9 a study as to what additional treatments it might recommend if
10 it were to provide a higher level of treatment?

11 A I presume that the project that was recommended in
12 which MIEX, I presume, was used was one of those opportunities
13 given to Aloha to find out if there was a way of improving the
14 quality.

15 Q Well, I apologize, sir, but I'm not trying to find
16 out what you presume. I'm just trying to get some issues about
17 what you have investigated or what you are aware of that has
18 already gone on. So please, if you would just answer my
19 question directly, we will get through this a lot quicker and
20 easier.

21 A Yes.

22 Q Are you aware that the utility has undertaken a study
23 at this Commission's direction about approximately six years
24 ago about what additional treatments it could undertake?

25 A Yes.

1 Q And isn't it true that the utility proposed that the
2 best alternative available would be to construct packed tower
3 aeration facilities?

4 A I don't know whether the utility recommended it as
5 the best method. I know that they recommend it as the method
6 that they would like to use.

7 Q Okay. Do you know of a better method than that to
8 resolve the issue related to --

9 A I haven't looked into it but would be glad to.

10 Q Okay. Isn't it true that the company also stated
11 that they were willing to construct those facilities if the
12 authorities wanted them to do so?

13 A If you were mandated to do so, yes.

14 Q Okay. You discussed other systems. Isn't the
15 Pinellas County system utilizing the exact treatment procedure
16 that the utility proposed in that -- as a result of that study?

17 A I didn't talk to Pinellas, I talked to Pasco.

18 Q Okay. And is Pasco County utilizing packed tower
19 aeration?

20 A Part of it.

21 Q Isn't it true that the sulfides in their water are at
22 a higher level than those in Aloha's water?

23 A I haven't looked into it.

24 Q Isn't it true that this company does, in fact, meet
25 the same standards as does Pasco County, Pinellas County, the

1 City of New Port Richey, and so forth, those standards
2 established by the regulatory authority?

3 A I know that they meet -- I presume they meet DEP and
4 federal standards, as you do.

5 Q Okay. Would you agree that -- well, assuming for the
6 moment that since you said you didn't know what the water in
7 that bottle is, you are aware that there is -- many of experts
8 have suggested that the discolored water, the blackish water
9 and several other formations are the result of copper
10 corrosion?

11 A Yes.

12 Q And would you agree that there is no copper in
13 Aloha's system or its source water?

14 A I don't know that. That's what your claim is.

15 Q Okay. Have you done any investigation to determine
16 whether there is?

17 A I have not been given the opportunity to.

18 Q Okay. Do you believe it's appropriate that houses
19 not utilize water -- copper in their water piping in the
20 future?

21 A That houses don't use?

22 Q Yes.

23 A Among the many remedies that are available to prevent
24 that problem, one such is that you don't use copper, but you
25 can change the character of the water so that people can

1 continue to use the copper pipes.

2 MR. DETERDING: Okay. Thank you.

3 DR. KURIEN: Thank you.

4 CHAIRMAN JABER: Dr. Kurien, let me thank you again
5 for your testimony. I just want to ask you, though, a few
6 follow-up questions because of your wonderful suggestions that
7 we should consider. In discussing with Pasco County what they
8 have done in the last couple of years to solve their quote,
9 unquote discoloration problem, can you share with me some
10 greater detail in what they have done?

11 DR. KURIEN: Yes. I talked to the water engineer
12 from Pasco, and he said they use a multilevel system for
13 improving water quality. They use an aeration system. They
14 use a biological agent that is a bacteria that removes hydrogen
15 sulfide from water, and then they use chlorination. So they
16 have a three-level system for dealing with that. And I'm sure
17 that information would have been available to Aloha if they had
18 inquired about it because the Pasco County engineer was very
19 willing to talk to me.

20 CHAIRMAN JABER: And do you know in implementing this
21 three-level system whether they had customers retrofit their
22 copper piping, or were customers able to keep their copper
23 piping in the home?

24 DR. KURIEN: I didn't ask that question.

25 CHAIRMAN JABER: Again, I'm just searching for ideas

1 which is why I'm asking you those questions about the
2 discussions. Where there other counties that you talked to
3 that we might -- the conversations of which we might benefit
4 from?

5 DR. KURIEN: I have a report from Clearwater about
6 their standards, and one of the things they mentioned there in
7 which I'm very interested is the sulfate level. The sulfate
8 level presumably is a function of the rate of conversion from
9 hydrogen sulfide to sulfate during chlorination. Now, if that
10 is the only method that is used, you need to make sure that the
11 sulfate does not convert back to sulfide in a system because
12 all chemical systems have the capacity to going forwards and
13 backwards. And there are stabilizing mechanisms for
14 controlling that transaction. PH, that is the acidity or
15 alkalinity of water, is one way of doing that. And I have not
16 been involved in this before, so I haven't gone into the
17 details of what methods need to be used to stabilize a system.

18 And also, there is an assumption if you use only one
19 single step that the effect that you are creating, converting
20 sulfide to sulfate, is adequately met by the chlorination that
21 you add to it. And chlorination, as you know, has a maximum
22 limit because of its capacity to form tri-halomethanes. So you
23 cannot go beyond a certain level with chlorination. So if you
24 use a single method, you may have a residual amount of hydrogen
25 sulfide in the system which is not removed. And if you provide

1 hydrogen sulfide in the system, then it will corrode the
2 copper. And as you know, Sara Jacob in her study showed that
3 if you withdraw hydrogen sulfide, the copper compounds will
4 recover to some extent. And here, if I might add to the
5 Commission, the Aloha implication seems to be that this is a
6 permanent affair, and that is not so. It may take a long time.
7 We have perhaps wasted two years, which we had the opportunity
8 two years ago to deal with it. And the water quality may have
9 improved over a period of time and that again is something only
10 reality will tell you. Okay. It has been done experimentally,
11 and they have shown that there is a rate of reversion to the
12 original.

13 Aloha mentioned that you have to go and brush all the
14 insides of the copper pipe which is not a stopper. You know,
15 you can go in and do that. So the only way of doing it is to
16 improve the quality of water or add stabilizing methods. And I
17 know that Aloha -- I would hope I am correct in assuming that
18 they add orthophosphate to prevent corrosion to a certain
19 degree. But there are other methods, and one needs to address
20 those methods. And the willingness to address those methods
21 comes out of the willingness to commit to your community that
22 you will provide better water.

23 In the absence of that commitment, you can always
24 find probabilities that do not really become possibilities.
25 And so lightening is causing copper sulfide in their pipe. You

1 know, maybe lightening does, but that is the least likely cause
2 to produce copper sulfide in their pipe. It is hydrogen
3 sulfide being there or sulfide of any kind. And Sara Jacob's
4 book consisted basically of passing material that contained
5 sulfide.

6 CHAIRMAN JABER: Switching gears on you, the last two
7 or three years, the Commissioners and the Commission Staff have
8 really been focussed not just on the quality of the water that
9 comes out of the pipe but also on the consumer relations that
10 the company has, and we've done a few things. We've ordered a
11 management audit that's come back. We've looked thoroughly at
12 the utility and how the utility corresponds and treats its
13 customers personally when they are interacting, but the other
14 thing that I am giving some thought to, if it's possible here,
15 I'm not sure that it's possible, so I don't want to mislead
16 anyone in that regard, but if it were possible to establish
17 some sort of community task force or community partnership
18 between the utility and the customers or certain segments of
19 customers from Aloha, is that a task force or a committee you
20 would be willing to serve on?

21 DR. KURIEN: I would be more than willing to serve on
22 it.

23 CHAIRMAN JABER: The other thing that we've taken the
24 lead on, we initiated it a couple of -- less than two years ago
25 when we had the rate case in the past was an interagency

1 project that the PSC took the lead on in bringing other state
2 agencies together and working on solutions going forward, not
3 just for the current problem. And we had representation from
4 counties and cities, the Florida League of Cities, the Florida
5 Association of Counties as a customer of this utility. Would
6 you be interested in serving on that as a liaison between,
7 again, the Aloha customers, the state, the county, the city,
8 and the company?

9 DR. KURIEN: I would be glad to.

10 CHAIRMAN JABER: Okay. Thank you, Dr. Kurien. Any
11 other questions?

12 My office or our general counsel's office will
13 probably call you to get your contact information. We will
14 make sure you have the report and all of the information
15 related to who was involved in the project.

16 MR. DETERDING: Commissioner?

17 CHAIRMAN JABER: Yes.

18 MR. DETERDING: I've got a couple of follow-ups based
19 on what you asked.

20 CHAIRMAN JABER: Go ahead.

21 MR. DETERDING: You don't have any questions, Ralph?

22 MR. JAEGER: No questions.

23 MR. DETERDING: I did want to make a point, though,
24 that the doctor might be interested in. After discussions with
25 the doctor, we thought, and honestly this occurred a few days

1 ago and was brought to my attention yesterday, that the utility
2 would like to form or try to see if we can form some sort of
3 citizen advisory committee, and we were going to ask the doctor
4 to participate in that to see if they could review the
5 information about the status, the standards, and the
6 alternatives that we have put together and see if we can't come
7 to some solutions or some agreement or at least be able to
8 create that kind of liaison situation that the doctor referred
9 to. So we are looking into that, and we have started doing
10 that. So I'm glad that both the doctor and you mentioned it.

11 CHAIRMAN JABER: Thank you, Dr. Deterding.

12 MR. DETERDING: I've got a couple of follow-up
13 questions to some things that the Commissioner brought up.

14 FURTHER CROSS EXAMINATION

15 BY MR. DETERDING:

16 Q You mentioned a pH adjustment as a methodology
17 utilized by Pasco County for corrosion control.

18 A Yes.

19 Q And that's a methodology that was approved by DEP for
20 corrosion control, was it not?

21 A Yes.

22 Q Now, there are other methods for corrosion control,
23 and Aloha's is this use of orthopolyphosphate, as I understand
24 it; correct?

25 A Yes.

1 Q Okay. And is it your understanding that that is an
2 improved method that DEP authorized and approved for Aloha?

3 A I don't know that. I have not looked into this in
4 any great detail.

5 Q Okay. I understand.

6 A I'm trying to find out what your name is. Marty --
7 what's the --

8 UNIDENTIFIED SPEAKER: Deterding.

9 A -- Deterding. Okay. Thank you.

10 Q Better than most people. I guess what I'm trying to
11 get from you is, Pasco County has one method that's approved by
12 DEP, and Aloha has another method that's approved by DEP. I
13 guess, do you know whether or not Aloha has specifically
14 investigated and discussed with Pasco County their methods for
15 treatment to determine whether there's anything there that they
16 could use to increase the quality of water?

17 A I don't know, Marty. I haven't -- you know, I talked
18 with Connie (phonetic) yesterday, and I said that I would like
19 to meet with Mr. Watford and your engineer because I wanted to
20 see if there was any way in which I can help you.

21 Q Okay. Well, great, great. One last question. You
22 mentioned use of a biological agent in the county's treatment
23 process.

24 A Yes.

25 Q Do you know what that is?

1 A It's a bacteria. It's a bacteria.

2 Q Do you know what bacteria?

3 A A bacteria that consumes hydrogen sulfide, because
4 bacteria needs -- for example, there are bacteria that use
5 oxygen for its metabolism. There are bacteria that use sulfur
6 for its metabolism. And I presume this must be one that uses
7 sulfur for its metabolism instead of oxygen.

8 Q Okay. You don't know the name of this or --

9 A He wasn't very sure of its accuracy. He gave me a
10 name, and I didn't recognize it. And I'm sure that EPA or a
11 university department of bacteriology would be able to tell us,
12 or oil companies, or maybe even your own staff knows, because
13 when -- wastewater treatment produces hydrogen sulfide. Okay.
14 And maybe they use bacteria to consume that before you dump
15 water into the Tampa Bay or wherever it goes from there. So
16 it's not a technology that is unknown. It is being used by
17 your neighboring community. And just like there are oil-eating
18 bacteria, there are bacteria, and I presume that the reason why
19 they chlorinate last is to get rid of the bacteria before it
20 goes into the system.

