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1 BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

2

3 DOCKET NO. 060368-WS

4 In the Matter of:

5 APPLICATION FOR INCREASE IN WATER AND

WASTEWATER RATES IN ALACHUA, BREVARD,

6 HIGHLANDS, LAKE, LEE, MARION, ORANGE,

PALM BEACH, PASCO, POLK, PUTNAM,

7 SEMINOLE, SUMTER, VOLUSIA, AND WASHINGTON

COUNTIES BY AQUA UTILITIES FLORIDA, INC.

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THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

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14 PROCEEDINGS: SEBRING SERVICE HEARING

15 BEFORE: COMMISSIONER MATTHEW M. CARTER, II

COMMISSIONER KATRINA J. McMURRIAN

16 COMMISSIONER NATHAN A. SKOP

17 DATE: Wednesday, June 13, 2007

18 TIME: Commenced at 10:00 a.m.

Concluded at 1:03 p.m.

19

PLACE: Highlands County Administration Building

20 Board Chambers (Room B104)

600 Commerce Street

21 Sebring, Florida

22 REPORTED BY: LINDA BOLES, RPR, CRR

Official FPSC Reporter

23 (850) 413-6734

24

25

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1 PARTICIPATING:

2 STEPHEN C. REILLY, ESQUIRE, Office of Public Counsel,

3 c/o The Florida Legislature, 111 West Madison Street, Room 812,

4 Tallahassee, Florida 32399-1400, appearing on behalf of the

5 Citizens of the State of Florida.

6 MARSHA RULE, ESQUIRE, Rutledge Law Firm, Post Office

7 Box 551, Tallahassee, Florida 32302-0551, appearing on behalf

8 of Aqua Utilities Florida, Inc.

9 KATHERINE FLEMING, ESQUIRE, FPSC General Counsel's

10 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida

11 32399-0850, appearing on behalf of the Florida Public Service

12 Commission Staff.

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

2 COMMISSIONER CARTER: Good morning. This hearing is

3 now called to order. Staff counsel, would you please read the

4 notice.

5 MS. FLEMING: Yes, Commissioner. By notice, this

6 time and place has been set for a Customer Service Hearing in

7 Docket Number 060368-WS, application for increase in water and

8 wastewater rates in the following counties: Alachua, Brevard,

9 Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk,

10 Putnam, Seminole, Sumter, Volusia and Washington Counties by

11 Aqua Utilities Florida, Inc.

12 COMMISSIONER CARTER: Okay. Thank you very much.

13 Let's take appearances.

14 MS. RULE: Marsha Rule on behalf of the company.

15 MR. REILLY: Steve Reilly with the Office of Public

16 Counsel on behalf of the ratepayers.

17 MS. FLEMING: Katherine Fleming on behalf of the

18 Commission.

19 COMMISSIONER CARTER: Thank you. Thank you. Let me

20 say thank you to all of you that have come out this morning.

21 Welcome to our audience, welcome to our citizens, welcome to

22 the customers. Thank you for joining us today. We appreciate

23 that you took the time to come out for these hearings. I

24 recognize that sometimes it's not always convenient for

25 everyone, but we do appreciate you taking out the time to come

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1 and be with us. The company representatives and PSC staff are

2 here present today and they're available to help you. We have

3 staff in the back both from the company and from the PSC that

4 can help you if you have questions.

5 Let me introduce myself. I'm Matthew Carter. I'm a

6 member of the Florida Public Service Commission. To my right,

7 Commissioner Katrina McMurrian. We'll be here with you today.

8 Let me kind of set some ground rules for us, please.

9 We're here today because we want to hear from you.

10 This is an official hearing that will be transcribed and become

11 part of the official record. The testimony given today will be

12 an important factor in us as a Commission coming to a

13 conclusion in terms of how to determine whether or not this

14 petition should be granted. So we do take your testimony

15 serious and your comments will not be taken likely. Because

16 this testimony is part of the official record you'll need to be

17 sworn in, and we'll do that to you in just a few minutes.

18 Please note that your comments will also be subject to

19 cross-examination. There may be questions from the parties or

20 there may be questions from the Commissioners. And basically

21 we'll just recognize you at that point in time.

22 You may have noticed that there are these sheets

23 here. These are sign-in sheets. Anyone wishing to speak this

24 morning, please complete one of the sign-in sheets here, and

25 Mr. Reilly will be able to call your name out so that we can

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1 recognize you and call it in order. Also, there may be those

2 of who that say, well, I don't really want to speak. I just

3 want to put my comments in writing. These green forms here,

4 please feel free to write those and you can send those in to us

5 or you can turn those in to our staff back there this morning.

6 We'll take those for you.

7 Before we get started this morning we'd like to go

8 off the record from the hearing and give our staff an

9 opportunity to give you an overview of exactly what the process

10 is involved here. And at this point in time we're now off the

11 record and will recognize staff.

12 (Discussion held off the record.)

13 Thank you very kindly. And in my introductions I

14 omitted introducing -- to my left is Commissioner Nathan Skop,

15 a member of the Florida Public Service Commission.

16 At this point in time we're back on the record and,

17 as so, let's hear brief opening statements from the parties,

18 first from the party and then from OPC.

19 You're recognized, Ms. Rule.

20 MS. RULE: Commissioner, would it be possible for me

21 to address the customers at the podium?

22 COMMISSIONER CARTER: You may do so.

23 MS. RULE: Thank you.

24 UNIDENTIFIED SPEAKER: Commissioner, could you turn

25 the volume up just a little bit or speak a little louder?

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1 UNIDENTIFIED SPEAKER: It's very hard to hear.

2 COMMISSIONER CARTER: Okay. How about now?

3 UNIDENTIFIED SPEAKER: That's better.

4 COMMISSIONER CARTER: Okay. I just need to pull it a

5 little closer. Thank you for that.

6 MS. RULE: How is this volume?

7 Pardon me for turning my back on you.

8 My name is Marsha Rule and I'm here representing Aqua

9 Utilities Florida. To give you a little background in addition

10 to what Mr. Rendell told you, excuse me, on December 1st, 2006,

11 Aqua Utilities Florida filed an application with the Public

12 Service Commission to increase its monthly rates and also to

13 increase its service availability charges. The company also

14 requested approval of allowance for funds prudently invested

15 charges in certain systems in seven counties including

16 Highlands County. The entire application, as Mr. Rendell said,

17 addresses 56 water systems and 24 wastewater systems in 15

18 counties in Florida. And those 80 systems that are involved in

19 the rate case have not sought rate relief through a formal rate

20 case for over a decade. And since the date that rate relief

21 was last provided either by the Commission or a county

22 regulator for the various systems that are included in this

23 case the company has made significant capital investments. And

24 also, like everybody's expenses, its operating and maintenance

25 expenses have increased partly as a result of new rules and

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1 standards and ordinances or other requirements of state,

2 federal and local regulators. The company is seeking an

3 increase to cover these increased costs and the increased

4 operating and maintenance expenses, maintenance expenses

5 required to maintain and enhance service to customers. We're

6 here asking the Commission to establish a countywide rate

7 structure where the rates would be the same for every system

8 within each county.

9 Since the parent company Aqua America acquired the

10 AquaSource properties in 2003 and then the former Florida Water

11 properties in 2004 the company will have invested almost

12 $22 million in capital investments for the systems included in

13 this rate case through the end of this year. And focusing on

14 the 2005 through 2007 time frame, Aqua Utilities will have

15 invested approximately $6.5 million in our water facilities,

16 $10.7 million in wastewater facilities and $1.4 million in

17 general plant facilities.

18 Here in Highlands County specifically since the

19 parent company Aqua America acquired the utility in August of

20 2003 Aqua will have invested about $900,000 in this community's

21 infrastructure through the end of this year to improve the

22 quality and reliability of the water and wastewater service.

23 Specifically what the company has done with this

24 money is upgraded water treatment facilities, replaced

25 undersized and deteriorating pipes, rehabilitated storage tanks

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1 and made related capital improvements to make sure that the

2 systems meet applicable environmental standards. And this

3 investment in total translates to approximately $750 per

4 customer here in Highlands County, and that's why they're

5 asking for a rate increase.

6 It's necessary for the company to be given the

7 opportunity to recover these additional investments. Without

8 rate relief and using a projected 2007 test year, that's the

9 year the Commission will use to establish rates in the future,

10 Aqua Utilities' overall rate of return is negative. It's

11 negative 6.74 percent for its water systems and a negative

12 6.26 percent for its wastewater systems. And at this rate

13 these returns won't allow Aqua Utilities to remain viable, much

14 less to continue to attract financing to finance its

15 investments and operate systems in Florida. And ultimately

16 these deficient returns and the significant level of capital

17 investments and increased operating expenses are what led the

18 company to file their request for rate relief.

