

State of Florida



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Public Service Commission

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-M-E-M-O-R-A-N-D-U-M COMMISSION
CLERK

DATE: July 28, 2006

TO: Kay B. Flynn, Chief of Records, Division of the Commission Clerk & Administrative Services

FROM: Jennie Lingo, Economic Analyst, Division of Economic Regulation

RE: Docket No. 050862-WU, Application for a staff-assisted rate case in Marion County by County-Wide Utility Company, Inc.

I have attached my notes from the customer meeting in the above-referenced docket (to supplement the taped recording of the meeting) for inclusion in the docket file.

Thank you.

cc: Division of Economic Regulation (Rendell, Hudson, Edwards)
Office of the General Counsel (Gervasi)

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FPSC-COMMISSION CLERK

COUNTY-WIDE STAFF-ASSISTED RATE CASE CUSTOMER MEETING
JULY 19, 2006

FPSC staff members in attendance: Troy Rendell, Rosanne Gervasi, Gerald Edwards, Bev deMello and Jennie Lingo.

Staff member TROY RENDELL began the meeting at 6:00 pm, introduced staff and then went into normal powerpoint presentation re: history of utility case and PAA procedure.

NOTE: The three subdivisions affected are Bahia Oaks (BO), Oakcreek Village (OCV) and Westwind Trails (WWT).

Customer Testimony

Lee Ellis: 5640 SW 64th Street Rd. President of the Bahia Oaks Homeowners Association (BOHA). Gray info has given to residents of Bahia Oaks (BO). Residents were told by Dirk Leeward that the new line was for new development and that it would not affect Bahia Oaks' water or service. Many in Bahia Oaks are on fixed incomes; the same goes for those in Oak Creek Village. Staff's preliminary recommended bills in \$40 to \$50 range. He believes rate increase is out of balance -- referred to Gainesville Regional Utilities proposed increase of 13% -- BO residents would do handstands for that increase instead of the preliminary increase proposed by staff. Also believes that fire hydrants should not affect rates. He assured us that we would get many letters from customers (BOHA will organize the effort). Higher water rates will affect newer residents in newer homes much less than older residents who have been in park for many years. The rate increase stinks. Some people just won't be able to pay and their water will be cut off. He will attend agenda conf. Asks us to please help them.

Martha Gley: 5811 SW 61st Pl. Mr. Ellis (see above) voiced her concerns. Many in her community are retired and on fixed incomes. Water increase will pose hardships. Some in park are widows. Some have problems purchasing prescriptions. Some are on disability. Many have moved. Leeward owns all the surrounding land -- why would he have to buy land for a new water plant when he already owns the land???

Etta Pennington: 5741 SW 61st Pl. Retired and is hard to make ends meet. She has to rob Peter to pay Paul. Ridiculous that water rates have increased so much.

Janie Hadsell: 6312 SW 63rd Tr. She irrigates several times a week. Water bill has significantly increased. May have to put her house up for sale. Other neighbor has \$85 bill but Ms. Hadsell wonders how that can be if the neighbor is in MI. Neighbor has in-ground irrigation system that runs 2x week. She hopes speaking out has made a difference.

Brian Yacur: 6598 SW 63rd Ct. Lives in WWT, and is not near the new pipes. Has an irrigation system that he now uses 1x week, but he used to use it 2x week. Bill has gone from \$28 to \$110, but is now using less water than before. New homes will be put in on south side of the service area, and that's where the rate increase should be applied.

TROY RENDELL: Utility has reported to us that their water wells have been taken off line. Utility is not authorized to provide sewer service, so we're not looking at that.

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Lois Metts: 6361 SW 60th Ave. She's lived there since 1980. She and daughter live there. Bills have varied widely, from \$13 to \$26 from Jan to July. She does not use an irrigation system.

Fred Gunn: 6595 SW 64th St. in WWT. He's from NY and is new to the area. One reason he moved down here is that prices seemed reasonable. How long will the emergency rates be in effect? \$147 last bill, but admits the sprinklers got out of hand. Fixed income he and wife.