21 MR. DETERDING: I understand. And we will look into
22 that as part of our response.

23 CHAIRMAN JABER: Thank you, Mr. Deterding. Thank
24 you, sir.

25 (Witness excused.)

1 CHAIRMAN JABER: Mr. Burgess, I want you to call your
2 next customer witness, but if you could, also, as that person
3 is testifying, poll the rest of the customers and find out how
4 many more we have, and find us a logical place for a short
5 lunch break.

6 MR. BURGESS: Okay. Mary Hanlon is the next customer
7 witness I have listed.

8 MS. DEMELLO: Mary Hanlon.

9 CHAIRMAN JABER: Okay. Thank you, Ms. DeMello. Next
10 witness.

11 MR. BURGESS: Vincent Corelli.

12 CHAIRMAN JABER: Mr. Corelli?

13 Go ahead, Mr. Burgess, next witness. Oh,
14 Mr. Corelli, I'm sorry. I didn't even see you walking up. If
15 you'll spell your last name for us.

16 VINCENT CORELLI

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

19 DIRECT STATEMENT

20 MR. CORELLI: C-O-R-E-L-L-I. I live at 7644 Albacore
21 Drive in the Wyndtree Subdivision. Once again, I find myself
22 testifying before you with the same complaints we have talked
23 about for years. This is a hearing, but apparently no one
24 hears us. Aloha will once again be granted a rate increase for
25 producing drinking water that is not drinkable and probably

1 nothing we say here will change that. We are prisoners of
2 Aloha Utilities and they can, with impunity, do anything they
3 want to us.

4 I am a Korean War veteran and I am a retired New York
5 City firefighter. Most of my life has been devoted to service,
6 and I can tell you that in America no one should be able to
7 sell an inferior product and make a profit from it.

8 I would like to ask you to give us some clue, some
9 direction, some action we can take to force Aloha to produce
10 quality water. How can it be that the only way to solve this
11 problem is to sell our homes and move out of Aloha's water
12 district?

13 There is only one solution to this problem, and that
14 is for you not to grant Aloha any rate increases until this
15 company produces a quality product and starts doing business in
16 an acceptable manner. Aloha must stop blaming the black water
17 on our pipes, which are the same pipes as everyone else's, yet
18 they enjoy clean water.

19 This has been going on for years and one thing is,
20 and not one thing has changed. How can the State of Florida
21 allow its citizens to be held captive by unscrupulous
22 businessmen? Hundreds of witnesses have appeared before you
23 with the same complaint about Aloha, but they continue to do
24 business as usual. There isn't a judge or jury in the land
25 that wouldn't convict after hearing the testimony of so many

1 people.

2 If our water was clean and drinkable, these hearings
3 would probably not be as crowded as they are as rate increases
4 would be much more acceptable. The time is now for you to act
5 and not grant any rate increase. Aloha's tactics in this
6 controversy have always been delay, evasion and deceit. It
7 would be much better for everyone if they would admit they were
8 wrong and make improvements to their water distribution system
9 so that we could have the clean water that we are entitled to.
10 I know of no other company that would, in the face of so many
11 devastating complaints from its customers, continue to prosper
12 for so many years, but given the protection this utility gets
13 from the State of Florida and the Public Service Commission, it
14 does continue as a profit-making enterprise. In these days of
15 increased patriotism it is simply as un-American as it can get.

16 I'd like to address something that came up during the
17 questioning about the testing of water when Mr. Deterding was
18 comparing Aloha with Pasco County Utilities. We have to
19 understand that Pasco County Utilities is a nonprofit utility
20 and that all utilities are self-testing. I much, I would much
21 rather put my confidence in a company that didn't have to turn
22 a profit when it came to testing their own product.

23 Thank you. That's about all.

24 CHAIRMAN JABER: Thank you, sir. Thank you. Any
25 questions?

1 MR. DETERDING: I've just got a couple on that last
2 point.

3 CROSS EXAMINATION

4 BY MR. DETERDING:

5 Q Are you aware that the utility and the Commission
6 staff undertook testing by independent laboratories of the
7 water quality of Aloha Utilities during this extensive water
8 quality investigation?

9 A Several years ago, yes, I am aware that there was,
10 there were, was extensive testing. I don't know that the
11 results were ever made public. But at the time we asked Aloha
12 to allow random, unannounced testing and they wouldn't do it.

13 Q Well, how would you propose to do random, unannounced
14 testing at a water supply well that has to be locked up in
15 order for the utility to maintain security of that well?

16 A Yeah, that was the problem. They would have to be
17 called to the site to unlock the facility so the water could be
18 tested, and it never, it never, it never came about.

19 Q Well, didn't the utility at the time that was
20 arranged with the Staff and with the Public Counsel's Office
21 test the water on numerous occasions?

22 A No, I don't believe they did.

23 MR. DETERDING: Okay. Thank you.

24 CHAIRMAN JABER: Thank you, sir.

25 MR. JAEGER: Chairman Jaber, I notice he brought a

1 jar up to the table and visual was not taken up by the court
2 reporter. Did he have any testimony he wanted to say on that
3 jar of water? It's visual to all of us, but it's not going to
4 be on the record.

5 CHAIRMAN JABER: Thank you, Mr. Jaeger, for that
6 reminder.

7 Mr. Corelli, the jar that you have brought with you,
8 would you like to go ahead and describe in the record what the
9 coloration is and --

10 MR. CORELLI: Yes. It's very gray. When you leave
11 it set, a black sediment accumulates on the bottom of the jar.
12 This was taken out of an inside faucet in my house.

13 CHAIRMAN JABER: Thank you, sir.

14 (Witness excused.)

15 CHAIRMAN JABER: Mr. Burgess.

16 MR. BURGESS: Commissioner, with regard to your
17 earlier question about taking a break, there are 18 remaining
18 witnesses. A number have indicated that they've had to leave
19 up to this point because of various commitments or, or
20 situations. I don't know as far as trying to determine a good
21 place to break. I'm not sure exactly how to --

22 CHAIRMAN JABER: Well, let me poll the customers. It
23 is, it is my interest in taking at least a half an hour break,
24 recognizing that the Commissioners, the Staff and the parties
25 need to be here for tonight's service hearing as well. If

1 there are customers that cannot come back in 20 to 30 minutes,
2 would you please let me know now and we will hear your
3 testimony right now.

4 Okay. Mr. Burgess, there are three people, there are
5 three hands in the audience that indicate that they need to go
6 ahead and, and speak now. If it's okay with you, I'd rather,
7 I'd like to take them in the order as they're sitting behind
8 you.

9 MR. BURGESS: That's perfect.

10 CHAIRMAN JABER: And once again for Mr. Burgess'
11 benefit, would you please raise your hands if you cannot come
12 back in 30 minutes? Go ahead.

13 MR. BURGESS: I guess begin with the one most
14 proximate to the witness stand.

15 CHAIRMAN JABER: Yes. Yes.

16 MR. BURGESS: Okay. This is Mr. Chestnutt who has
17 been called to the witness stand.

18 CHAIRMAN JABER: Thank you.

19 Spell your last name for me, please. Sir, did you
20 just step in, did you just come in?

21 MR. CHESTNUTT: No.

22 CHAIRMAN JABER: Okay. So you've been sworn? This
23 morning did you take the oath to --

24 MR. CHESTNUTT: Yes, I did.

25 CHAIRMAN JABER: Thank you, sir.

1 THOMAS E. CHESTNUTT

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

4 DIRECT STATEMENT

5 MR. CHESTNUTT: My name is Chestnutt,
6 C-H-E-S-T-N-U-T-T. I've lived here and I've been a slave of
7 Pasco County, not Pasco but Aloha Utility for the last 20 years
8 and I've been coming to a lot of these meetings. They've been
9 promising, there's been all kind of garbage, they've been
10 getting price raises, they have done nothing in the last 15
11 years to the water system and some of these hazards in there.
12 They can say why or have you tested this? Why do I have to
13 test? I'm buying your product. You're supposed to be
14 providing me with decent water, which you have never presented.

15 It's aggravating to keep coming here year after year
16 and hearing the same complaints, seeing the same thing going
17 on. I wonder if we have anybody supporting the local peoples
18 in the, in the county, especially Pasco County. Because you
19 give them a pay raise every year, increase, every year they get
20 one. Now they's asking for another one. For what? They're
21 not doing anything.

22 I don't know if any of you people is really
23 interested in the consumer or not or whether you're just here
24 just to hear this, to pass it on and let Aloha Utility continue
25 to go the way that they've been going in the last 15 years.

1 This is not just a thing that have just started.

2 Maybe if the peoples that have to use the water and
3 the sewage, which was paid for by the homeowners, the sewage
4 plant, maybe they just, should just sit down, quit paying until
5 you produce a decent drinking water or do something to earn
6 your money.

7 I know I won't get any answers today, but I'd like to
8 get something through the mail within the next 90 days, if
9 possible, and not have another meeting where they's asking for
10 more money for nothing.

11 CHAIRMAN JABER: Mr. Chestnutt, I can absolutely have
12 myself, Staff send you a formal response in 90 days, but I can
13 also try to answer your questions today.

14 There is a commitment in every place in this room to
15 serve the customers of the State of Florida. On behalf of
16 Staff and the Commission you have our commitment that we're
17 trying to find a solution. And I know it's frustrating because
18 it seems like you're getting increases every year. By law the
19 company can increase your rates every year to, to account for
20 adjustments that are mandated by DEP or the Water Management
21 District or just sort of the cost-of-living adjustments that,
22 that go on every year.

23 The recent increase you received was an interim
24 increase just to get through this case. If the Commission
25 ultimately finds that Aloha should not have an increase at all,

1 you will receive a refund of that money. But certainly I can
2 have our staff give you a formal response in 90 days that says
3 basically exactly what I just said to you and we will do that.

4 Give me your address on the record. It's 76 -- no,
5 that was the previous witness. What is your address?

6 MR. CHESTNUTT: It's -- oh.

7 MR. BURGESS: 3425 Mexicali?

8 MR. CHESTNUTT: Yeah. 3425 Mexicali Street, New Port
9 Richey, Florida 34655.

10 CHAIRMAN JABER: Thank you. Mr. Wetherington, if
11 you'd make sure to respond directly to Mr. Chestnutt, we would
12 appreciate it. Thank you, sir.

13 MR. CHESTNUTT: I have some questions for them, the
14 Aloha Utilities representatives.

15 CHAIRMAN JABER: Go ahead.

16 MR. CHESTNUTT: What do you think, if anything, that
17 Aloha will do to improve the water system?

18 CHAIRMAN JABER: Mr. Deterding, I think what would be
19 very helpful here is if Mr. Bidy or one of your folks sat down
20 and met with Mr. Chestnutt after Mr. Chestnutt completes his
21 testimony, that would be good.

22 Mr. Deterding is not going to be able to answer your
23 specific questions. He's going to tell you that he's put
24 witnesses in this case that are going to address the technical
25 aspects of this case.

1 MR. DETERDING: And we would be glad to have him talk
2 over the issues with, with someone from the utility, either the
3 engineer or someone.

4 CHAIRMAN JABER: Sounds good.

5 CROSS EXAMINATION

6 BY MR. DETERDING:

7 Q I just have one question for you, Mr. Chestnutt.
8 Have you ever filed a water quality complaint with
9 Aloha?

10 A Yes, I did, a few years back. I've been to just
11 about, I've averaged about a meeting every year or year and a
12 half, if I was in the area.

13 Q And --

14 A And I've had the same problem, the same response year
15 after year. I've even been down to the office a couple of
16 times before he moved down to here off of Oak Ridge when he was
17 down to the Aloha pilot place, I've been down there to try to
18 get some answers to talk to peoples and stuff, and it makes me
19 feel like I'm wasting my time really.

20 Q Are you saying that that complaint or any complaint
21 that you filed related to the quality of the water received?

22 A I've -- yes. I've complained about the water, I
23 complained about the sewer prices. I did, I went personally
24 down whenever they, I think it was during the time when they
25 changed the basic gallons from 10,000 to 3,000 gallons per unit

1 and again when they had the 45, last year when they had the
2 45 percent sewage increase.