19 And as Mr. Rendell and the Commissioner told you,

20 we're all here this morning to hear from you. And speaking on

21 behalf of the company, I want to let you know we thank you for

22 coming here today. I know it takes time out of your day, and

23 we are hear to listen attentively to your comments. I also

24 want you to know we have the president of the company, Jack

25 Lihvarcik. Jack, can you please stand up? He's here today and

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1 he will be available after the meeting to discuss any specific

2 concerns you have.

3 And I do have a request for each of you who are going

4 to testify. There are several different systems represented

5 here today, and I would ask that you please identify the

6 specific system that provides your water or wastewater service

7 so that we could research and respond to your specific

8 concerns. Thank you very much.

9 COMMISSIONER CARTER: Thank you, Ms. Rule.

10 Mr. Reilly, you're recognized.

11 MR. REILLY: Thank you. Again, my name is Steve

12 Reilly. I'm with the Office of Public Counsel. The Florida

13 Legislature funds our office to provide free legal

14 representation to ratepayers to scrutinize cases such as this

15 one that's before you.

16 Just to provide an overview, we firmly believe that

17 this is an excessive and unjustified rate increase that's being

18 made by the company. We have hired what we believe to be one

19 of the best regulatory accounting firms in America to

20 scrutinize the accounting issues in this case. We've hired one

21 of the best engineering firms to look at all the engineering

22 issues.

23 As to the accounting issues, understand that Aqua

24 America is, I think it's the largest publicly-traded company

25 that is in the business of owning and operating water and

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1 wastewater systems in America. They have, they have asked for

2 projected test year. We're going to be scrutinizing those

3 projections. Our initial belief is that they've understated

4 revenues and overstated expenses. And as to those expenses,

5 you'll see with the salaries, benefits, operation and

6 maintenance expenses, transportation, insurance, all those have

7 gone up very, very dramatically and in our view perhaps

8 unreasonably so.

9 We do understand -- and this is particularly

10 troublesome in this county. In a lot of these little small

11 systems you have very, very simple water and wastewater

12 operations that have not had perhaps rate increases for

13 eight -- six, seven, eight, nine years. And to have a modest

14 or reasonable rate increase would not have shocked our office

15 or probably surprised most of the people in this room. What

16 really causes our, our office a great deal of concern is you

17 take this very, very small little operation and then super,

18 superimpose this, this large holding company, and then you get

19 all the allocations and all of these justifications that we

20 think cause these six, seven, 800 percent increases, and it's

21 just excessive and it's just unreasonable. So we've really got

22 to try to figure out what is reasonable, what is, you know,

23 justifiable in these little small operations, and is it

24 necessary to impose such incredible increases on these little,

25 small, small systems?

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1 We're looking at engineering issues. This firm will

2 be going -- in fact, he has, he's completed all of his

3 inspections of every single system to try to verify, you know,

4 exactly what improvements have truly been made in those

5 specific systems, and then reviewing all the DEP reports,

6 determining the capacities of each of these facilities,

7 comparing that to the demands. And it's that comparison

8 between capacity and demand that forms what we call used and

9 useful adjustments, we call them adjustments, but the used and

10 useful analysis to determine what portion of the water or

11 wastewater plant, whichever the case may be, is used and useful

12 in providing service to current customers plus a statutorily

13 allowed growth factor. If it can be shown that there are, that

14 there's this excessive plant, then we can make -- the

15 Commission has historically made used and useful adjustments,

16 and that can impact and reduce the revenue requirement. As you

17 reduce the revenue requirement, you can help, help provide

18 relief to the tremendous increases that are being requested

19 here. So be assured that we share your concern.

20 We have experts both in accounting and in engineering

21 that will be scrutinizing as best we can each specific issue.

22 Because it's one thing to come in and say, you know, we're on

23 fixed incomes and we're -- and some of these communities can

24 just in no way afford this fabulous increase. So it's our task

25 to try as best we can to, to really come up with the numbers,

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1 if we can, to justify to the Commission ways and means that

2 they can try to bring this into some, something that's

3 reasonable, something that's doable to the people of the State

4 of Florida. So we will be sponsoring these witnesses. They

5 will be providing expert testimony at the formal evidentiary

6 hearing in Tallahassee. We'll be filing briefs, you know,

7 after the hearing.

8 And then the Commission will take all this into

9 consideration when they do their job, which is under the

10 statute to provide compensatory rates, compensatory rates to

11 the company, but fair, just equitable rates. I mean, that's

12 right out of the statute. So we're going to be appealing to

13 the Commission to please keep the fair, just and equitable and

14 balance that, which is the statutory obligation to provide

15 compensatory service and in many of these cases in these small

16 systems, very, very, very simple operations. And that's the

17 kind of case we're going to try to put together on your behalf.

18 And I want to thank you all for coming here because

19 it means so much for the customers both to not only express

20 their concerns, but also to express specific information you

21 might have about the operation and maintenance, failure of

22 operation and maintenance of the system, and the Commission can

23 take this into consideration. The quality of service is, is

24 always an issue. And to the extent quality of service doesn't

25 measure up, the Commission can take that into consideration in

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1 terms of establishing fair, just and equitable rates. So,

2 again, thank you for coming. You have information that we

3 can't get any other way but for the fact that you're here and

4 telling us. So my office certainly appreciates it and I know

5 the Commission appreciates it. Thank you.

6 COMMISSIONER CARTER: Thank you, Mr. Reilly.

7 Again, just in case others have come before -- after

8 I made my initial comments, anyone wishing to speak, please

9 fill out one of the forms here and just hand it to staff in the

10 rear. Again, as I said earlier, if there's someone wishing to

11 put their comments in writing or would like to get some

12 information from a neighbor, use the green forms for that. And

13 let me just say we're going to -- your name will be called

14 based upon the sign-in sheet. In a moment we're going to have

15 to swear everyone in because what you're giving us will be

16 testimony that will be put in the record. So at this point in

17 time, any of those that are wishing to speak this morning,

18 would you please stand and raise your right hand and repeat

19 after me.

20 (Witnesses collectively sworn.)

21 You may be seated. Thank you so kindly. When you

22 come to the microphone this morning, would you please state

23 your name, your telephone number, your address and the name of

24 the company that provides your service. Your verbal comments

25 are being transcribed by our court reporter down here and they

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1 will become an official part of the record for this case.

2 Also, I understand emotions can tend to run high in a

3 proceeding like. I would like to remind everyone that the

4 attorneys appearing before you here today are representatives

5 of the parties. They are not the owners or the operators of

6 the utilities. Please bear this in mind and try to avoid any

7 personal attacks or comments.

8 Mr. Reilly, you are recognized to call the first

9 customer.

10 MR. REILLY: Thank you. Before we get to the first

11 customer testimony, we have one brief presentation by a Robert

12 Diffendorf on behalf of the Highlands County Board of County

13 Commissioners.

14 MR. DIFFENDORF: Good morning, Commissioners. My

15 name is Robert Diffendorf. I'm here to represent Commissioner

16 Guy Maxcy and County Administrator Carl Cool. I work for

17 Highlands County. I'm the Transportation and Utilities Project

18 Manager for the Engineering Department, and I am here today on

19 behalf of those two gentlemen to present a letter from them

20 disapproving of this rate increase and official notice from

21 them. If I can --

22 MR. REILLY: If we could identify that as an exhibit

23 to this hearing. What number would that be?

24 MS. FLEMING: It would be Number 23.

25 MR. REILLY: And I guess should we move those at the

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1 end of the hearing or what would be the pleasure of the Chair?

2 MS. FLEMING: It's at the Commission's discretion.

3 We can either move any exhibits as each customer finishes

4 testifying or we can move them all in as a whole at the end.

5 COMMISSIONER CARTER: Well, let's move them in at the

6 end. Would you like to read it?

7 MR. DIFFENDORF: Certainly, if you prefer.

8 COMMISSIONER CARTER: Let's do that.

9 MR. DIFFENDORF: "Dear Commission Clerk, I have

10 received a rate case synopsis dated April 30, 2007, that was

11 provided by Aqua Utilities Florida, Inc., regarding their

12 application for an increase in water and wastewater rates

13 contained in the Public Service Commission Docket 060368-WS.

14 After review of the Aqua Utilities Florida, Inc.'s rate case

15 synopsis, I am recommending disapproval of the proposed rate

16 increase that would affect the Lake Josephine, Leisure Lakes

17 and Sebring Lakes water systems and Leisure Lakes sewer system.