Robert Brady: 6568 SW 62nd Ave. in OCV. If utility is purchasing from Ocala, are the purch water costs inclusive of sewer b/c that's how Ocala charges? \$84 last bill. Says current meter reading is 6 kgal less than what was on last bill. His in-ground irrigation system not used much – waters shrubs only. 1,777 kgal meter reading 6/24 v. 1,771 kgal 7/19. The July reading is 6 kgal less than the June reading – how can this be? **NOTE:** Jennie Lingo met with the utility on July 20th, 2006 at the office of Enviro-Masters, the entity that does the utility's billing. According to Enviro-Masters, there was a meter-reading error, and Mr. Brady has been issued a 6 kgal credit.

Margaret Ann daSilva: 5820 SW 61st Pl. in BO. Was told about hydrants but didn't want them. Lives on \$613 per month, and water bill was always at minimum charge. Last month bill was \$77. She has no money to live on, and never made profit in her business like the utility is making. It's robbery. She's been in park 27 yrs. It's unfair. Begs us to speak for them.

Al daSilva: 5920 SW 61 Pl. He is Margaret's (see previous speaker) brother. In park since 1980. Dirk (utility President) is spoiled brat. His father (James Leeward, the utility owner) gave him (Dirk) anything he wanted. He's (Dirk) a thief. Equipment in park 30-40 yrs old. Many water problems. Park used to be a watermelon farm. Bonds don't offer return like Dirk's return on investment from upgrading his water plant. Doesn't matter if folks are on a fixed income or still working, it's robbery and unfair. Mobile home (MH) industry is in shambles, and many insurance companies won't write MH policies and/or are trying to cancel existing policies. Hydrants work great on site-built homes, but not on MHs. Verifies with Troy that customers to receive 21% refund – it still doesn't seem fair. Ditto remarks of Mr. Ellis. Folks need help, please represents us.

TROY RENDELL: Revenue requirement (rev reqmt) is based on 8% rate of return; the majority of capital is from bank loan. Refund represents the emergency rev reqmt less our recommended rev reqmt.

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Norman Hallenbeck: 5621 SW 64th Lane Rd. BO subdivision. Asks if we're done comparisons of rates from other areas of state. Son lives in Orlando, 40 kgal costs \$45. Worked for FPL 10 yrs. After Andrew, FPL got only 6% incr. This is worse than gas price gouging. We should check further.

TROY RENDELL: referred customer to our rate comparison database on the PSC website. Also, explained that can't compare costs from utility to utility.

Kathleen Norcross: 5841 SW 62nd Pl. She has nothing to add.

John Copeland: (No address given and was not listed on speaker form.) Why was it necessary to join Ocala for water?

TROY RENDELL: we're still looking at that. We've been told that old wells needed to be dismantled, etc.

Mary Platts: 5931 SW 63rd St. in BO. Now lives on \$700/mo. Cuts own grass, only pleasure she can afford is her yard, so she waters grass and flowers. Bill went to \$52 from \$18. Gets special consideration from several organizations, but not water companies. Worked for 65 yrs, and needs help.

Mauritza Cintron: 6474 SW 64th Ave. Lives in WWT. Lived there 1.5 yrs. Never has paid \$13.23 (minimum charge). Thought \$30 BFC emergency rate included some usage. Bill now \$59 from \$14 – is outrageous. How could this be if no one is home? Called utility office. She's a teacher, but does not work during summer. Thought rate increase was temp, and she does not water lawn anymore. Was told the increase was indefinite in term. Her heart goes out to retirees and widows. Please make sure the increase is conservative. We need help. Called utility and was told that new lines would not affect current rates. Construction is for new developments. No notice given for water outage.

TROY RENDELL: explained how to calculate bills. Enviro-Masters is apparently giving out bad info, and we will hold utility accountable. Call PSC 800 number if need assistance. Verifies that no notice provided.

Scott Keifer: BOHA officer. Utility bill lists Countywide name but phone number is for Enviro-Masters. Wants number on bill to be that of utility, not Enviro-Masters.