3 So my opinion from all of that was the only thing
4 that Aloha Utility was interested in was getting more money,
5 draining the peoples of as much money as he possibly can and,
6 you know, give them nothing in return.

7 MR. DETERDING: Okay. Thank you.

8 CROSS EXAMINATION

9 BY MR. JAEGER:

10 Q Mr. Chestnutt, I have just one question. I'm over
11 here.

12 A Yes.

13 Q That was 3425 Mexicali Street?

14 A Yes.

15 Q What subdivision is that in?

16 A That's Sullivan -- that's Veterans Village.

17 MR. JAEGER: Thank you, sir. That's all I have.

18 CHAIRMAN JABER: Thank you, sir.

19 COMMISSIONER PALECKI: Thank you.

20 (Witness excused.)

21 MR. BURGESS: Commissioner, I don't know who was next
22 as far as those --

23 CHAIRMAN JABER: Mr. Larkin just pointed to someone
24 that was on their way up.

25 MR. BURGESS: Oh, very good. Okay. Thank you.

1 CHAIRMAN JABER: All right. Again, by a showing of
2 hands who must testify right now please come on up. In the
3 gray turtleneck. Oh, you're next.

4 RAYMOND HARTINGER

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

7 DIRECT STATEMENT

8 MR. HARTINGER: How does one follow a class act like
9 Dr. Kurien? I feel like a juggler following Pavarotti on stage
10 here.

11 Anyway, good afternoon. My name is Raymond Hartinger
12 and I live at 1612 Orchard Grove Avenue in New Port Richey.
13 That's in the Wyndgate Community off Mitchell Boulevard.

14 MR. DETERDING: Excuse me. Can you give us your last
15 name again?

16 MR. HARTINGER: Hartinger, H-A-R-T-I-N-G-E-R.

17 MR. DETERDING: Thank you.

18 MR. HARTINGER: First name Raymond.

19 Well, it's another year and here we are again in a
20 meeting with the PSC and Aloha Utilities. When I first heard
21 of this scheduled meeting, I thought that I would attend and
22 put in my two cents again. This is the third time.

23 I typed up a statement and then I set it aside. In
24 the days following that I thought, why bother going? It's all
25 been said before and it's all been done before. We all brought

1 our samples of filthy water and we made our comments public
2 and, so what, nothing has changed. Apparently the PSC
3 committee wasn't impressed with those exhibits. Even though
4 Aloha has done nothing to improve conditions, the PSC has given
5 them more money, our money, disguised as a sewer rate increase.

6 Then yesterday I did something that changed my mind.
7 I replaced the whole house filter in my garage and, wow, here
8 is what I found after six months use. And if I may get up,
9 I'll show you.

10 CHAIRMAN JABER: Please.

11 MR. HARTINGER: I have a large gallon-sized filter
12 just inside the garage, and when I unscrewed the housing the
13 water --

14 CHAIRMAN JABER: Thank you, sir.

15 MR. HARTINGER: I have a one-gallon filter housing
16 inside my garage, and when I unscrewed the housing I let the
17 water drain into a bucket. And here is some of the water that
18 I got out of the housing. And, also, for better viewing,
19 that's the way the water, for better viewing that's the way the
20 water looked coming out from the bucket when I poured it into
21 here. And it's absolutely ebony. You cannot see a bit of
22 daylight through it. It's totally black. Now this is six
23 months' use of water coming through this filter.

24 And here is the, here is the filter. It was a brand
25 new filter when I put it in, and it has six months of use.

1 It's just full of black grit, particles by the thousand, by the
2 millions of particles in every fold, in every accordion fold in
3 the filter. It's just disgraceful. And this is water coming
4 from the street into my home. This is before the carbon
5 filter, this is before the water softener, this is straight
6 from the road, and here it is.

7 COMMISSIONER PALECKI: Let me ask you one question
8 about that. You say it's straight from the road. This is Mike
9 Palecki.

10 MR. HARTINGER: Yes.

11 COMMISSIONER PALECKI: Is that before, the filter
12 located before it actually reaches the pipes inside your home?

13 MR. HARTINGER: No. To clarify that, now that filter
14 is, I relocated it to about an area no more than 20 feet from
15 the outside wall where, where the pipe comes from the street,
16 from the meter into the house, and about 15 to 20 feet from
17 there is where I relocated this filter. And the reason I
18 relocated it, because it was in, I had it immediately inside
19 the wall where it enters the house a year ago, but it was in
20 the way for a lot of different reasons. So I relocated it 20,
21 15 or 20 feet away.

22 COMMISSIONER PALECKI: So you have --

23 MR. HARTINGER: However, at the previous two meetings
24 I brought in filters, also, and they were identical, not quite
25 as bad as that in previous, the previous two times when the

1 filter was located just inside the wall of the garage.

2 COMMISSIONER PALECKI: Thank you.

3 MR. HARTINGER: But I must clarify that that is about
4 15 to 20 feet away. So you're talking about 15 or 20 feet of
5 copper piping between the source and that filter.

6 Now if I may continue. When I wiped out the bucket
7 that I accumulated the water in, this is the way the paper
8 towel looked and felt. It's absolutely disgusting. This is
9 just the wipings of the bucket after draining that water and
10 filter into it. And that's Aloha's clean water. And I'll
11 leave that with you.

12 CHAIRMAN JABER: Thank you, sir. Are there
13 questions?

14 MR. HARTINGER: I'm not quite finished yet. If I
15 may, please.

16 CHAIRMAN JABER: Oh, go ahead.

17 MR. HARTINGER: A couple of years ago Aloha made some
18 sort of proposal to erect towers to bleed off gases that they
19 say are affecting our water. They said that it would solve the
20 problem of the foul smell and the corrosion of our copper
21 pipes. I may have missed something, but I don't recall ever
22 reading or hearing anything more about that project. It was in
23 the paper several times. They talked about 40-foot towers and
24 they wanted to pass the cost of it off onto the consumers, as I
25 recall. But since that publication I've seen or heard nothing

1 more about it.

2 So what is Aloha doing about the problem? Is it
3 perhaps buying water from Pasco County? Is that what this
4 meeting is all about?

5 If that is so, then why is the water coming into my
6 home still disgusting? If they are supplying us with Pasco
7 County water, then why aren't the Pasco water customers
8 suffering with the same problems we are?

9 Our house is over four years old. We had black,
10 filthy water on the first day we moved in and we still have
11 black, filthy water today. It is unfit for personal hygiene,
12 let alone to drink.

13 We had, we had foreign friends visiting us for two
14 weeks at Christmas. Although we enjoyed their company, we
15 became ultrasensitive to their remarks about the vile water
16 they used to clean and rinse their teeth with and the
17 alarmingly black water they saw when they filled the tub for a
18 bath.

19 I urge you, the Public Service Commission, and I
20 stress the words "Public Service," to do whatever is necessary
21 to get clean, healthy water into our homes. It is the least we
22 deserve as human beings and American citizens. Thank you.

23 CHAIRMAN JABER: Thank you, sir. With respect to two
24 of your questions, is it buying water from Pasco County? The
25 nature of this proceeding is that Aloha has asked for a rate

1 increase because they allege that SWFWMD has asked that they
2 do, as one of the, the solutions to exceeding their water use
3 permit from the Water Management District, that they do look at
4 alternative sources of water. And Aloha has asked to be able
5 to buy water from Pasco County, and they allege that that would
6 cost a little bit more than what they can provide the water for
7 now.

8 With respect to the pilot project, Mr. Willis, I
9 think Mr. Hartinger was referring to the pilot project. And
10 what is the status of that?

11 MR. WILLIS: There's going to be testimony in the
12 proceeding on the pilot project. The status at this point, I
13 believe, is that the project has come to a conclusion but the
14 final report hasn't been completely drafted and submitted at
15 this point. That's going to be, that's going to be brought up
16 in the actual testimony in this proceeding, the formal part.

17 MR. HARTINGER: Are you talking about those packed
18 towers they keep talking about?

19 MR. WILLIS: The pilot project that the utility put
20 in place was not a packed tower aeration. It was the MIEX. It
21 was a similar pilot project that Pasco County was running to
22 take care of the hydrogen sulfide solution.

23 CHAIRMAN JABER: Any questions?

24 MR. DETERDING: I have a couple.

25 CROSS EXAMINATION

1 BY MR. DETERDING:

2 Q When you were, appeared at the water quality hearings
3 and testified at that time, do you recall that the utility
4 tried to contact you to come review and see what your situation
5 was to see if they could make any suggestions?

6 A Nobody ever contacted me, nor did I ever see anybody
7 in my neighborhood taking water, water samples.

8 Q Would you be willing to allow, to arrange for the
9 utility, a utility representative to come review your situation
10 and see if they can determine the source of whatever concerns
11 you have are?

12 A In an effort to not waste my time, if they were to
13 come to my house and take water samples, as I heard they had
14 done before from the outside of my house, don't bother me. But
15 if you want to come into my house and let me drain my hot water
16 tank, I can give you the same water that Mr. Oberg has here and
17 I can give you the same examples that I have here on the table.
18 If you're not going to come into my house and check the water,
19 don't take my, don't waste my time.

20 Q Well, I don't think with regard to any of the
21 customers that the utility visited the last time that all they
22 did was look at the water outside the house. I think we have a
23 good feel for that.

24 What we're trying to understand is the experience
25 that you're having inside your home, and that's why we tried to

1 arrange last time to come and visit and see, see your
2 situation.

3 MR. BURGESS: Excuse me. Mr. Deterding is
4 testifying.

5 MR. DETERDING: I apologize.

6 MR. BURGESS: What he's testifying to is directly
7 contrary to the sworn testimony that's been given by
8 Mr. Hartinger.

9 CHAIRMAN JABER: Mr. Deterding, what is your
10 question?

11 MR. DETERDING: I don't have a question. I just want
12 to know if the gentleman -- well, I have a question.

13 BY MR. DETERDING:

14 Q I want to know if the gentleman would be amenable to
15 the utility coming to visit to analyze his problem.

16 A Only if you analyze the problem within my house.

17 Q And that's what I'm talking about, within your home.

18 A You can come any day you want.

19 Q Okay.

20 A And I'll give you a glass of water. And then if you
21 want to take a bath, be my guest.

22 MR. DETERDING: Thank you.

23 CHAIRMAN JABER: Thank you, sir.

24 MR. JAEGER: I have just two questions at this point.

25 CHAIRMAN JABER: Go ahead, Mr. Jaeger.

CROSS EXAMINATION

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BY MR. JAEGER:

Q You're in the Wyndtree Subdivision; that's correct?

A Wyndgate.

Q Wyndgate? Okay. And you held up a paper towel and I don't think you really described the color, but would you say that paper towel was totally black?

A Well, you might -- totally black. Totally black and greasy.

Q Thank you.

A As a matter of fact, I could not even get all the black scum off the bucket using cleaner paper towels. I could still show you the bucket. It's got a permanent stain in it.

MR. JAEGER: Thank you. That's all I have.

CHAIRMAN JABER: Thank you, sir.

MR. HARTINGER: Thank you very much.

COMMISSIONER PALECKI: Thank you.

(Witness excused.)

CHAIRMAN JABER: Mr. Burgess.

MR. BURGESS: I believe it's the gentleman we described as wearing the turtleneck.

WILLIAM SHEPHERD

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

1 MR. SHEPHERD: Hello. My name is Bill Shepard. I
2 live at 1038 Trafalgar Drive in the Wyndtree Subdivision in New
3 Port Richey. I've been here for almost seven years. I've
4 worked all my life in the pipe fitting industry from ships in
5 the United States Navy during the Korean War clear out to the
6 State of Washington. The majority of the time I worked in
7 Chicago as a pipe fitter.

8 Copper piping, standard of the industry, used all
9 over the country, all over the world. I've never seen anything
10 like this except where there's acids were involved or hydrogen
11 sulfide, which causes cupric oxide, which is our problem.