18 The proposed rate increases appear to be excessively high with

19 increases in water base facility charges ranging from

20 approximately 297 percent on the Sebring Lakes systems to

21 356 percent on the Leisure Lakes system and the gallonage

22 charges ranging from 116 percent on the Leisure Lakes system to

23 328 percent on the Lake Josephine system. Many of the

24 residents of these systems are on fixed incomes and are trying

25 to deal with increases in property taxes, homeowners insurance

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1 and other cost of living increases."

2 COMMISSIONER CARTER: Thank you. Would you give this

3 to our staff here and give it a number and a title. That would

4 be number, staff, Exhibit Number --

5 MS. FLEMING: Exhibit Number 23.

6 COMMISSIONER CARTER: Exhibit Number 23.

7 MS. FLEMING: As for a title, letter from Highlands

8 County Commissioners, if that would be appropriate.

9 MR. DIFFENDORF: Yes. Actually it's from

10 Commissioner Maxcy and County Administrator Carl Cool. Carl

11 Cool signed it. Both of those gentlemen are at legislative

12 sessions today, so they couldn't be here.

13 COMMISSIONER CARTER: Commissioners, any questions?

14 Parties, any questions for the parties?

15 Thank you so kindly. Appreciate that. It will be an

16 official part of the record.

17 (Exhibit 23 marked for identification.)

18 COMMISSIONER CARTER: Mr. Reilly.

19 MR. REILLY: Okay. Our first customer witness,

20 William Rissmiller.

21 Whereupon,

22 WILLIAM RISSMILLER

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

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1 MR. RISSMILLER: My name is William Rissmiller. I

2 live at 4650 Sebring Lakes Boulevard, Sebring, Florida. I live

3 in the Sebring Lakes development along the Josephine Creek

4 area. I am here speaking for myself and on the behalf of

5 Connie Burton, who is the owner of the property. I am her

6 fiancé. I have lived there now for four years and she has

7 lived there for nine.

8 Today I come forward to, I guess, testify that the

9 rate increase would be completely outrageous for the customers

10 in that area. The Sebring Lakes area back there is -- it's

11 about almost a 50/50 split between some young working class and

12 retired, which I am, and on social security.

13 To base this on our experience, mine and Connie

14 Burton's and everything, in the past we have called about the

15 water problems that we have been having down there, the smell

16 of the water, the taste of it which didn't allow you to drink

17 it, content that was in the water, which I have right here and

18 I can show and it has settled to the bottom of the container.

19 For months this was running through our taps, months.

20 UNIDENTIFIED SPEAKER: Years.

21 MR. RISSMILLER: Well, in the months that I remember

22 when I took this sample. And this sample is about, I'd say,

23 six months old now. And we sent a sample of this to the county

24 for testing. And the county was, we were told by the county

25 when I went up to get the readings of the test that they said

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1 that there was no bacteria in the water. And we asked what the

2 other content was and they said that they could not tell us.

3 The only thing they could tell us is any bacteria levels. Says

4 other than that, what's in it, we cannot say. You know, they

5 weren't allowed. You know, so we didn't know.

6 This water at the time -- we, we have two dogs and

7 two cats, and the animals, our pets would not drink this water.

8 If an animal turns away from the water, you know it can't be

9 good for human beings. Okay. We had to feed our pets well

10 water.

11 Okay. Contacting the company, Aqua Utilities

12 Florida, Incorporated, at the time about it, it took, oh,

13 probably a week and a half before they came out and took a test

14 from our lines at the house. And at that time we were told,

15 they said that, "Oh, the water is okay. There's no, no

16 danger." We had them out there that I know of two times within

17 three months and they kept saying it was okay. Two months

18 later we received notice in the mail about the testing that

19 they do, I guess, quarterly or whatever, and in that letter

20 from them was this certified testing. The letter stated that

21 anyone with liver or kidney problems should not drink this

22 water and everything, it would cause more problems. And then

23 another letter received, you know, stated that it would cause

24 cancer to the people, you know, if they drank too much of this

25 water. Is this what we want to pay for? We want to pay, pay

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1 for water that is endangering our lives?

2 Okay. I went through that. Okay. I went through

3 that. Okay. This water at this time for months, at our home

4 right now with the city water we are running it through three

5 filters. We are running it through three filters. Our filters

6 are supposed to last six months. They say change them every

7 six months. Now we -- I have sale slips here for purchasing

8 the filters from Home Depot. We've had to change our filters

9 every one and a half to two months because we go to the

10 refrigerator to get some water, we have a refrigerator you can

11 get tap water out of, and there would be nothing coming out and

12 the filters would be clogged. Okay. What is clogging up these

13 filters in one and a half, two months time? Okay.

14 When they work on -- there's new homes being built in

15 the area. Honestly, I can't remember how long ago -- we used

16 to receive notice in the mail two to three days ahead of time

17 when they were going to connect a new line to the main line,

18 okay, to let us know that, you know, that something might get

19 into the water and, you know, be aware and everything. Since

20 then, since the last notification I know there's been five to

21 six new homes going up in our area above where I live and no

22 notice has been sent to the residents that there was going to

23 be work on the main lines, you know, and to be aware. The

24 notices have stopped, you know. And since then, that's what

25 I'm saying, we have been going through filters and everything,

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1 you know, and having to pay, right here, $37 to $40 every month

2 and a half to replace our filters, you know, just in order to

3 use the water.

4 We -- a gentleman, I have his card, his name from the

5 Aqua Utilities Florida, Incorporated, Ralph Christmas, I guess

6 they call him Eddie because he's got Eddie in parentheses in

7 between that, he is the gentleman, I have his card here, he was

8 at our house and gave them to us, and he said that we were

9 supposed to be receiving notices when there was work on the

10 main lines. Okay. That's from the company. I have his card

11 right here.

12 We go to store water away, like right now we're

13 coming, you know, the beginning of hurricane season and

14 everything, and we try to go to store water away, you know, in

15 case, you know, of disaster and everything, and we would store

16 the water for approximately a month. And you go back to look

17 at it -- okay, these are in clean bottles. We buy gallon jugs

18 of bottled water at the store. We use that and then we refill

19 that. And then after a month or a little more you go and look

20 at that bottle and it's brown, the coloration turns brown, you

21 know. Why? You know, and, you know, I'm not going to drink

22 that water if it's discoloring and we're trying to keep it, you

23 know, in case of an emergency and everything.

24 All right. Connie Burton, the owner of the property,

25 my fiancée, she has talked to the water company when she has

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1 been able to get through, and they told her to -- well, they

2 said, "Use your water to take a bath and shower," you know,

3 "but go out to the store and buy bottled water to drink."

4 Okay. We were told to go buy bottled water to drink. Oh, God.

5 I don't know if the Commissioners want to look at

6 this more closely, this sample of water I have with the

7 ingredients in it. Would you like me to bring it up?

8 COMMISSIONER CARTER: Gerald, would you get that?

9 Do you want to leave that with us?

10 MR. REILLY: We can identify that. It's a fairly

11 small sample, manageable. So if it please the Commission, we

12 could identify that as Number 24, and it's a water sample from

13 Customer Rissmiller.

14 COMMISSIONER CARTER: Well, why don't we just for

15 identification -- we'll just look at it and we won't mark it

16 but we'll just look at it. Okay. Thank you so kindly. Any

17 questions?

18 MR. REILLY: I did have one brief question.

19 COMMISSIONER CARTER: You're recognized.

20 CROSS EXAMINATION

21 BY MR. REILLY:

22 Q You had mentioned some letters you received

23 concerning the kidney problems and cancer and so forth. Do you

24 have a copy of those letters?

25 A Oh, yes, I do.

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1 Q I would very much like to have a copy of those two

2 letters and be able to study it, and perhaps the company might

3 want to look at it as well.

4 A How many copies do you want? I think they sent a

5 notice of this to everybody in the development area.

6 Q If we could have just even one copy each for the

7 record, if this is a notice that you received from the company

8 concerning your water.

9 A Here it is. "Notice to the Public."

10 Q Okay.

11 A "Health Effects. What should customers do? What is

12 being done?"

13 Q And there are two letters?

14 A That's what I said. I have the bills here from our

15 previous, previous months until this last month's bill where

16 our rate has jumped a little over 400 percent. You know, I

17 don't know where they come up with that 79 point whatever it

18 was on there and everything, but our rate went up 400 percent,

19 a little over.

20 COMMISSIONER CARTER: Have you got it, Mr. Reilly?

21 MR. REILLY: This is just the notice on that.

22 I think the two letters, one is the 2005 Annual Drinking Water

23 Quality Test Results and the other is a Notice to the Public

24 about your drinking water. So I guess we would offer this as

25 Exhibit Number 24.

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1 COMMISSIONER CARTER: Okay. 24.