James Taylor: 5911 SW 61st Pl. BO. Concerned about letter (prelim staff report) on p. 2, background. Quotes from staff rpt. Water bill was flat rate of \$4.10 in 1975. 482 customers??? He is past pres and founder of BOHA. 272 customers in BO 1 and 2. When Triangular went into BO 3 and 4, Oak Creek (Oak Creek Village subdivision) was supposed to be like BO 1 and 2. To get by codes, put up MH. Started drawing from BO 1 and 2. Well in BO 1 and 2 gave great water that didn't need chlorine. 70% residents in BO 1 and 2 70 yrs old. They don't need increase. He's been out of town 2 months, got charged for 700 gals when not there, and billed \$30.11. Is higher than gas. The only way

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customers can get relief is from us. Triangular developed West Oak Village, and wonders where Walgreens is getting water.

GERALD EDWARDS: responds that Walgreens gets water from Countywide, but some customers dispute.

James Taylor (cont.): Asks if BO 1 and 2 must subsidize BO 3 and 4 and Walgreens.

TROY RENDELL: assured Mr. Taylor that customers not subsid anyone.

James Taylor (cont.): No one asked customers if they wanted to be hooked up to Ocala, because BO had best water in Marion County. Spoke about homeowner regulations, and that not all homeowners have to join. Wants us to instruct Dirk to hook back to well. Threatens to have well dug on his property for his use.

Van Montgomery: 6860 SW 63rd Lane Rd.(?) Used to work for water utility in KY. Has anyone checked if there's a cross connection once wells disconnected?

GERALD EDWARDS: DEP did check for cross-connection.

Van Montgomery (cont.): Asked about interest on refund. Paying for 12" line that customers didn't want or need. Shouldn't have to pay for expansion.

Phillip Sebring: No address on sign-up sheet. Was told water line had nothing to do with BO. There are many elderly on low incomes who need help and support. It's robbery.

John Scharf: No address on sign-up sheet. May 04. He's in the construction trade. Charges \$31k for lines he installs. Leeward got with his friends, and there were no job quotes. It's highway robbery. Please help get rates lowered, or else folks will need gray water for irrigation. Utility well replacement would have only been \$100k, and Dirk is laughing all the way to the bank. Customers' rates higher than Ocala rates. Customers can put in gray water well for irrigation. The only emergency is the profit that is making Leeward rich. Folks can't afford the rate increase. Please protect us from highway robbery. Also, 70 psi from new line going through MHs are blowing out lines inside the homes. Utility didn't install reduces on lines to cut pressure. Very unethical.

Lee Ellis: for BOHA -- concluding remarks. Common theme is too many problems (of same type) have been cited. There must be something to it. Don't let him take us to the cleaners.

Fred Gunn: Another comment: Why not pay Ocala directly, and eliminate the middle man?

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Scott Keifer: Another comment: We're negotiating with him. Should never have been hooked up to Ocala to feed water to new subdivisions. Is robbery, and folks can't afford it. The new development should have had its own line.

Norman Hallenbeck: Another comment: Commission should investigate billing practices. Cited bills going up and down, and fewer kials on higher bills.

Jamie Patchen: No address and not on sign-up sheet. Has been a resident of BO for 27 yrs. Increase is unfair. Her water bill (after increase) \$48, so now doesn't water lawn or wash car. Has stopped running water to wash dishes and brush teeth. Had brown water and called utility -- Enviro-Masters answered. Water from well perfectly drinkable, now is yellowish and brown. Not notified of any transfer to Ocala.

Barbara Perino: No address and not on sign-up sheet. Lives in Oak Creek Village. Lives 2 houses from single MH Mr. Taylor referred to. The trailer can't be moved -- why? Must be underhanded way Leeward has handled this. High bill from day 1. Has a meter for sprinkler system. Does all her yard work. Utility ordered trees cut for hydrant installations, but the customers had to pay for tree cuts. Utility ran lines for hydrants through customers' property. Ran sprinkler 2x week, bill \$102. Has St. Augustine grass, and it's expensive. Still irrigating, but manually at box and not on timers. Young men reading meters, not employees. Should not have to pay for line, when didn't need water. Is disappointed that others from Oak Creek subdivision not here.

JENNIE LINGO: Asked Ms. Perino to clarify statement that she has a meter for her sprinkler system. Ms. Perino corrected statement to say that she has a timer box for her irrigation system, not a separate water meter.

James Taylor: Another comment: he read from notice of some sort. Also questioned why, if hydrants became part of code in 1996, there have been no hydrants before now. Why are hydrants now being put in?

TROY RENDELL: explains certificated area.

Meeting concluded 8:30 pm