12 This system for the towers and the spray headers I
13 think would work just fine.

14 CHAIRMAN JABER: If you'll bring the microphone
15 closer to you, Mr. Shepherd.

16 MR. SHEPHERD: But if the feet dragging continues,
17 I'm sure Aloha is going to do quite well because as of Saturday
18 I had my leak in the house and I'm going to have to repipe.
19 And if you wait a few more years, the vast majority of these
20 people will have to repipe and use PVC and then you won't have
21 the problem anymore. Just a little more foot dragging on your
22 part will do great. That's all I have to say.

23 CHAIRMAN JABER: Mr. Shepherd, thank you. Are there
24 questions before Mr. Shepherd leaves?

25 MR. BURGESS: Commissioner, if I could ask

1 Mr. Shepard to spell his last name and give his address for the
2 record, please.

3 MR. SHEPHERD: Yes.

4 MR. BURGESS: Thank you.

5 MR. SHEPHERD: My last name, it's S-H-E-P-H-E-R-D,
6 and my address is 1038 Trafalgar Drive, New Port Richey, 34655.

7 MR. BURGESS: Okay.

8 CHAIRMAN JABER: Thank you, sir.

9 (Witness excused.)

10 MR. BURGESS: Mr. Brown.

11 ROBERT BROWN

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

14 DIRECT STATEMENT

15 MR. BROWN: Good afternoon, Commissioners, customers.
16 I come on a little bit different mode here. I'm not a
17 scientist. I'm just an average customer, Joe off the street,
18 and I worry about the bills, making the bills every month.

19 And one of the problems that I see here is this sewer
20 part of the bill is the high part. Now I've listened to
21 testimony here about how it's 80 percent of your water usage
22 and all, but you don't, nobody ever advertises those sewer, how
23 it's calculated. I've tried to work it out. I brought one of
24 my last bills with me.

25 And let me first give you my name and address. I'm

1 sorry. My name is Robert Brown. I live at 4902 Leyte Court,
2 Heritage Lake Subdivision, New Port Richey, Florida 34655.

3 My wife and I moved there about a year and two months
4 ago and that's when we became Aloha Utility customers. I have
5 the paperwork from when we first became customers and it gave
6 us the rates for the water and the sewer at that time. Since
7 that time I have never seen anything come through the mail to
8 our house on the sewer rate and how we're being charged. So
9 when I calculated this last month's bill, I used my water rate,
10 which it seems to be \$1.48 right now per thousand gallons.

11 Okay. We're only talking 20 cents since a year when
12 I moved in on just the water rate. But the sewer rate, if I
13 calculate my sewer rate at what they gave me that was good up
14 until, let's see, last, this, this printout goes back to last
15 July, I've got it right here, and this is for \$8.99 for the
16 base rate and \$2.32 per thousand gallons with a cap of 10,000.

17 Now if I calculate this last month's bill,
18 it's \$17.43, but I get a bill for \$26.69. So within, say, six
19 months it's a rise of about \$9. And I'm only a small customer.
20 I live in a small condo, just my wife and I. There are many
21 people out here on fixed incomes that retired maybe ten years
22 ago. And they were on fixed incomes, a lot of their money was
23 in IRAs, 401K plans, the stock market, they're relying on this
24 to try to make the end of the month, and now we all know how
25 hard it is to get to the end of the month. It's not there

1 anymore.

2 So when they're looking for an increase in their
3 rates here for their water and sewer, let's consider a little
4 compassion to the customers and what they're going through out
5 there, too.

6 I don't, I don't see that sewer rate being
7 advertised. That's kind of like a hidden cost. A year ago
8 before we came here we came from Holiday Gardens in Holiday.
9 We've been in this area for 33 years. We've raised three
10 children here and we're happy.

11 When we went down to initially sign up for Aloha
12 Utilities to have our water changed, they were on Darlington
13 Road in Holiday. Within a year they moved to a new location on
14 Perrine Ranch Road. They bought the building from Costanza
15 Homes, which I'm very well familiar with that family. Costanza
16 Family Homes are fine family homes. They're not \$100,000.
17 These people when they close on a house, they come out with the
18 whole crew, everyone that built the home, all the salespeople
19 involved, and they hand over the key to the customer. That's
20 how they do their business. This is the kind of home, this is
21 the kind of building that Aloha moved into, not -- it's, it's
22 more like buying a Cadillac to deliver ice cream.

23 Has the Public Commission even, the Service
24 Commission even looked at the overhead and how it's developed?
25 Their fleet of vehicles in the last year are all brand new

1 vehicles. This is all being passed off to the customer without
2 any regards for their income. That's a problem.

3 When you take their building, their vehicles -- I'll
4 even say in the last year something new is cell phones;
5 everybody, every company has got them. And how many people use
6 them to call home, call their friends and neighbors while
7 they're on the clock? Is that being reflected in their
8 overhead bills and being charged to the customer? That's a
9 problem.

10 As far as Representative Fasano's statement about
11 this letter that went out that was really, that really hit
12 people hard and it was a threatening letter, it threatened the
13 customer that if Mr. Fasano had gone to represent any of us,
14 the cost would finally be passed on to us again, thus trying to
15 silence us from trying to keep our costs at a minimum. I, I
16 commend Mr. Fasano for looking out for the customer and doing
17 the job he's doing.

18 That's about all I've got to say today. But I'm
19 just, I'm just trying to impress -- at that time when I got
20 that letter, I passed that letter on to the Governor's Office.
21 The Governor returned my call within two days, put me on a
22 three-way conversation with Kate Smith, who is a public, on the
23 Public Service Commission, and we discussed this. She hadn't
24 even seen that threatening letter. And I think that's terrible
25 for a company, for a company to treat a customer like that.

1 So when I got done with, with Ms. Smith, I sent her a
2 copy of that letter. I got a letter in reply from the
3 Governor's Office with his signature on it. I got a letter in
4 reply from Kate Smith, and she's a very fine lady. And I hope
5 that they make good decisions and keep the customer in mind in
6 the future. Thank you.

7 CHAIRMAN JABER: Thank you, Mr. Brown.

8 COMMISSIONER PALECKI: Thank you.

9 MR. BROWN: You're welcome.

10 CHAIRMAN JABER: Any questions?

11 MR. DETERDING: I have one question.

12 CROSS EXAMINATION

13 BY MR. DETERDING:

14 Q You referred to a brand new fleet of vehicles. Are
15 you suggesting that all of the vehicles or trucks of this
16 utility are brand new?

17 A I haven't seen an old one or a rusty one out there
18 yet, sir.

19 Q Have you done some investigation to, to, that led you
20 to --

21 A I've been in the area for 33 years. I'm sorry for
22 interrupting, but I have seen this area grow from orange groves
23 to where we are now.

24 Q But have you done some investigation to determine
25 that every vehicle this company has is a brand new vehicle?

1 A No, sir. I think that's up to the Public Service
2 Commission to take that and weigh it.

3 Q Thank you.

4 A You're welcome.

5 CHAIRMAN JABER: Mr. Brown, with respect to your
6 question of us of the analysis that we do, we do look at all of
7 the operation and maintenance accounts and the overhead and
8 their salaries, and we will be doing that in this proceeding.

9 MR. BROWN: Thank you.

10 CHAIRMAN JABER: Thank you.

11 (Witness excused.)

12 CHAIRMAN JABER: Mr. Burgess.

13 MR. BURGESS: Commissioner, I believe those are all
14 the people that said they would not be able to attend following
15 a short break.

16 CHAIRMAN JABER: All right.

17 MR. BURGESS: And I would just again encourage people
18 that feel like they have testimony to present to the Commission
19 to indulge us and come back and give the Commission testimony
20 because it is helpful to your making a proper decision.

21 CHAIRMAN JABER: Absolutely, Mr. Burgess.

22 Absolutely.

23 We -- it is 2:00. We will come back at 2:30. I do
24 encourage everyone in the room that wishes to speak to come
25 back. There is another service hearing at 6:00 p.m. So if you

1 are not able to come back at 2:30, feel free to -- it is 6:00,
2 Ralph?

3 MR. JAEGER: That's correct.

4 CHAIRMAN JABER: Come back at 6:00 p.m. as well.

5 Thank you.

6 (Lunch recess.)

7 CHAIRMAN JABER: Let's go ahead and reconvene this
8 hearing. Mr. Jaeger, where we left off was that there were
9 some customers that were going to come back after the lunch
10 break and testify.

11 Let me ask you, Mr. Burgess, do you have a list of
12 the customers that are here today that wish to testify or
13 should we ask for a showing of hands?

14 MR. BURGESS: Commissioner, I've got the, the people
15 that have signed up this morning and I can simply go through,
16 and perhaps for the record maybe that is the best way, people
17 who have signed up and filled out a Commission form indicating
18 that they desired to testify. And then if they aren't here,
19 then we can pass them on to the next one and that way we'll
20 stay in the same order, as well as have for the record an
21 indication that these people sought to at some point testify.

22 The next one I have is Terrie Walkowz. And if she is
23 not here, I have Lynn Wrona, W-R-O-N-A. George Klinkhamer or
24 George Klinkhamer. Ernest Lane.

25 MR. LANE: Here.

1 CHAIRMAN JABER: Mr. Lane is here.

2 MR. DETERDING: While he comes up, let me ask a
3 question.

4 We discussed with the counsel, all the counsel the
5 issue of whether or not Mr. Nixon might get on today and
6 whether we could release him because he's feeling pretty poorly
7 in any case and we didn't think we'd get to him in any case.
8 Does anybody have a problem, he's supposed to be our first or
9 second direct witness, but I wanted to see if we could --

10 CHAIRMAN JABER: It's my understanding,
11 Mr. Deterding -- thank you for bringing that up so we could
12 discuss it on the record. It's my understanding that the
13 parties are in agreement that Mr. Nixon can go home today, come
14 back tomorrow at 8:30. For purposes of putting the parties and
15 staff on notice of what I intend to do for tomorrow's schedule,
16 I do want to start at 8:30 tomorrow. Be prepared to go late
17 tomorrow.

18 MR. DETERDING: Okay. Thank you.

19 CHAIRMAN JABER: Thank you.

20 MR. DETERDING: And I don't want to -- I wanted to
21 get the witness's name again. I apologize.

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

25 DIRECT STATEMENT

1 MR. LANE: My name is Ernie Lane.

2 Let me say first that I have a medical condition that
3 sort of affects my speech, so give me some forbearance, but
4 don't hesitate to ask me to repeat something, if I have to.

5 I live in 1145 Hominy Hill Drive. That's in the
6 Trinity area.

7 I want to make a few comments. On, on the special
8 report it says that Aloha's rate request would bring to level
9 our overall rate of return of 9.07 percent, which to me seems
10 pretty high.

11 Now I don't know to what extent this is taking into
12 account either capital expenses or the fines that they have had
13 to pay, but nine percent seems to be pretty good for a company
14 that basically can make money all the time. I mean, they have
15 a license to money and the only issue is how fast and how much.

16 Earlier it was stated that this was a 55 percent rate
17 increase, and I'm not quite sure if, that was said by
18 Representative Fasano and I'm not sure what he used that as a
19 basis. But if you look at the rates that were paid last July
20 versus now, that's six months ago, and for an average or a
21 typical residential bill of 10,000 gallons, that's almost a
22 90 percent increase, which is the way I as the consumer look
23 at, tend to look at it.

24 Also, I just want to remind the Commission that the
25 rate increase here does include sewer. And as we know, the

1 wastewater component is a very sizable component of the bill
2 and we've had some very significant, significant increases in
3 this sewer charge recently and taken overall it amounts to a
4 lot. I know as just one homeowner that, having lived here for
5 three years, my water bill now is about double what it was back
6 when it first came. And basically I'm doing the exact same
7 thing I did when I first came except I water once a week now
8 and I was doing it twice back then, and other than that it's
9 exactly the same.