2 MR. REILLY: Entitled "2005 Annual Drinking Water

3 Quality Test Results" and "Notice to the Public: Important

4 information about your Drinking Water."

5 COMMISSIONER CARTER: Just -- I was kind of -- did

6 you mention that you had copies of your bills, is that --

7 MR. RISSMILLER: Yes, sir. Yes, sir.

8 COMMISSIONER CARTER: Did you have some available you

9 would like to just -- Mr. Reilly.

10 MR. REILLY: That would be good because we have been

11 collecting these around the state. And if you could make a

12 copy of it and we could give it back to you, just make a copy.

13 MR. RISSMILLER: These are the original bills.

14 COMMISSIONER CARTER: If you could just get copies to

15 Mr. Reilly and we'll just make those -- that will be --

16 MR. REILLY: So we'll just call this composite

17 Exhibit Number 24, which includes the two things I mentioned

18 previously plus copies of bills.

19 COMMISSIONER CARTER: Thank you.

20 (Exhibit 24 marked for identification.)

21 Any further questions?

22 MR. REILLY: None from Public Counsel.

23 COMMISSIONER CARTER: Parties? Commissioners?

24 Thank you so kindly.

25 MR. REILLY: Okay. Our next witness is Jane Barnard.

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1 COMMISSIONER CARTER: Okay. Jane Barnard.

2 Whereupon,

3 JANE BARNARD

4 was called as a witness on behalf of the Citizens of the State

5 of Florida and, having been duly sworn, testified as follows:

6 DIRECT STATEMENT

7 MS. BARNARD: My name is Jane Barnard.

8 COMMISSIONER CARTER: Pull the microphone down to

9 you. There we go. Great.

10 MS. BARNARD: Better?

11 COMMISSIONER CARTER: That's much better.

12 MS. BARNARD: Okay. We purchased our house in '93.

13 At that time we had two wells, one for sprinkling the yard and

14 one for the house. We had no monthly bill to worry about.

15 Then they put in the water line. We were told that the bill

16 would be about $6 a month, and that was an expense we could

17 handle. Since then it has gone up constantly. Now it is

18 beyond obscene.

19 About two years ago we got our first notice that the

20 water contained chemicals that caused cancer and they suggested

21 that we purchase bottled water for drinking and cooking. At

22 that time water was about 50 cents a gallon. Since then it has

23 gone up to 64 cents a gallon. So let's do the math. There are

24 two people in our house, and assuming that they use one gallon

25 per person, that makes 14 gallons a week times 64 cents equals

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1 $8.94 times four weeks in a month comes out to $35.84 for

2 bottled water. And then you have the bill of $76.34 for this

3 month's bill added to that. So that means that we have to pay

4 $112.18 for water. How much is your bill? We are on a fixed

5 income. That amount stays the same. But the price of

6 everything else increases every month. We must pay extra on

7 our phone bill because of storm damage. Likewise for

8 insurance, both for car and house. Property taxes have gone

9 through the roof. Gasoline is over $3 a gallon. We can't

10 afford to go anyplace. The last time we went out to a movie

11 was to see Deep Impact. How long ago was that? I bet it

12 hasn't been as long as you have since you've been out to a

13 movie. So I implore you to remember what a hardship this

14 increase will cause. I urge you to deny this outrageous

15 increase. And should you turn a deaf ear to us, I urge

16 everyone to go back to their wells and tell this water company

17 no thank you.

18 COMMISSIONER CARTER: Thank you so kindly.

19 (Applause.)

20 MS. RULE: Excuse me.

21 COMMISSIONER CARTER: Ms. Barnard, would you, would

22 you just remain there for one moment, please.

23 Ms. Rule.

24 CROSS EXAMINATION

25

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1 BY MS. RULE:

2 Q If I may, could we please have your address and the

3 system that serves you? Because we do intend to look into all

4 comments and complaints.

5 A Okay. My address is 13701 Tangelo, and I live in

6 Sebring Lakes.

7 Q Thank you.

8 A Anything else?

9 COMMISSIONER CARTER: Thank you so kindly,

10 Ms. Barnard.

11 MS. BARNARD: Barnard.

12 COMMISSIONER CARTER: Barnard. Thank you,

13 Ms. Barnard.

14 Mr. Reilly, you're recognized.

15 MR. REILLY: The next witness is Fran McDonald.

16 MS. McDONALD: I decline.

17 MR. REILLY: The next witness is Floyd Barnard.

18 Whereupon,

19 FLOYD BARNARD

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. BARNARD: Good morning, ladies and gentlemen.

24 I'm Floyd Barnard. I live at 13701 Tangelo Street, Sebring.

25 I'm on Sebring water. Originally when we hooked up --

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1 Mr. Short started that well and our base rate was $5. The

2 normal bill was like $8, $10 a month. We've went up now, I

3 mean, nine dollars and some cents for base rates. That's a

4 100 percent increase right there. And the company, if I'm not

5 mistaken, has only owned it, what, nine years? I think it's

6 nine years they've had it. So that's a 100 percent increase in

7 nine years. I don't get that out of my money.

8 I've got bills here. Two months ago my water bill

9 was $14.94. I used 2,400 gallons. This month my water bill is

10 $76.34, 2,700 gallons. I mean, this is outrageous. You, you

11 cannot leave your stool two days without scrubbing it down or

12 it turns black. You actually have to scrub it down every two

13 days. I won't feed it to my dog. I run it through three

14 filters and still won't feed it to my dog. I buy bottled

15 water, like my wife said.

16 This is -- I'll tell you, they also get a 3 percent

17 increase automatically, if I'm not mistaken, every year on

18 their bills. That's automatic. And then they come along with

19 this kind of stuff? I mean, I'll go back to my well. They can

20 keep their water. It's just -- this kind of stuff is just -- I

21 want everybody to make money. I don't want them to go broke no

22 more than any of us want to lose money, but this particular

23 system is ridiculous.

24 Their big investment off from Sebring Lakes is the

25 pipeline that they hooked into our well so they could feed

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1 Josephine Creek. They bought the well over there and the well

2 went dead, so they run a pipeline from our water over to

3 Josephine Creek. The water inspectors for the state have been

4 there and tried to read the amount of chlorine they put in.

5 They can't even read it on the meters because they have to put

6 it so high there so that it meets standards on the other end of

7 the line. That's some of our problem right there.

8 A year ago they had a problem with water, so they ran

9 a cleaner through. Our water came out as black as your signs

10 are. They never even notified us of it. This stuff that they

11 ran through is what we use to clean our sewer drains. And I

12 don't know if you remember it, but here a short while ago one

13 of the other counties in the State of Florida had that problem

14 and they found out that they were running this cleaner through

15 to clean their pipes that is actually made up of the same stuff

16 that Drano® is. We weren't even notified. They came out and

17 the gentleman that services our area come out. He unhooked the

18 line, the meter and ran the water. And do you know that the

19 company made him pay us the money or they didn't make -- they

20 refused to take the responsibility for the water that was

21 running out. This gentleman actually took money out of his

22 pocket and gave it to me because the company would not stand

23 behind the water they were pumping out to clean the line out.

24 That's not right. That is not right.

25 Other than that, like I said, if these rates go

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1 through, I'm done. I'll go back to the well. The only reason

2 I got rid of it is I wanted to get the tank and the pump out of

3 the house. I don't want to have to pay the maintenance on the

4 pump. It's worth the money to pay a water company for that.

5 And I want them to make a profit. But if they're selling

6 stock, I think I'm going to buy some stock in this company. I

7 really do. I thank you very much, ladies and gentlemen.

8 COMMISSIONER CARTER: Mr. Barnard.

9 CROSS EXAMINATION

10 BY MR. REILLY:

11 Q Just one brief question. I think I heard you say

12 that the Sebring well serves Josephine Lakes.

13 A Oh, yes.

14 Q And so these are physically interconnected with each

15 other?

16 A Yes, they are.

17 Q And what is your understanding of the status of the

18 Josephine well or wells? Because I have a --

19 A We have one well that was brand new. It was only

20 three years old when the company bought it. And all the lines

21 in there were brand new. Now they went ahead and bought this

22 well at Josephine Creek, used to be, used to feed Josephine

23 Creek area here, the Josephine Lake area. The well went bad.

24 So the company come in, tapped into the line, our line, and

25 pumps it from our well over to Josephine Creek, Josephine Lake,

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1 whichever. But that's where it goes. And they have to put the

2 chlorine so high on our end that it meets standard on the other

3 end. And they never did fix that well over there.

4 Q What is your understanding -- when did all this

5 happen that you're talking about, the failure of the well?