10 And if I could just add one comment on sewer. It was
11 stated before that evidently the sewer rate is calculated based
12 on some kind of a percentage or I think you used the word
13 "proxy" or some other thing, and the implication is or was
14 throughout that the amount of water that goes into the sewer is
15 about 20 percent, which is probably, or 80 percent of the water
16 that's used goes into the sewer. And in my case, which I live
17 in a small home and a small lot and I water once a week very
18 moderately, and I've measured this twice very carefully to see
19 if it would have paid me to convert to a second meter. And in
20 my case the water used on the lawn is 78 percent of the water
21 that I use every month. So although I pay a sewer charge based
22 on all the water, really almost all of the water is not used in
23 the sewer. The only water that is is showers, food
24 preparation, the clothes washing, like that, and irrigation is
25 far and away the large component.

1 Now for those people that live in condos or homes
2 that, that don't water their lawn or live in apartments or
3 whatever, then in their case all their water use is going to go
4 through the sewer. But for the single family homes and homes
5 on land that's not going to be the case.

6 There was some discussion of the so-called
7 "intimidating letter," I think that's the term that
8 Representative Fasano used, and we got into whether it was an
9 appeal or a reconsideration. And to me, I was sitting back
10 there and saying, well, geez, that's the same thing. It is.
11 Legally it may not be, but they're about the same thing. And
12 whether or not there was something, some inaccuracy, I don't
13 care. But the letter, as far as characterizing the letter as
14 being intimidating, I think probably the people that were here
15 this morning would have all agreed that, in fact, it was.

16 And when we talk about an increase in the water rate
17 and given the fact that a great bulk of the people that are in
18 this area are on fixed incomes, you're going to have to look at
19 the hidden costs that come about because of all of this that
20 we're talking about.

21 Not -- I know in my case I have a water softener and
22 a whole house filter. The water softener I had in Pinellas
23 County, the filter I didn't. So that was a hidden cost, an
24 extra cost that I incurred. The medium, is it going to have to
25 be replaced more often than it would be otherwise? There's

1 other, other filters, replacing hot water heaters sooner than
2 might be otherwise, maybe a washer has to be replaced earlier.
3 There was one person before lunch that spoke about having to
4 replace all of his faucets. Well, that was an expense that he
5 probably didn't calculate, you know, having to have. There's
6 the cost of bottled water. Now I don't use it but a lot of
7 people do that live in this area, and that's, that's an added
8 expense. And the cost of, let's say, replacing clothes that
9 I'm sure the people that have water problems that's shown here
10 have to buy clothes sooner than they would otherwise, say,
11 expect to, and all that should be taken into consideration.

12 A question or issue came up on the responsiveness or
13 customer service or customer satisfaction, and that could be
14 looked at in two ways. Like in my case I complained to Aloha
15 once about the water pressure and a technician came out to
16 measure the pressure by screwing in some kind of little
17 measuring device where the hose goes outside. That's all well
18 and good, but it didn't have anything to do with the water
19 pressure problem inside the house. And as far as I know, the
20 only standard is that the water pressure be strong enough to
21 power fire hoses. Now that's all well and good, but, me, as a
22 homeowner, I can tell when I take a shower or run water in the
23 kitchen sink whether the water pressure is adequate.

24 Now if I call to complain about weak pressure and
25 they come out and measure it and say, well, it meets the

1 standard, that's all we can do, is that responsive or not?

2 They would say it is. I would say it's not.

3 The bottom line is it seems to me after having been
4 here for a number of years that the problems that Aloha
5 Utilities has with its customers will never be solved until
6 Aloha Utilities is taken over by Pasco County. Now I don't
7 know why that can't be done. I don't know why, I'm not a
8 lawyer, I don't know why it can't be done on some kind of
9 eminent domain basis or something like that. But having a
10 public utility providing a, a product that is such a basic need
11 to all of the people in the area and not have it provided by
12 the government doesn't seem to me to make any sense. It seems
13 that the basic problem is one of you've got Aloha Utilities and
14 you guys, the Public Service Commission, and then the county.
15 And there's a whole lot of problems that one or the other
16 person has and they say, well, that's their problem. And, and
17 until there's one entity that has the responsibility to
18 provide, provide the service and the ability to do something
19 about it, no, no solution will ever come about. And that's
20 probably not what Aloha Utilities wants, would like to hear,
21 but I think until that sort of thing happens there is no
22 long-term solution. That's all I've got.

23 CHAIRMAN JABER: Thank you, Mr. Lane. Any questions
24 for Mr. Lane?

25 MR. DETERDING: I have none. Thank you.

1 CHAIRMAN JABER: Mr. Lane, let me try to address your
2 questions though with us. With respect to the 9.07 percent you
3 referenced earlier, the requested rate of return, that's what
4 the company has asked for in terms of an increase. And the
5 rate of return just means that's the return that they want on
6 their investment and it's based -- traditionally the view has
7 always been that water companies have a higher risk because of
8 the standards that they have to meet from DEP or the Water
9 Management District and the difficulty they have in obtaining
10 capital. So the tradition in ratemaking, not just in Florida
11 but nationally, is to recognize that a rate of return might
12 need to be higher for water companies. But, again, I emphasize
13 that's what they're requesting. This is not done. It's one of
14 the things that we are looking at in this proceeding.

15 You also asked about the request for an increase on
16 wastewater, and I wanted to clarify that this is, and, Staff,
17 you can correct me if I'm wrong, but this is a request for an
18 increase on the water side.

19 MR. LANE: I know that's not the issue here, but that
20 certainly has to be considered.

21 CHAIRMAN JABER: Absolutely. But I also wanted to
22 take an opportunity to tell you that I've asked Staff at the
23 break, and I want to do it here publicly, to look at the
24 possibility of starting to explain these bills better. Perhaps
25 we can come up with a brochure or pamphlet that comes into

1 every customer's bill at least twice a year maybe that explains
2 the calculations for wastewater rates and, and how water rates
3 are calculated.

4 But, Marshall, if you'll take an opportunity and
5 address the question that Mr. Lane had about why would the
6 sewer rates still be higher if it's a single family home.

7 MR. WILLIS: Let me see if I can address your
8 question. One of the things you talked about was how the
9 wastewater bill was based upon the water bill, and I want to go
10 back to the gallonage cap.

11 The gallonage cap is something that the Commission
12 looks at in every case when we're looking at wastewater rates
13 and that gallonage cap normally ranges between 8,000 gallons
14 and 10,000 gallons a month. And the cap is put there with the
15 idea that the average customer will not have more than that
16 ever return to the wastewater system. So no matter how much
17 water you use for irrigation, if you exceed the cap, your
18 wastewater bill will not be based on anything above the cap.

19 Now we do in calculating the wastewater rates look at
20 a single residential home. At least 20 percent of your water
21 usage under the cap will not be returned to the wastewater
22 system. In apartment complexes they're normally considered a
23 multi-master meter situation, and in those cases they're
24 normally billed for the total amount of wastewater or close to
25 it, about 96 percent of the water usage that they have, so

1 they're actually paying more as far as wastewater coming back
2 into the system, reflecting the fact that, just like you said,
3 there will be no, hardly any water usage outside the apartment,
4 there won't be any irrigation or anything like that. But I
5 hope that answers your question. If not, I'll be willing to
6 talk to you a little bit later on and we'll discuss it.

7 MR. LANE: Yeah, it does. It seems to me that the
8 20 percent number you used is way low. I know in my case it's
9 more like 80 is returned to the sewer and, and I would imagine
10 that for homes it's 50 percent or more. I mean, unless they
11 have a whole lot of kids or do a whole lot of laundry or
12 whatever. But 20 percent is way low of a figure on that, for
13 that basis.

14 CHAIRMAN JABER: Thank you, Mr. Lane.

15 (Witness excused.)

16 CHAIRMAN JABER: Mr. Burgess.

17 MR. BURGESS: Ed Wood.

18 CHAIRMAN JABER: Mr. Willis, while we're waiting on
19 Mr. Wood to come up, the 80/20 ratio, is that, is that in a
20 rural, is that just industry standard? Where does that come
21 from?

22 MR. WILLIS: It's been an industry standard for a
23 while. It's not only used by private companies, it's used by
24 public as well.

25 CHAIRMAN JABER: Why don't you analyze in the

1 recommendation that results from this docket whether it's time
2 to revisit that percentage and, because I know we've had that
3 percentage used as a model in the water industry at least for
4 the last ten years. Is it time to revisit that? On what
5 criteria would you revisit that? And while you're at it, take
6 a look at the concerns we've heard this morning and again today
7 with Mr. Lane on low pressure. And I'd ask the utility to do
8 the same thing. Please call Mr. Lane or go see Mr. Lane about
9 his concerns related to the low pressure he receives.

10 MR. WILLIS: We'll do that.

11 CHAIRMAN JABER: Mr. Wood.

12 EDWARD WOOD

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

15 DIRECT STATEMENT

16 MR. WOOD: Yes. First, I'd like to introduce my
17 little picture here. And for anybody who can't see it there,
18 we will show it out here.

19 In the center there we see Ms. Johnson, who was
20 Chairman of the PSC at that time, we see Mr. Watford working a
21 fire hydrant, and we see a Staff member of the PSC, who's
22 standing in the background saying, well, that hasn't been
23 flushed in a long time. But it just shows you the black water
24 running from the fire hydrant. It can't be any blacker than
25 it's coming out of that fire hydrant, and that's typical of

1 what we receive from Aloha.

2 My name is Edward Wood. I live at 1043 Daleside
3 Lane, New Port Richey, 34655. I live in the Wyndtree
4 Subdivision in Pasco County. Regretfully I am forced to be an
5 Aloha Utilities customer. I have brought black water to many
6 PSC hearings in the past five years, both here and in
7 Tallahassee. The water today is just as revolting as it was in
8 September of 1996, five months, four months after I had moved
9 into my new home and we had a hearing in New Port Richey where
10 thousands of people showed up and brought water. When I got up
11 to speak that day, I couldn't move at the table with all the
12 black water bottles. Nothing, absolutely nothing has changed
13 since that date.

14 I don't know if you Commissioners would like to drink
15 from that black water bottle, but I just happen to have a
16 little jar here and this came out of my refrigerator. I went
17 to get ice cubes for some pop that I had failed to keep in the
18 refrigerator long enough to turn it cold. This is what the
19 melted ice cubes look like. How would you like that in your
20 cocktail this afternoon?

21 It's disgusting that we go on and on and on with this
22 case. There isn't anybody who hasn't come and talked about
23 black water. You don't have to live with it, they don't live
24 with it, but I have to. But that's okay that I live with it
25 because the State of Florida says it meets all requirements.

1 We'll talk about that a little later.

2 I'm here today representing my household. I didn't
3 intend to represent my wife, she was going to speak herself,
4 but for medical problems she couldn't come. So now I'm
5 representing her, also. If she had her way, the house would be
6 on the market today to move out tomorrow and we would never
7 move into another area with a fly-by-night utility like Aloha.

8 I am also here representing, because the president of
9 our association couldn't stay, the 96 families that live in
10 Wyndtree Phase III, Village 5 and 7. So he told me that
11 whatever I had to say was fine with him.

12 I wish to express my displeasure and disgust with the
13 State of Florida, the PSC, the DEP and SWFWMD in the way you've
14 coddled this utility and others like it. How can you let a
15 product of this utility cost the customers so much money and
16 damage to their home?

17 You heard one person here who contacted me last
18 Sunday morning telling me about the new leak that he has in his
19 house. He not only has a leak, but his neighbor two doors over
20 is having his house replumbed right now. Each one of those
21 little jobbies is between four and \$5,000. And I can go on and
22 on with people who have had to do that and it isn't right. And
23 what's the cause? The corrosive water that is supplied by
24 Aloha Utilities.

25 Copper is one of the most stable metals there is, and

1 you can go to any chemistry book and find that out. You have
2 belittled the customers by allowing the utility to deliver an
3 inferior product and charge high rates. It's about time some
4 of that changes.

5 The issues here today have been before every
6 regulating body in the State of Florida, yet none will step up,
7 step up and take responsibility to get the act cleaned up. Who
8 do these regulating bodies represent? It's supposed to be the
9 people. If this case and previous dockets are any indication,
10 that's not what's happening, and I would like to know when
11 things are going to change.

12 As you can see, my picture, that happened almost four
13 years ago is when that picture was taken, probably
14 three-and-a-half to be more exact.

15 The discussion has gone on and on over the years on
16 the topics at hand and it reminds me of a Peanuts cartoon I
17 once saw. The cartoon shows Lucy looking at the sky and
18 saying, the clouds have formed the words that read black water.
19 Charlie says, they're not clouds, that's skywriting. And Lucy
20 says, I was saying sometimes clouds state facts.

21 What is this connection between Lucy, Charlie and
22 what we're talking about here today? All I hear about is
23 copper is leaching from pipes in customers' homes. You can
24 pick up any Aloha release and you'll read that. You can pick
25 up any newspaper that publishes anything from an Aloha person

1 and it reads that; it is the bad 'ole customer that is causing
2 the problem for Aloha to supply all this corrosive water to the
3 pipes of their homes.

4 So if you want to be real, you can look at the black
5 water situation and say the copper pipes are causing the
6 situation or you can go to the root cause and determine it is
7 the corrosive water supplied by Aloha that is causing the black
8 water to flow from the taps of the cut, from the taps of the
9 customer.

10 The Lead and Copper Rule states that the utility will
11 be responsible for water until it is taken from the customer
12 tap inside the house, so that all the ballyhoo about Aloha's
13 water being without blemish at the meter is a smokescreen. It
14 doesn't mean anything if the polluted water coming from inside
15 the home has copper sulfide. The water is polluted if it
16 exceeds the copper action level at the tap.

17 The sampling process for lead and copper. Over the
18 past years Aloha has been sampling houses for lead and copper.
19 In 1997 they finally dropped below the copper action level.
20 From '93 when they took their first sample until '97, December,
21 they were completely out of compliance. Whether they want to
22 admit it or not they were above the action level.

23 On several occasions they appealed to the DEP to
24 reduce the number of samples they had to take at customers'
25 taps because they couldn't find enough places to sample. They

1 needed 60 places, 60 homes out of approximately 8,000, which is
2 less than one percent, probably one-tenth of one percent. The
3 sampling process has been limited to a small number of homes
4 concentrated for the most part around Veterans Village.

5 Most of the people who have spoken out here today and
6 in the past about the water problems are from, and you'll hear
7 more about this tonight, Chelsea Place, Trinity, Trinity Oaks,
8 Wyndgate and Wyndtree. This area covers better than 20 percent
9 of the Aloha service area.

10 Since the sampling began in the mid '90s not one home
11 in this area has been sampled, not one. You look on a map and
12 it's void. Aloha alleges that these homes all have water
13 treatment units, and they've said that in front of this
14 Commission, the Aloha witnesses, and that is an out and out
15 lie. It is a matter of getting out and finding the sample
16 homes, and that's what the Federal Environmental Protection Act
17 says. It's up to the utility to find the sample homes that are
18 most likely to have problems, and that's paraphrasing of legal
19 language.

20 Since the area has the biggest problem, I would think
21 the DPA, DP, DEP would want it sampled, but, as usual, don't
22 rock the boat. I'm sure these areas were tested; Aloha would
23 no longer be, have a past record. In the past record they'd go
24 down to two and they'd be back to regular sampling. Even the
25 sampling in the period of time elapsed from start to finish and

1 the results in 2000 and 2001 really are questionable. In the
2 Year 2000 it took 60 days to get 60 samples, which is
3 ridiculous. We did a hell of a lot better job in 2001. It
4 only took us 14 days to get 30 samples. So we upped it, the
5 rate of output was up 50 percent rate improvement.

6 Without oversight from the State of Florida the scam
7 will go on forever. I don't believe that the testing done and
8 in the manner in which it was done says anything about the
9 quality of the water delivered to the customer. It is just
10 more hocus-pocus.

11 Copper pipe reaction to water. I do not pretend to
12 be a chemist, a legal analyst or any of those so-called
13 experts, but I can say that I have in the corporate world done
14 a lot of investigation of supplier companies. I have also
15 managed warehouses in production and I am well aware of what
16 kind of results are expected. If I brought the results from
17 the 36 inches of paper that I have at home regarding this
18 hearing to my supervisor, I'd have been out on the street many,
19 many years ago because all it is to my opinion is a cover-up.
20 Make it complicated enough, goof it up with enough numbers and
21 maybe you'll snow somebody, and apparently in my opinion that
22 is what has happened.

23 As far as copper pipe reaction to water, copper pipe
24 does not react to water in the plumbing system unless there is
25 an acid contaminant in the water. In the case of Aloha, by

1 Aloha's testimony in at least three other cases, it is the
2 hydrogen sulfide that is the culprit.

3 Aloha has failed to remove this in their treatment
4 system. Copper will not replace hydrogen unless it is in an
5 acid compound. There are four metals, and copper is one of
6 them, considered exceptionally strong metals. In descending
7 order they are: Copper, mercury, silver and gold.

8 And in order to replace copper, hydrogen would have
9 to fall below them. And it doesn't, it's above. A chemistry
10 textbook will point that out.

11 Therefore, the -- excuse me. Therefore, the copper
12 sulfide created in Aloha customer pipes has been created by the
13 corrosive water that Aloha is supplying. It then follows the
14 black water problem is not caused by the customer pipes, but
15 the poorly treated water that is supplied by Aloha. That's the
16 cause.

17 The mantra that Aloha has taught all of its employees
18 is somewhat of a joke and a farce. It must have taken quite a
19 bit of training to get all the employees to say to every
20 complaint that the Aloha water is clean, clear and odorless
21 when it passes the meter. This statement is only a half-truth.
22 The important element left out is that it's not only clean and
23 clear when it passes the meter, but it is also corrosive. If
24 it wasn't corrosive, there would be no problem in the pipes.

25 Aloha in 1995 or the first quarter of 1996, and if

1 you read the various items, it's hard to determine what the
2 exact date is, supposedly began using an inhibitor that was
3 approved by the DEP and that was supposed to correct the
4 corrosion problem.

5 In my opinion this, once again, was a joke because my
6 home was completed in April of 1996, months after allegedly the
7 inhibitor was put into effect. No water ran in my home before
8 the 26th of April, 1996. And the way I attest to that is that
9 when I moved into the house, I had a leak all over the floor
10 when the builder turned the water on. And what was that caused
11 by? The carpenter or workmen who put up the drywall drove a
12 nail through the copper pipe that goes to the refrigerator. So
13 if there was water running through the system, then I'd have
14 had a swimming pool when I moved into the house.

15 It should never have received any water that wasn't,
16 my house should have never received any water that wasn't
17 treated with the inhibitor. Yet today I have black water,
18 which is evident by this with the little particles at the
19 bottom, running through my pipes.

20 When is treatment going to begin to stop the
21 continual abuse of my plumbing system? Aloha is responsible,
22 so when is the State going to act to help protect the customer?

23 Aloha has deliberately continued to supply water that
24 is unfit in a country that prides itself on technical,
25 technological status. In my travels to other countries the

1 travel agents advise you where the water was bad. I think the
2 travel agents ought to also be advising anybody coming to the
3 south Pasco, southwest Pasco County area, don't drink the Aloha
4 water, bring your own bottled water with you, because that's
5 how bad it is.

6 There is only one thing for certain. The water, the
7 water Aloha supplies is corrosive and is the cause for black
8 water. I would like you to look at the piece -- I had a piece
9 of copper pipe that I didn't bring with me here today.

10 The copper pipe on the outside has formed somewhat of
11 a green covering, which supposedly is carbonite, carbonate
12 malachite. And in an atmosphere that is damp this forms on the
13 outside and it protects the carbon or copper from corroding. I
14 have just a little bit on the outside and it's sat on my garage
15 desk now for well over four years when I had the plumber take
16 this little piece of copper out of the pipe to put in some
17 other connections. On the inside of the pipe after
18 approximately a year to two years' worth of use, it's as black
19 as you can get. And that's the corrosion that is going through
20 my system.

21 Copper is very resistant to corrosion. Just look at
22 the many statues that you see in parks, in memorials, in other
23 places. You see that outside covering of carbon or carbonate
24 malachite on the outside, but you don't see the statue rotting
25 away, and that's the way carbon is.

1 But this is not true with the pipes where Aloha is
2 supplying water. Every time I see a plumber's truck in my
3 neighborhood, I know another neighbor has a leaky pipe, and
4 this has been 100 percent true over the past couple of years.

5 If you'll just be patient with me for a moment until
6 I find the right page. Okay. You identified 24 issues that
7 are supposed to be taken care of in this hearing. Since I was
8 supposed to be an intervenor in this hearing but I'm here today
9 as a customer, maybe tomorrow I can find time to come as an
10 intervenor, if I can find a suit or something to wear.

11 CHAIRMAN JABER: Mr. Wood, let me tell you, first of
12 all, that you're welcome to participate as an intervenor now as
13 soon as you're done testifying. And please don't feel like you
14 have to use a special dress code either.

15 We have identified issues that are in the prehearing
16 order, and because you are an intervenor we probably want to
17 stick right now to your customer part of the testimony. And as
18 it relates to the issues, the reason I point all of this out to
19 you is because I invite you and hope you take us up on the
20 offer to ask DEP witnesses and Water Management District
21 witnesses and Staff witnesses specific questions related to the
22 issues you're about to point out to me.

23 MR. WOOD: Well, one thing I would like to say in my
24 opinion as a customer and all my neighbors' opinion as a
25 customer, customers, the Aloha service is substandard and

1 totally unsatisfactory. If you can get any lower than that,
2 then that's the adjective we'd like to use. I do not think
3 that they have qualified for any rate increase and I think I've
4 covered that up there.

5 I'll make a statement that if I took water directly
6 from Pasco County and I got the rates from Pasco County and
7 calculated my bill, my bill would be about ten percent cheaper
8 than what I'm currently paying Aloha. I question why Aloha is
9 paying the big user rate with Pasco County because I can get it
10 much cheaper than Aloha because I'm a little user. And why
11 should I pay any more than the little user or why should any
12 other customer? But that takes negotiations and time. And
13 when you can come before the Public Service Commission, you
14 don't have to spend that time negotiating.

15 I take other exception with some of the things that
16 have been said in the hearings, and that's with SWFWMD. Why
17 does SWFWMD want to raise the rates when supposedly this is
18 going to give us conservation?

19 In my opinion, if SWFWMD looked into the unaccounted
20 for loss of Aloha Utilities, that would come out to
21 100 million gallons of water a year, which is more than what
22 the overpumping is.

23 Secondly, since 1996, thereabouts, 1,771 new
24 connections were made at Aloha Utilities. If you use the
25 average that the, somewhere between what the Staff came up with

1 and the Office of Public Counsel, you're probably about halfway
2 to the overpumping. The biggest conservation that I see is
3 right at Aloha, and why are building permits being given when
4 you're overpumping right now? Where is it going to come from
5 in the future? There's 288 apartments being built between
6 Wells 8 and 9 on Mitchell Boulevard. Where is the water going
7 to come from that is going to supply those apartments? Are we
8 going to go to, back to Tampa Bay Water to buy more? If that's
9 the case, why don't we just reduce the Tampa Bay Water permit
10 and give it to Aloha? It only makes common sense.

11 CHAIRMAN JABER: Mr. Wood, I just wanted to point out
12 to you, according to the prehearing order the SWFWMD witnesses
13 are up starting tomorrow hopefully, so you may want to ask them
14 specifically those questions with respect to the conservation
15 rate structure that they are offering. I think that's what
16 your question goes to.

17 MR. WOOD: Yes, ma'am.

18 CHAIRMAN JABER: But just the general theory is there
19 are some customers that use an excessive amount of water, there
20 are some customers. And the idea is if you, if you assess the
21 higher cost on those customers, that it sends the incentive for
22 them to conserve water.