6 A A little over a year ago. I know for a fact because

7 they dug my yard back up again to put the connection in my

8 yard.

9 Q So that would have been 2006, you believe, or maybe

10 even in 2005?

11 A I'm guessing between the middle part of 2005, 2006.

12 UNIDENTIFIED SPEAKER: They run that line to

13 Josephine about three years ago.

14 MR. BARNARD: Was it three? Whatever. But that's,

15 that's a lot of their investment in our area. They haven't

16 upgraded our area. The only upgrade they've made is pump a

17 line from our place over to their place so they still can sell

18 water.

19 MR. REILLY: Okay. Thank you.

20 MR. BARNARD: Thank you.

21 COMMISSIONER CARTER: Mr. Barnard, before you go, he

22 had some -- Mr. Reilly, he had some bills. You want to get

23 copies of those?

24 BY MR. REILLY:

25 Q Okay. Do you have bills that you want to offer?

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1 A Yes. Yes, I do.

2 Q Okay.

3 A I can show you the difference for two months.

4 MR. REILLY: I guess we'll call that Exhibit 25.

5 COMMISSIONER CARTER: This will be Exhibit 25.

6 (Exhibit 25 marked for identification.)

7 Gerald, just get copies and give him back his

8 originals. Thank you. We'll just make that Exhibit 25.

9 Thank you, Mr. Reilly.

10 MR. REILLY: Okay. Our next witness is Roy Carr.

11 MR. CARR: Before I start with my comments this

12 morning, I have a letter from my neighbor that's on vacation.

13 Could I --

14 COMMISSIONER CARTER: What's your neighbor's name?

15 MR. CARR: Barb and Ernie Greene. And they live at

16 4547 Sebring Lakes Boulevard.

17 COMMISSIONER CARTER: We'll just take that into --

18 MS. FLEMING: He could put it in as an exhibit, if he

19 wants.

20 COMMISSIONER CARTER: We'll put that in, after you

21 finish your comments we'll just put that in as an exhibit.

22 Mr. Reilly, are you comfortable with that?

23 MR. REILLY: I'm fine with that.

24 COMMISSIONER CARTER: Ms. Rule?

25 MS. RULE: Yes.

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1 COMMISSIONER CARTER: You're recognized, sir.

2 Whereupon,

3 ROY CARR

4 was called as a witness on behalf of the Citizens of the State

5 of Florida and, having been duly sworn, testified as follows:

6 DIRECT STATEMENT

7 MR. CARR: Okay. Thank you very much.

8 Good morning, Commissioners. A lot has been said

9 already this morning about the quality of the, and the cost of

10 the water system that we have. And just as my own personal

11 example, my wife and I are retired, and in the January of this,

12 excuse me, the December bill this year for the use of 3,000

13 gallons of water was $16.25. Last month, same usage, 3,000

14 gallons of water, now $79.56. That's a 500 percent increase in

15 the cost of water. And I will assure you that there has not

16 been zero percent quality increase in the water, period.

17 Now we could tolerate some rate increase if, in fact,

18 you could say that, yes, we see some progress being made, yes,

19 there is an improvement in the water. But the water will not

20 pass the smell taste, the smell test. Every morning you get up

21 it either smells like sulfur -- sometimes the only way I can

22 describe it is it smells like a pile of dirty laundry. You do

23 your dishes and my wife will bring me the dishes and you'll get

24 this distinct odor of fish. It eats up all your water

25 appliances in your house, all your filters. It's very, very

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1 difficult to clean the showers, the tubs, the toilets, and I'm

2 sure that there's a lot of ladies out there that will attest to

3 that.

4 I have a shower on the back of my house that

5 99 percent of the time if there's not a storm going on my wife

6 has instructed me to shower out there so she doesn't have to

7 clean the shower. Now that's a sad commentary when you're

8 asking for rate increases like this when you have to go outside

9 and shower.

10 I've heard people make the comments that the animals

11 won't drink the water. That is true. I have two cats. The

12 cats won't drink the water.

13 The expense involved -- I just don't see how you can

14 condone this kind of increase over the, over the quality of the

15 water that we're being provided.

16 I sympathize with you folks out there on limited

17 incomes. I myself am on a limited income. I'm retired.

18 I've got two such notices saying, "Don't consume the

19 water because it's detrimental to your health." This is one.

20 Somehow I've misplaced the other. They say it's hazardous to

21 your health. You can't cook with your water, you can't make

22 tea, you can't make coffee, my wife can't, you know, cook with

23 it.

24 Another thing that hasn't been touched on, and I'm

25 sure there's a lot of other people that's going to go on this,

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1 the water company down the street on which I live, because I

2 was at the end of the system put a blowout valve or whatever

3 you want to call it to purify the water or get rid of the

4 excess, whatever they do, and it ate the road out. Now the

5 road is impassable. The vehicles go down there -- it washed

6 the road out. Now it's a sand pit. Okay. The trash truck no

7 longer goes down there. The mailman barely gets by, and the

8 only reason why they've been getting by is because there's,

9 there's been a drought. But now that we're starting to get

10 rain, we had a car stuck down there just two days ago. The

11 utility company says it's not our fault. The county won't

12 repair the road because they say we don't have enough people on

13 the road, a county maintained road. So if you're coming down

14 our road, who's fault is it?

15 That water system has now been moved down beyond my

16 house to a neighbor's, and I'm sure that if he hasn't

17 experienced it, he soon will experience that same problem.

18 Okay?

19 One other thing I'd just like to mention, and I might

20 be wrong or off-base on this, but when I moved into my house,

21 the former person that owned the water company got a $10,000

22 grant from the State of Florida to extend that line down our

23 road. And it was short about 300 feet, of which I paid $500 or

24 $1,500 to have the pipe extended on down to my house. So I

25 paid that amount plus the $500 tap-on fee. And to my way of

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1 thinking, I don't know what the expense to the utility company

2 was involved because a grant from the State of Florida paid for

3 some of it, I paid for the balance. Now that may or may not be

4 right. I don't know.

5 Okay. We were told that we could have a well. But

6 because of our close proximity to the road at the end of our

7 street, a well back then cost me, I priced it out, it was

8 $8,000. We would had to have put a well in, I think it was

9 around 400 feet. Because the water supply was available or

10 because we could afford to have it run down the street, that's

11 what we chose to do. Now I'm wondering if I made the right

12 decision.

13 I thank you for your time this morning. I hope that

14 you take each and every person's comments very seriously

15 because you folks in Tallahassee are going to determine the

16 quality of life that we're experiencing here in this county as

17 a result of -- really this is a crime. Before this meeting was

18 called to order today somebody should have called 911 because

19 this is rape and robbery at its best.

20 (Applause.)

21 COMMISSIONER CARTER: Mr. Carr, Mr. Carr, Mr. Carr,

22 could I ask you to return to the podium for a moment, please.

23 Just a couple of questions.

24 One is that -- I don't know if you identified the

25 name of the system that you're on.

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1 MR. CARR: It's Sebring Lakes.

2 COMMISSIONER CARTER: Sebring Lakes?

3 The other thing is, and let me just kind of make a

4 general announcement, I noticed that you've got some bills and

5 you also have a warning that we would like to get copies of.

6 Those of you in the public that have bills and

7 things, we have requested the assistance from one of the local

8 offices here to get the copies made. So those of you that have

9 copies, if you could just let Gerald have them now, and we'll

10 go ahead and get those, get all those copies made at one time.

11 That would really help us out a lot there. I mean, you can --

12 I can assure you he won't leave town with your bills. But if

13 we could just -- let's just take five, Mr. Reilly, let's just

14 take five and allow staff to collect those so we can get those

15 copies made. We're on break.

16 (Recess taken.)

17 We can go on the record. Let me just kind of give

18 you the lay of the landscape. What we're trying to do is as

19 much as possible we want to accommodate everyone. We have the

20 group of all of the bills that have been given to us so far.

21 We've got staff in the process of making copies of those.

22 We're going to go ahead because we want to hear from as many

23 people as possible. We have a hearing here today and one this

24 evening, so we're trying as much as possible to get as much

25 customer impact and input as possible.

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1 So, Mr. Reilly, would you call the next witness,

2 please.

3 MR. REILLY: Mark Denardis.

4 Whereupon,

5 MARK DENARDIS

6 was called as a witness on behalf of the Citizens of the State

7 of Florida and, having been duly sworn, testified as follows:

8 DIRECT STATEMENT

9 MR. DENARDIS: Good morning. I'm Mark Denardis. My

10 address is 5402 Sebring Lakes Boulevard. I'm right across from

11 the pumping facility for Aqua Utilities.

12 I don't even know where to start. I have the same

13 complaints as, pretty much as everybody else about the quality

14 of the service and water. Actually the service quality isn't

15 terrible. The water quality itself I think is below standards.

16 I live -- I build new homes in the area. That's what

17 I do for a living. I've built about eight new homes there in

18 the past four years. And out of a brand new home six months

19 old which I moved into, my wife and I, two years ago, after six

20 months we drained our hot water tank and it was just like mud

21 came out. And there's no, there's no pipes between us and the

22 pumping facility. It's right there. We're the first customer

23 on the line. Sometimes our water smells like rotten eggs,

24 other days it smells like chlorine bleach. So I basically have

25 the same complaints as everybody else has about the water

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1 quality.

2 What I'd like to do is kind of delve into the history

3 of this well in my neighborhood. I've lived there six years.

4 I don't go back as long as, as far as some of these people.

5 When Howard Short originally dug this well it was, I believe,

6 at the behest of the State of Florida to put a Band-Aid on a

7 problem that the state didn't want to fix back then, which was

8 our aquifers. The shallow aquifers where people would normally

9 dig a well for our neighborhood had been contaminated with

10 grove runoff, nitrates in particular from the orange groves.

11 At that time the State of Florida, instead of doing something

12 with the, with the groves, with the farmers to use different

13 chemicals or something, they came in and told Howard Short to

14 dig this well 1,250 deep or however deep it is, I know it's a

15 deep well that doesn't have the nitrate contamination in it.

16 At that point in time the state also paid to have everybody

17 hooked up. No one had to pay a hookup charge. I'm paying $500

18 for every new home I hook up now. But there was -- I don't

19 know why that charge is even there. If the state was willing

20 to pick it up, you know, 12, 13 years ago, why aren't they

21 picking it up now?

22 As far as I'm concerned, none of us should pay a

23 water bill. The state should take care of it. If they want to

24 put a Band-Aid on the problem and not fix the real problem, the

25 state should be paying for our water.

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1 You know, everything else that I had to say has

2 pretty much been said. Does anybody have any questions about

3 what I've said? Did you know, did you realize the history of

4 the well of why it was put in?

5 COMMISSIONER CARTER: No. We thank you for your

6 comments because, as I said, the court reporter is putting it

7 here into the record and we'll be more than happy to have that.

8 Any questions, Mr. Reilly? Ms. Rule?

9 MR. DENARDIS: I have one other -- I have a letter

10 from a neighbor pertaining to --

11 COMMISSIONER CARTER: Just give us the name and we'll

12 have that -- that will be Exhibit -- oh, by the way --

13 MR. REILLY: Mr. Greene's, I think, was Number 26.

14 MS. FLEMING: Yes. That's correct.

15 COMMISSIONER CARTER: Wait. Wait. Hold on. We've

16 got one from Mr. Carr, we got a letter from his neighbor.

17 MR. REILLY: That's Ernie Greene.

18 MS. FLEMING: That was from Ms. Greene. That was

19 Number 26.

20 COMMISSIONER CARTER: So that will be -- the title

21 will be Ernie Greene; is that right?

22 MR. REILLY: The letter, yeah.

23 MS. FLEMING: Yes, Commissioner.

24 (Exhibit 26 marked for identification.)

25 COMMISSIONER CARTER: I'm just trying to -- you know,

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1 we're here so we're talking, but later on when they're reading

2 the record they won't be able to see that, so let's do that.

3 So now this will be Exhibit Number 27; right?

4 MS. FLEMING: Yes, Commissioner.

5 COMMISSIONER CARTER: And that would be -- the letter

6 is from --

7 MR. REILLY: From Joseph and Kathleen Alviano.

8 COMMISSIONER CARTER: Okay. Thank you. Could you

9 help us spell that, please?

10 MR. REILLY: A-L-V-I-A-N-O.

11 COMMISSIONER CARTER: A-L-V-I-A-N-O?

12 MR. REILLY: That's correct.

13 COMMISSIONER CARTER: Okay. Thank you.

14 Gerald, would you get the letter, please?

15 MR. DENARDIS: Do you not want me to read it?

16 COMMISSIONER CARTER: We'll have it into the record.

17 MR. DENARDIS: Okay.

18 (Exhibit 27 marked for identification.)

19 COMMISSIONER CARTER: Thank you so kindly. Thank

20 you.

21 MR. DENARDIS: That's it. Thank you.

22 COMMISSIONER CARTER: Mr. Reilly.

23 MR. REILLY: Mr. Charles Cook.

24 MR. COOK: I decline.

25 COMMISSIONER CARTER: Thank you.

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1 Mr. Reilly.

2 MR. REILLY: We have David Tardiff, M.D.

3 Whereupon,

4 DAVID E. TARDIFF, M.D.

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 DR. TARDIFF: Good morning. My name is David Tardiff

9 and I live at 13705 Tangelo Street, Sebring, Florida. My

10 telephone number is 655-3541. I've only lived here for about a

11 year. And I'm now disabled; not from the water, of course.

12 But my complaints, my complaints are as well as everybody

13 else's here, and my personal view of this situation is only

14 that I feel that we're being treated unfairly with all the

15 respects of everybody else in our community. I live in the

16 Sebring Lakes development. There's not much else to say

17 because everybody has -- I don't want to reiterate everything

18 else as well. I do have my bills and they've taken copies of

19 them, I assume. But I'm, like I said, I'm a retired physician

20 from Boston, Massachusetts. I've lived here for over 20 years.

21 I recently moved in the community a year ago. I have never

22 seen as much of a rate increase so fast. Even where I'm from I

23 have never seen increases like that. They've usually gone up

24 gradually but not this, not this great of an increase so fast.

25 Speaking on a physical standpoint, I don't think this

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1 water is very healthy for anybody in this area, for dogs as

2 well or cats. But my professional viewpoint of this all, the

3 situation is that it's not safe to drink. So I would rather

4 somebody clean it up, clean up the rate increase. And I don't

5 have much else to say except for those two things.

6 COMMISSIONER CARTER: Thank you kindly.

7 Let me just say to those who we have your bills,

8 we'll be getting those back to you. We've got staff making

9 copies of those, so don't, don't leave. Gerald will make sure

10 that you get your bills back to you. And those of you that

11 have letters from your neighbors or something like that, just

12 let us know and we'll enter those into the record at the end of

13 your comments. And we thank you so kindly for your comments.

14 Any questions? No further questions.

15 MS. FLEMING: I would suggest that we go ahead and

16 number a copy of the customer bill for David Tardiff as Number

17 28.

18 COMMISSIONER CARTER: Number 28.

19 (Exhibit 28 marked for identification.)

20 MS. FLEMING: And if, if the customers would let us

21 know -- when you come up to speak, if you could let us know

22 that you provided us a copy of your customer bill so we can go

23 ahead and identify that with a number, that would be very

24 helpful. Thank you.

25 COMMISSIONER CARTER: Just for one moment. We just

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1 finished with -- I noticed we had the Alviano letter, Number

2 27, and we had that entered by the neighbor. Did --

3 Mr. Denardis, did you have, did you have a bill?

4 MR. DENARDIS: No, I had no bill.

5 COMMISSIONER CARTER: Okay. Good. So let's kind of

6 keep track of that as we go through. And thank you so kindly.

7 DR. TARDIFF: Thank you very much. Have a nice day.

8 COMMISSIONER CARTER: Thank you.

9 Mr. Reilly, you're recognized.

10 MR. REILLY: Okay. Leon Nazian.

11 MR. NAZIAN: All my concerns have been addressed.

12 MR. REILLY: Okay. We have Elaine Panozzo.

13 Whereupon,

14 ELAINE PANOZZO

15 was called as a witness on behalf of the Citizens of the State

16 of Florida and, having been duly sworn, testified as follows:

17 DIRECT STATEMENT

18 MS. PANOZZO: Good morning. I'm Elaine Panozzo. I

19 live at --

20 COMMISSIONER CARTER: Would you pull the mic up?

21 There you go.

22 MS. PANOZZO: Are you saying I'm short?

23 (Laughter.)

24 COMMISSIONER CARTER: No. I would never say that.

25 Vertically challenged maybe but not short.

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1 Would you mind spelling your last name for us,

2 please?

3 MS. PANOZZO: P-A-N-O-Z-Z-O.

4 COMMISSIONER CARTER: P-A-N-O-Z-Z-O?

5 MS. PANOZZO: Uh-huh.

6 COMMISSIONER CARTER: Thank you.

7 MS. PANOZZO: I live at 13305 Byrd Street, Sebring

8 Lakes Estates. And actually I have a question. I pretty well

9 figured out we're stuck with the interim rate, the base rate.