23 MR. WOOD: However, the biggest customer using water
24 is the unaccounted for loss at Aloha. I don't understand why
25 Aloha has a weekly flushing schedule, not for all hydrants but

1 for a few select ones. I don't understand, if it's involved in
2 flushing and the treating, why Aloha doesn't have meters to
3 find out how much water they're using and then something can be
4 done about that. I never heard of doing anything in the
5 business world without cost justification. You'd get thrown
6 out of any budget meeting you ever went to if you couldn't come
7 in and cost justify any increase that you're coming up with.
8 But that's not the case here. There is no justification. We
9 need it. And that's a bunch of malarkey.

10 One of the other questions I had, in the wastewater
11 hearing, the building, the issue of the new office building
12 came up. If I remember right, 700 and some odd thousand
13 dollars. The next time I hear about the new office building,
14 I'm reading about depreciation or something like that in the
15 testimonies of various witnesses. Are we sneaking that in the
16 back door? I don't know. I don't pretend to be an accountant,
17 but I think that all of that stuff has been fudged in numbers.

18 Another problem that I have, a big problem as a
19 customer because I'm paying for these things, in the year 2001,
20 by April of 2001 Aloha had initiated five rate cases before the
21 Public Service Commission. That amounted to 22 percent of the
22 cases that were filed in 19 or, excuse me, 2001. All total
23 they had nine cases before the Public Service Commission in
24 April of last year. This doesn't say much to me. I will take
25 one thing back. Two of those cases were initiated by the

1 Public Service Commission trying to generate overearnings. But
2 that many rate cases in my opinion -- it's just that we don't
3 know how to do anything, especially get the black water out of
4 the system, but we do know how to file rate cases. And that's
5 the impression I have, and anybody I talk to has the same.

6 In three rate cases including this one, it is only a
7 projected rate in this one, but we will have spent as customers
8 1.5 mil to cover rate case expense for Aloha. We could have
9 made a hell of an inroad in the cleaning up copper sulfide, if
10 that's where that water was directed or money was directed.
11 But, no, we're going to do it in rate cases. If we didn't put
12 it in the rate cases, I don't know what the legal people would
13 do. They might have to work a little.

14 I don't understand, again, the new connections, why
15 they continue to have new connections, they're able to have
16 them when they can't pump enough water. I think that's a real
17 problem that SWFWMD has to resolve with Pasco County. If they
18 don't have connections, then shut them down. And the only
19 reason they don't shut them down is the building community
20 would be all over everybody's back because of it, but it's okay
21 to mess with the customers.

22 In Mr. Watford and Mr. Porter's testimony, they
23 listed Thousand Oaks as a high consumer of water and they also
24 said that the demographics was a changed demographics. There
25 are approximately 493 lots in Thousand Oaks.

1 MR. DETERDING: Chairman Jaber -- excuse me,
2 Mr. Woods. The witness is apparently getting into rebutting
3 the rebuttal of Aloha Utilities, and I believe that's wholly
4 inappropriate. If he wants to ask them some questions about
5 their testimony when they are on the stand, I believe he has
6 that right as an intervenor. But I believe it's wholly
7 inappropriate for him to be rebutting our rebuttal testimony at
8 this time.

9 CHAIRMAN JABER: Mr. Burgess?

10 MR. WOOD: As a customer --

11 CHAIRMAN JABER: Mr. Wood, excuse me. Mr. Burgess.

12 MR. BURGESS: Commissioner, I would disagree. I
13 think this is a customer who is testifying on information that
14 only customers have. The fact that the utility has used a
15 claimed demographic shift in, in arguing what they believe the
16 projected usage is going to be is something that this witness
17 should be able to address as a customer.

18 CHAIRMAN JABER: Mr. Wood, let me tell you what I'm
19 going to do. I was, I was concerned a little bit about this
20 because you're in a unique, great position of being the
21 intervenor and also a customer. I very much want to hear from
22 all customers though before we start the technical part of the
23 hearing. If you don't mind, I would like to specifically hear
24 from you about the coloration of the water, the problems you
25 may have with consumer relations, and I think you've testified

1 to that. There are people I know that are sitting there and
2 have been sitting there since 10:00 this morning and I really,
3 I need to hear from them. But you have the ability to
4 cross-examine all of the witnesses that have prefiled testimony
5 in the case and I hope that you take us up on that offer. If
6 you are not able to stay for the hearing and do that, you
7 certainly have, have given the Commissioners and the Staff
8 enough information so that we can ask those questions.

9 The Commissioners and I fully intend to ask the Water
10 Management District about the impact on conservation and the
11 black water situation. We have enough information to ask the
12 DEP witnesses some additional questions.

13 MR. WOOD: The information that I have provided here
14 is available to any customer on the Internet, if they took time
15 to look at it. And as a result of that, these are things that
16 a customer should want to know about, statements that are just
17 picked out of the air by witnesses. As a customer, I want to
18 know why these demographics have changed and how many of these
19 houses are occupied. Because out of 493, and it's going to be
20 a big user, there's only 22 occupied at this time, which is
21 ridiculous of using them as an example. But I didn't see that
22 investigated anywhere at all.

23 The other, one other question -- and if I have to
24 come back, I will come back, I think. I'm not positive yet
25 because on Thursdays I must take my wife to her doctor.

1 CHAIRMAN JABER: That's fine, Mr. Wood. And let me
2 just tell you for your information, our Staff witness Stallcup
3 discusses the demographics issue. And as it relates to the
4 utility, I believe it is Porter that discusses the demographics
5 issue. So in terms of planning when you should come back, that
6 may be something you want to keep in your mind. But our Staff
7 witness Stallcup investigated it and provided testimony on it,
8 and we will continue to ask those questions.

9 MR. WOOD: The only thing I can say is in the six
10 years that I have lived here the demographics of the area have
11 not basically changed. The houses may have gotten a little
12 bigger, but I don't know what they're comparing those against,
13 whether they're houses that were built 25 years ago, and at
14 that time we were building houses at about 780 feet to
15 1,000 feet. That's not the type of house that builders are
16 building today. And whether you're a family or a retired
17 person, that's what's available to you. And the outside areas
18 are basically the same size.

19 When I moved to Cleveland, and this is something that
20 SWFWMD ought to be thinking about, also, there was a problem
21 with water and there was a problem with sewage. Cuyahoga and
22 Lake County in Ohio shut off all new building permits until the
23 problem was resolved. If we have a problem here, why aren't
24 building permits shut off?

25 I also think that a lot of the problem that we are

1 experiencing here goes right back to Aloha and their modus
2 operandi that we won't do anything until it's been ordered to
3 do so, until we've been ordered to do so by a local, state or
4 federal authority. That doesn't sound like a very
5 customer-oriented operation.

6 I have a couple of comments on a person that in Case
7 Number 96045, who became somewhat of a poster girl for the
8 Aloha case, and her name was Sarah Jacobs. And she is quoted
9 in 96045 in the June of 1998 issue that the hydrogen sulfide
10 was the problem. Well, in 19 -- or copper sulfide, I'm sorry,
11 copper sulfide was a problem.

12 In July of 1998 in the American Waterworks Journal
13 she says, the presence of sulfide can greatly accelerate the
14 copper corrosion in home plumbing. This unwanted interplay
15 between drinking water and copper pipes can produce several
16 undesirable effects. Copper corrosion is often signalled by
17 unpalatable tap water too blue in color, fine particles
18 floating about and off taste.

19 MR. DETERDING: Commissioners, Madam Chairman --
20 again, I apologize, Mr. Wood, for interrupting. Again,
21 Mr. Wood is getting into technical aspects of this case. This
22 is not customer testimony. The, the witness, the party,
23 Mr. Wood, adopted the positions of the Office of Public
24 Counsel. This is not a discussion of Mr. Wood's experiences as
25 a customer. We have not had an opportunity for any kind of

1 discovery on this testimony he's now giving, and I think it's
2 wholly inappropriate to allow him to go on on technical issues
3 when we haven't had the benefit of prefiling as he has with
4 everyone else's testimony.

5 MR. WOOD: The only technical need that I have here
6 --

7 CHAIRMAN JABER: Mr. Wood -- excuse me, Mr. Wood.
8 When there is an objection, I have to give the other side the
9 opportunity to respond and then I'll make a ruling.

10 Mr. Burgess.

11 MR. BURGESS: Yes. Well, my response is that there,
12 in my understanding of Commission procedure there is not a
13 restriction on the issues that can be raised by customers, if
14 this is the first, the customer's first opportunity to raise
15 it. And then to say that now because Mr. Wood is an intervenor
16 as well as a customer we're going to restrict what he could
17 otherwise raise if he were simply to come forward as a customer
18 I think is improper. I don't think that we take rights away
19 because he is, he is intervening. And so I, I think there's
20 nothing improper about the testimony. If the company had
21 wanted to depose Mr. Wood, they could have.

22 CHAIRMAN JABER: Mr. Wood, I'm going to overrule the
23 objection, but I will ask this of you. I need you to wrap up
24 your testimony. I need you to stay focused on the quality of
25 service you received because we very much want to hear about

1 your concerns on rates and your concerns about quality of
2 service that you personally receive, but I am going to ask you
3 to wrap up your testimony.

4 MR. WOOD: Well, I have a little bit more here and I
5 think that it is important as a customer to be able to give
6 this testimony.

7 This is an article that was handed to me by one of my
8 neighbors when they had to leave this morning because they
9 wanted to testify and read it, but since I was testifying and
10 they agreed to it, they, they gave it to me. And all it says
11 is that corrosive or aggressive water can dissolve copper,
12 lead, zinc and chromium from pipes and pipe connections in
13 drinking water.

14 CHAIRMAN JABER: Thank you, sir.

15 MR. WOOD: Now, in 96045 there are a lot of excuses
16 given for not continuing the project. I don't understand why
17 the project wasn't continued and why we have waited six years
18 to get on with it. My, my question about the, the pilot
19 project that was dictated by the Commission and which was
20 apparently dropped, most of the reports that I read, I can't
21 believe that the Commission accepted the reports because I
22 could have wrote all those reports from my living room and
23 never gone out to do it.

24 The interagency group which has been so highly
25 touted, in the names that I have seen in the booklets I haven't

1 seen any customers in there, but I do see Aloha and their
2 representatives there. I do see people who have an interest in
3 not doing anything in there.

4 Other utilities deliver good, clean, non-corrosive
5 water to their customers. Why can't Aloha? The only
6 reasonable explanation that I can conclude is that they have
7 cheated on their process. As a result of trying to earn
8 excessive profits the consumer has been forced to accept an
9 inferior product at great expense and inconvenience. The
10 product is black, smelly, corrosive water that Aloha supplies.
11 I believe that since Aloha has caused the problem, that Aloha
12 should be responsible for paying for the correction from Aloha
13 profits. I believe Aloha should be required to determine how
14 to remove the corrosive element. And not dictated by a State
15 agency, they as a business should want to do that to keep the
16 customers satisfied and then to try to develop customer quality
17 of service and product acceptance. This should be done before
18 it is discovered that the elements in Aloha water cause major
19 health issues.

20 I think the doctor earlier talked a little bit about
21 potential health issues. But since I'm not a doctor, I don't
22 want to mention what they are, but there conceivably could be.

23 One example that I will mention is excess hydrogen
24 sulfide can cause you to lose your sense of smell and be
25 overcome by hydrogen sulfide. What quantity it takes, I don't

1 know, but it can happen.

2 I urge the Commission to rule that the quality of
3 service and the product supplied by Aloha are totally
4 unsatisfactory. The Commission should rule that no rate
5 increase can be justified for a product that is as poor as
6 Aloha water. The Commission should rule that Aloha get its act
7 together and straighten out the bookkeeping that is present in
8 this type of rate case. I don't understand why a test year has
9 part projection and part actual. My experience has always been
10 that test year was actual.

11 The accounting firm then could certify the numbers as
12 opposed to just certifying that they met the reporting formats.
13 There is no justification for a rate increase to promote
14 conservation as requested by SWFWMD. There is much room for
15 conservation with unaccounted for water bought by Aloha and
16 restriction on new connections. If Tampa Bay Water again has
17 extra water to sell, then their pumping permit is too large.