10 And if it's denied and we're getting a refund, do we get that

11 in one full sweep or will it be portioned out month to month?

12 COMMISSIONER CARTER: I think -- Ms. Fleming.

13 MS. FLEMING: I see Mr. Rendell walking to the front.

14 COMMISSIONER CARTER: Mr. Rendell, did you hear her

15 question?

16 MR. RENDELL: Yes.

17 COMMISSIONER CARTER: Thank you.

18 MR. RENDELL: Generally speaking, when a utility

19 receives an interim increase and then at the end, at the

20 conclusion of the case the final revenue requirement is less

21 and there's a refund order, it normally appears as a credit on

22 the bill. They have 90 days pursuant to the Public Service

23 Commission rule to make those refunds, but normally it would

24 appear as one month it'll have a credit on your bill.

25 MS. PANOZZO: Thank you.

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1 COMMISSIONER CARTER: Thank you, Elaine. Do we have

2 your bill, Elaine? Ms. Panozzo, Elaine, do we have your bill?

3 MS. PANOZZO: Yes, sir.

4 COMMISSIONER CARTER: Okay. So that would be Exhibit

5 --

6 MS. FLEMING: 29, Commissioner.

7 COMMISSIONER CARTER: Exhibit 29.

8 (Exhibit 29 marked for identification.)

9 Mr. Reilly.

10 MR. REILLY: Okay. The next witness is James Burns.

11 Whereupon,

12 JAMES BURNS

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. BURNS: Good morning, ladies and gentlemen.

17 COMMISSIONER CARTER: Good morning.

18 MR. BURNS: My name is James Burn.

19 COMMISSIONER CARTER: You've been sworn; correct?

20 MR. BURNS: Yes, sir.

21 COMMISSIONER CARTER: Thank you, sir.

22 MR. BURNS: My name is James Burns. My wife, Lucja

23 Michalowska, we live at 5312 Knight Ave. in Sebring at the

24 Sebring Lakes development. As you can see, I brought a sample

25 of what we pay for. Like everybody else has said, most of the

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1 first speakers have addressed the problem and the outrage with

2 the increase suggested by the water supplier, Aqua Utilities.

3 I have two copies of the bill that show the difference from

4 what was usually running roughly the two years that we've been

5 there is $12, $16, $18, then jumps to $39, and then makes a

6 whopping jump to $88 showing a $47 base charge and a $40 water

7 usage at 0.01073, which is about 11 cents a gallon, I believe.

8 They're addressed in this U.S. News magazine which you can

9 have, it's Aqua America. And to cut it short, "Chief Executive

10 Nicholas DeBenedictis says his company is at full-cost pricing,

11 and consumers have seen rate hikes of no more than 2.5 percent

12 every two years." So how did we end up with a four,

13 500 percent increase? And I'm not showing here where they're

14 talking the increases ended up at 2.5 percent.

15 And then other companies in the article in New

16 Jersey, United Water, gave their customers a 28 percent

17 increase for water, which was only a $95 increase over a year,

18 not almost $90 a month. So you folks are welcome to have this

19 magazine with the highlighted areas, especially the attorney,

20 and the copies of the bills.

21 And if you'd like -- this is through a prefilter that

22 comes straight from the water supplier before it goes to the

23 charcoal filter and the water softener and then the RO unit to

24 make the water drinkable, which is at a cost of $5,000 per

25 home, just in case you're interested. So if they expect more

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1 blood from this rock, they have another thing coming. Thank

2 you.

3 COMMISSIONER CARTER: Thank you.

4 MR. REILLY: Let's see now. Are you one of the

5 customers that did provide copies of your bill?

6 MR. BURNS: Yes.

7 MR. REILLY: And I guess if it's the pleasure of the

8 Commission, we could just do a composite exhibit with his bill

9 and the article concerning Aqua America.

10 COMMISSIONER CARTER: Yes, we'll do that. Also while

11 we're on the issue of bills, Gerald, do we have the bills back

12 now? We've made all the copies?

13 MR. EDWARDS: Yes, sir.

14 COMMISSIONER CARTER: And we have them out front, so

15 when people complete --

16 MR. EDWARDS: Yes. She has all the originals out

17 front.

18 COMMISSIONER CARTER: All the originals. We do have

19 copies of all the bills that were given to us this morning and

20 the originals will be out front with Bev. So as you leave,

21 pick those up. We'll have the article and his bills as

22 composite --

23 MR. REILLY: Number 30.

24 COMMISSIONER CARTER: This will be Exhibit Number 30.

25 (Exhibit 30 marked for identification.)

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1 Gerald, would you bring the water? We want to look

2 at the water up here just for a minute. Bring it up here.

3 MR. EDWARDS: This is the filter.

4 COMMISSIONER CARTER: On the filter, Mr. Reilly, we

5 may just observe it but we won't enter it into the record. So

6 the Commissioners and the parties would like to see the filter.

7 MR. BURNS: This I usually change every 30 days.

8 It's a 100-micron filter and a 20-inch cylinder.

9 COMMISSIONER CARTER: We'll give it back to you at

10 the end of the hearing today. You're going to be around?

11 MR. BURNS: You can have both of them. They're only

12 good to go in the garbage. I'm sorry. I try to find a filter,

13 but it plugs up. So you have to go with that.

14 COMMISSIONER CARTER: Thank you very kindly.

15 Mr. Reilly.

16 MR. BURNS: This I removed from the container

17 yesterday, knowing I was going to come here today and have it

18 dry so you folks wouldn't be dripping the water all over you.

19 COMMISSIONER CARTER: Appreciate that.

20 MR. BURNS: That sample, if it sits for 24 hours,

21 will clear up and you will see the nice gray sludge on the

22 bottom of the preserving jar there, which was sterilized before

23 the water was put into it. So it is a clean vessel.

24 COMMISSIONER CARTER: Thank you, Mr. Burns. We

25 appreciate it.

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1 MR. BURNS: And here's the --

2 COMMISSIONER CARTER: The article.

3 MR. BURNS: For the gentleman on the end as well as

4 the rest of the Commission.

5 COMMISSIONER CARTER: The article will be admitted as

6 part of the composite, so we'll get a chance to -- he said we

7 could have the book, so we'll just make a copy of it. Make

8 sure you get the date of the article and all on that. Thank

9 you. Thank you, Mr. Burns.

10 MR. BURNS: Thank you very much.

11 COMMISSIONER CARTER: That's Exhibit Number 30.

12 MS. FLEMING: That's correct.

13 And, Commissioner, if I may, I'm looking through

14 these customer bills and I see that we have a customer bill of

15 Roy Carr who was a previous speaker. He did not identify it

16 for the record. He did provide a copy of a customer letter.

17 COMMISSIONER CARTER: That would be Exhibit -- his

18 letter was Exhibit Number 26.

19 MS. FLEMING: And so I would suggest that in addition

20 to his Exhibit 26, include his customer bill as part of that as

21 a composite exhibit.

22 COMMISSIONER CARTER: Make this Exhibit 26A. 26A.

23 Mr. Reilly, did you get that? Mr. Carr's bills.

24 MR. REILLY: Okay.

25 COMMISSIONER CARTER: He had a letter which we

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1 entered, it's the neighbor's letter, it was entered in as

2 Exhibit 26.

3 MR. REILLY: Okay.

4 COMMISSIONER CARTER: And we have a copy of his

5 bills, and that will be Exhibit 26A, as in apple.

6 MR. REILLY: Okay. Thanks.

7 COMMISSIONER McMURRIAN: Not to confuse things, but I

8 believe Mr. Carr also had a red hazardous notice. I think he

9 was providing that for us too, so maybe that all should be part

10 --

11 COMMISSIONER CARTER: Oh, that's right. I forgot

12 about that. That also will be part of composite Exhibit 26A.

13 Am I correct? I think that's right.

14 MS. FLEMING: Yes. We can make that as part of 26A.

15 (Exhibit 26A marked for identification.)

16 COMMISSIONER CARTER: Mr. Reilly.

17 MR. REILLY: Okay. The next witness is Robert

18 Thompson.

19 Whereupon,

20 ROBERT THOMPSON

21 was called as a witness on behalf of the Citizens of the State

22 of Florida and, having been duly sworn, testified as follows:

23 DIRECT STATEMENT

24 MR. THOMPSON: Yes. My name is Robert Thompson. I

25 live at 5135 Grand Concourse in Sebring Lakes. And I'm

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1 concerned about two things. I know that they've already

2 discussed everything about the water and the water quality and

3 all. I'm concerned about the Public Service Commission. Are

4 any of you guys members of this county, any of these counties

5 listed here or have you ever contacted any of these people

6 that's in question? I mean, other than have someone else to

7 contact them. That's my problem with it.