18 Thank you.

19 CHAIRMAN JABER: Thank you, sir.

20 COMMISSIONER PALECKI: Thank you.

21 CHAIRMAN JABER: Any questions for Mr. Wood?

22 MR. DETERDING: Yes, I have several.

23 CROSS EXAMINATION

24 BY MR. DETERDING:

25 Q Mr. Wood, you have in front of you there, I assume

1 the one you have over beside you, the photograph is the same
2 one that you held up with the other hand; is that correct?

3 A That is correct.

4 Q Okay. That's a photograph taken during the water
5 quality investigation from, I believe you said,
6 three-and-a-half years ago, three-and-a-half, four years ago?

7 A 1998 when they dug up all the front lawns without the
8 owners' permission.

9 Q Isn't it true that both the PSC engineer and the
10 utilities engineer stated in that case that that type of
11 discoloration in the hydrants was normal?

12 A I was in Ohio. I can't tell you that.

13 Q Okay. Isn't it true that those same individuals said
14 it was unrelated to the black water issue?

15 A I couldn't tell you that. I was in Ohio.

16 Q Okay. So you didn't hear the technical testimony?

17 A No. I left for Ohio, I left for Ohio the day that
18 they came through the neighborhood.

19 Q Okay. You mentioned the jar of water you have
20 sitting in front of you that you brought.

21 A Yeah.

22 Q You say that's from your refrigerator?

23 A From the ice maker.

24 Q So that came in the form of ice cubes out --

25 A Yes, it did.

1 Q Okay. The utility contacted you after your testimony
2 in the last case and wanted to come review the situation in
3 your home.

4 A Uh-huh.

5 Q Would you be willing for them to come this time and
6 review the situation in your home?

7 A No. Aloha Utilities will never set a foot in my
8 home.

9 Q Okay.

10 A And the reason that Aloha Utilities will never set a
11 foot in my home, first of all, I was tried to be intimidated in
12 the instance you mentioned to let Mr. Porter, and it says a
13 Mr. Clare in. I'm sorry that I didn't bring my recorder with
14 me or I would have played the message that was on my answering
15 machine. And I forgot to bring, stick the recorder in my
16 pocket this morning.

17 But basically what it said, Mr. Wood, this is Connie
18 over at Aloha Utilities, with the telephone number. You can
19 reach me through extension 100. I spoke with our attorney,
20 Marty Deterding, and he said that I really do need to go ahead
21 and have Mr. Clare take a look at your home and have samples
22 taken inside and outside the home and we are to report back to
23 the Commission.

24 I was at the Commission meeting and the Commission
25 never ordered Porter to go out to the homes. Porter

1 volunteered to go to the homes because he was going to solve
2 the problems.

3 The Commissioners asked for this information to be
4 brought back to them. The Commissioners never asked for that.
5 I listened to that on the Internet on the phone or on the audio
6 connection.

7 If you can give me a call back, we really need to get
8 this scheduled and get the Commissioners all the information
9 they asked for, I would appreciate it, if they asked for it.

10 I talked with her on August, on April the 6th, and
11 that's when I told her that I would not let them in my home,
12 and I was told at that time that they had to take follow-up
13 samples from the public hearing of 3/29/2000, which is a lie.
14 She told Mr. Porter, she was told Mr. Porter would not be
15 allowed in my home. She said Mr. Porter would not be alone but
16 with someone from the PSC. I don't know if somebody came down
17 from the PSC or not. She was told that I had filed another
18 black water complaint with the PSC and I have tried to call
19 Aloha but their lines are busy. I told her that Aloha must fix
20 the problem. She said she would note that. That is the, part
21 of the reason I wouldn't let them in.

22 If you want to go into more detail on reasons why I
23 wouldn't let them in, Mr. Porter and Mr. Watford back in early
24 '98 or late '97 were sneaking between the houses in my
25 subdivision taking water samples out of the side of the house

1 without any knowledge of the homeowner. And they took them to
2 a meeting that was chaired by a Dr. Garrity from the DEP over
3 in New Port Richey Library.

4 Then at a later date, I'm not positive of this date,
5 but sometime in 1997 or '98 Mr. Porter and Mr. Watford showed
6 up at my front door and told me they were in the neighborhood
7 and they were looking at problems. That's great. I says, I
8 told them that I had just flushed my tank, my hot water tank
9 out and I shouldn't have any problems because I had just
10 completed that job and I was in the process of chlorinating the
11 water tank to stop the black water.

12 So they came in the house. The water was halfway
13 decent. Mr. Porter went outside and took some samples from
14 outside the house, which I said he could do. In the meantime
15 Mr. Watford is taking pictures.

16 The next time I saw those pictures was in March of
17 2000 when they brought them here to the Public Service
18 Commission to discredit me as a witness that I had no problems
19 in my house. I never got a reply to any complaints that I have
20 issued, and they said right in the letter that they handed me
21 here where I'm sitting right now that this was the answer to a
22 complaint with the pictures. That's the way they deal.

23 You want them in your house? I don't want them in
24 mine.

25 Q So you, you say your water is clean and clear outside

1 but it is that discolored --

2 A I didn't say it was clean and clear outside. I said
3 on that occasion it was.

4 Q Okay. But you don't want them reviewing to determine
5 why, what the cause of that is?

6 A The cause of the water, and you can go back to
7 Shenrock when he took the samples and came up with copper
8 sulfide, the problem is the hydrogen sulfide that is in the
9 water that is causing the corrosion.

10 Q Okay. Have you investigated the Pasco County
11 Corrosion Control Program as compared to Aloha's?

12 A No, I have not looked at Pasco County. My water
13 supplier is Aloha. Why would I want to go to another supplier
14 to waste time to find something out when I want my supplier to
15 supply me with the water that I am paying to have supplied to
16 my house in a way it should be supplied?

17 Q Well, you indicated during your comments that this,
18 that Aloha was the only utility having these issues with copper
19 corrosion.

20 A When I read the St. Petersburg Times and the Sun
21 Coast News and the Tampa Tribune, I haven't seen since I lived
22 down here one article of customer complaints to Pasco County on
23 their water. I have read -- and I should have brought my
24 little scrapbook along with me so you could look at all the
25 articles that I have found in the newspaper in relation to the

1 Aloha situation.

2 Q So the basis for your conclusion that Aloha is the
3 only one that has these is whether or not you've seen an
4 article in the newspaper on the subject?

5 A Whether I've seen an article or whether I've talked
6 to people who live in those areas, and I listened to Mr. Fasano
7 this morning telling the group that there was no problem in
8 Pasco County.

9 Q Are you aware of the fact that Aloha, Pasco County
10 has, in fact, conducted a copper corrosion study itself?

11 A They may have. I don't know. They don't forward me
12 that information and I don't really check out their web site.

13 Q Isn't it true that DEP must approve the location of
14 homes from which water is sampled in determining compliance
15 with the Copper Corrosion Program?

16 A I have talked to the DEP and have pointed out just
17 what I pointed out here today. They do not take samples in my
18 area. That's the job of the Aloha Utilities company to find
19 the sample base that is most troubled.

20 Q Well, I guess -- I'm not sure that responds to my
21 question. Isn't it true that the DEP must approve the location
22 of the sample homes?

23 A On the paper that I have viewed in the DEP office I
24 have found no predetermination of sample sites. I have not
25 found any classification of sample sites.

1 Q Have you reviewed the underlying rules and procedures
2 for determining sample sites as required by DEP?

3 A I have looked at them.

4 Q And do they not give DEP the approval of locations of
5 sample sites?

6 A They're supposed to approve them.

7 Q Okay. Have you done an analysis of the unaccounted
8 for water of Aloha Utilities?

9 A I'm not privy to that information.

10 Q Well, you had suggested that they had a very high
11 level of unaccounted for water.

12 A I'm only taking that from the numbers that were, ten
13 percent that has been discussed in this case, and it's been
14 varied between nine point something and 14 point something.

15 Q Okay.

16 A And I took ten percent as the number that somebody in
17 this case issued, ten point something.

18 Q Okay. You mentioned location of flushing, where
19 flushing is taking place within Aloha's system.

20 A Yes.

21 Q Isn't it true that the location of, for flushing is
22 also approved by the Department of Environmental Protection?

23 A You asked that question.

24 Q No. I believe I asked you about the location of
25 sampling for corrosion control problem. I'm asking you about

1 the flushing locations.

2 A What flushing level?

3 Q Locations. Isn't it true that the locations --

4 A The letter that I saw written by Aloha, I think it
5 was on August the 24th, submitted to the DEP samples of
6 locations that would be flushed. It was a -- it wasn't every
7 hydrant in the district. It was a number of hydrants. I
8 forget the exact number.

9 But my question back would be to SWFWMD, why are we
10 flushing water on a weekly basis or biweekly basis, semiweekly
11 basis if there is a water shortage in this section of Pasco
12 County?

13 Q Isn't it true that the utility is required to have an
14 approved flushing program by DEP?

15 A I couldn't answer that. I have no idea.

16 Q Okay.

17 A Other than -- the only thing I can say is they're
18 running water down the sewer in a flushing program.

19 Q Okay.

20 A And this is water that per SWFWMD is necessary to
21 keep the area going. And all they do, ten percent,
22 100 million gallons of water down the drain into Lake Tarpon.

23 MR. DETERDING: I don't have anything further. Thank
24 you?

25 CHAIRMAN JABER: Thank you. Mr. Wood, thank you very

1 much for your testimony.

2 MR. WOOD: Okay.

3 (Witness excused.)

4 CHAIRMAN JABER: Mr. Burgess, are there other
5 customer witnesses in the audience?

6 MR. BURGESS: I have William Bellis. I'm sorry.
7 Lillian Bellis.

8 CHAIRMAN JABER: Ms. Bellis? Next.

9 MR. BURGESS: Dart Purdy.

10 MR. WOOD: He's not here.

11 MR. BURGESS: Catherine MacDonald. Colin Bradbury.
12 W. Hanenberg. William Shepherd.

13 CHAIRMAN JABER: Mr. Shepherd testified already.

14 MR. BURGESS: I'm sorry. Yes. Donald Shepherd.

15 MR. WOOD: He's not here.

16 MR. BURGESS: Okay. Those are all of the people that
17 I have as having signed up to, wishing to speak.

18 CHAIRMAN JABER: Thank you. Let me just ask, are
19 there members in the audience, anyone that is wishing to speak
20 before we switch to the evidentiary, the technical evidentiary
21 part of the hearing?

22 Okay. Let the record reflect that there are no
23 customers wishing to speak at this time. Let the record
24 reflect also that we will switch back to the customer portion
25 of the testimony at 6:00, 6:00 p.m.

1 All right. Parties, my intention is for us to take
2 a, just a very short ten-minute break so we can regroup and
3 bring your first witness on the stand.

4 Now there was some discussion about revisiting the
5 order of witnesses, so firm that up amongst yourselves. And
6 when we get back on the record, you can tell me what the order
7 of witnesses that you propose is. So ten minutes.

8 (Brief recess.)

9 (Customer service hearing adjourned, to be continued
10 at 6:00 p.m. in Volume 3.)

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

CERTIFICATE OF REPORTER

4 We, TRICIA DeMARTE and LINDA BOLES, RPR, Official
5 Commission Reporters, do hereby certify that the foregoing
6 proceeding was heard at the time and place herein stated.

7 IT IS FURTHER CERTIFIED that we stenographically
8 reported the said proceedings; that the same has been
9 transcribed under our direct supervision; and that this
10 transcript constitutes a true transcription of our notes of
11 said proceedings.

12 I FURTHER CERTIFY that we are not a relative, employee,
13 attorney or counsel of any of the parties, nor are we a
14 relative or employee of any of the parties' attorneys or
15 counsel connected with the action, nor are we financially
16 interested in the action.

17 DATED THIS 22nd DAY OF JANUARY, 2002.

18 *Tricia DeMarte*

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