8 I'd like to see -- like this water company, it's from

9 another, in the State of Pennsylvania, based up there. How are

10 we going to deal with someone like that when it's very

11 difficult to get ahold of them, it's very difficult to get

12 anything done? We called about a problem we were having.

13 About three days later they told us, you know, after a major

14 water leak, three days later they said, you know, "Well, it's

15 something else. It's not really a water leak or something."

16 But it takes -- in three days time, if that really was a water

17 leak on their side, think what my water bill would be.

18 And also I'd like to see a Public Service Commission

19 here in this area, in our district, not necessarily appointed

20 by the Governor of Florida. We have to deal -- I think the

21 more we deal at the local level, the better chance we have.

22 You know what I mean? Dealing with people face to face. It's

23 difficult to deal on the phone with anybody and it's difficult

24 to get numbers of you guys to call if you have a complaint or

25 something, and that's what my problem is.

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1 Also with the water company and the quality of the

2 water, it's not acceptable. And just like all these other

3 people, they already covered that. But when it goes to do

4 something about it, it's difficult to get ahold of anybody in

5 the Sebring area or anywhere in this area, in this county,

6 Highlands County, to talk to somebody about this problem. This

7 is the first chance I've had. I'm not a public speaker, as

8 you're well aware. But at least, you know, I'd like to have

9 someone to talk to, you know, on a local level and not have to

10 deal with Tallahassee or anybody else when it comes to money

11 being taken out of my pocket for things that I don't think are

12 acceptable. And that's, that's all I have to say.

13 COMMISSIONER CARTER: We thank you so kindly for your

14 comments. We thank you for your comments. Thank you for your

15 comments.

16 And, Gerald, make sure that you get his name and

17 address and explain that we do have a consumer complaint

18 process at the Commission, follow up on that. Okay. Thank

19 you.

20 Commissioners?

21 Mr. Reilly.

22 MR. REILLY: Okay. Julie Jordan.

23 COMMISSIONER CARTER: Oh, one moment, please. Do we

24 have another bill?

25 MS. FLEMING: Yes. Mr. Thompson provided a copy of

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1 his customer bill, so that will be Exhibit 31.

2 COMMISSIONER CARTER: Exhibit 31. Thank you.

3 (Exhibit 31 marked for identification.)

4 Whereupon,

5 JULIE JORDAN

6 was called as a witness on behalf of the Citizens of the State

7 of Florida and, having been duly sworn, testified as follows:

8 DIRECT STATEMENT

9 MS. JORDAN: Good morning, Commissioners.

10 COMMISSIONER CARTER: Good morning, Ms. Jordan.

11 MS. JORDAN: Hi, neighbors. I don't do public

12 speaking well. We live in Sebring Lakes and, like everybody

13 else so far, we've had water quality problems. We have water

14 filters on our sinks, our showerhead, our washing machine. We

15 just have to have them there. It's just terrible.

16 We've had a billing problem, again, like everybody

17 else. The first part of the year we were billed in the

18 vicinity of $15, $16, and one time we weren't billed for any

19 water at all. It was only the base charge. The following

20 month we were billed $196, which my husband called and

21 questioned, to which they said, "Oh, just pay it and we'll take

22 care of it next month." Little did we know.

23 The next month the bill came in, and I have copies,

24 for $837. I'm there by myself most of the week. My husband is

25 there on the weekends. In order for us to have that kind of

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1 usage at 73,000 gallons we'd have to have a leak. It would

2 have to be a significant leak and we would have noticed it

3 early on if we flooded the neighborhood with 73,000 gallons of

4 water. I'm telling you. My husband spent an entire day of his

5 weekend trying to figure out what it is they were doing, the

6 company was doing. He thinks he had it figured out, although

7 he differs with the employee who showed up yesterday. He

8 thinks they're adding a zero to the end of the gallon usage.

9 The meters -- there's a picture of the meter here included.

10 The meter shows a fixed zero at the end. He thinks they're

11 adding another one. And it works out. Surprisingly enough,

12 that works out.

13 The fellow that came from the water company yesterday

14 had another theory. He says that whoever was reading the

15 meters was reading one meter and then the other and putting

16 them together and somehow one bill wasn't getting sent out at

17 all and we were getting this convoluted difference between the

18 two. Whatever. It's a choice between paying our mortgage and

19 paying our water bill, so we're paying our mortgage. Thank

20 you.

21 COMMISSIONER CARTER: One moment, please.

22 Commissioner.

23 COMMISSIONER SKOP: Thank you. Thank you for

24 appearing this morning, Ms. Jordan.

25 MS. JORDAN: I'm hearing impaired, sir.

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1 COMMISSIONER SKOP: I'm sorry. Thank you for

2 appearing this morning, Ms. Jordan.

3 With respect to the billing and/or metering issues

4 that you've experienced, when you mentioned that somebody came

5 out to look at the meter, is that as a result of your call

6 about the bill or did they come out regularly to look at the

7 meter?

8 MS. JORDAN: No. My husband called in on both of

9 those last two bills. The first one he was told to simply pay

10 it, they'll take care of it. The second one, he called Monday

11 morning and was told quite bluntly that, "Oh, well, you must

12 have a leak. Have a nice day. Goodbye."

13 COMMISSIONER SKOP: But periodically has it been your

14 experience to observe that --

15 MS. JORDAN: I don't know.

16 COMMISSIONER SKOP: All right. Thank you.

17 COMMISSIONER CARTER: Before you go, Ms. Jordan, that

18 would be Exhibit 32, is that right, Mr. Reilly?

19 MR. REILLY: Exhibit 32. And that's a copy of your

20 bills.

21 (Exhibit 32 marked for identification.)

22 If you wouldn't quite leave yet, just a follow-up

23 question.

24 COMMISSIONER CARTER: Ms. Jordan, one follow-up

25 questions, please. Would you come back to the podium, please?

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1 CROSS EXAMINATION

2 BY MR. REILLY:

3 Q A friendly question. So you don't really have a

4 resolution to this billing problem as we are here in this room?

5 A No.

6 Q Is there something --

7 A We have this humongous bill sitting there waiting to

8 be paid and it's not going to be.

9 MR. REILLY: With this, with all -- I would hope that

10 with the opportunity of this hearing that we could maybe have

11 the Commission direct the utility to get with this particular

12 customer and see what could be done to bring her specific

13 problem to some resolution, if that's possible. I know we've

14 done that in some of the hearings when we have unresolved

15 problems.

16 MS. RULE: Commissioners, if we could have

17 Ms. Jordan's address and phone number, we'll certainly follow

18 up.

19 COMMISSIONER CARTER: Okay. Ms. Jordan, just state

20 your address for the record.

21 MS. JORDAN: Okay. 13707 Ruby Terrace in Sebring.

22 That's in Sebring Lakes, within sight of the tank. And Robert

23 was out yesterday looking at the meter and he feels that it's

24 somebody reading both meters and screwing it up somehow.

25 CROSS EXAMINATION

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1 BY MS. RULE:

2 Q And if you could give us your phone number either on

3 the record or come --

4 A No problem. 655-4890.

5 MS. RULE: Thank you.

6 FURTHER CROSS EXAMINATION

7 BY MR. REILLY:

8 Q And so currently you have about an 800 and something

9 dollar bill that's not been resolved; is that right?

10 A It just happened over the weekend. That last bill

11 came in on Saturday. It ruined my husband's weekend.

12 (Laughter.)

13 COMMISSIONER CARTER: Ms. Rule, as the company

14 resolves this matter, would you please let staff know so that

15 we can hear the resolution of this matter.

16 MS. RULE: Certainly. We'll follow up with staff.

17 COMMISSIONER CARTER: Okay. Thank you. Thank you.

18 Mr. Reilly.

19 MR. REILLY: I cannot discern the letters in the last

20 name. The first name is Peter, and it's either McKern or -- I

21 just didn't, couldn't make out the letters. You can tell me.

22 Whereupon,

23 PETER MACERI

24 was called as a witness on behalf of the Citizens of the State

25 of Florida and, having been duly sworn, testified as follows:

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1 DIRECT STATEMENT

2 MR. MACERI: My name is Peter Maceri, 2304 Oak Beach

3 Boulevard, Sebring, Florida, Lake Josephine. Phone number,

4 (863)655-3721. I'm also president of the Lake Josephine Lakes

5 Association, which has about 120 members. I'm not speaking on

6 their behalf. I'm sure they all probably feel the way I do,

7 that we don't want our water rates to go up this excessively.

8 It's excessive. I want to know why we've got an interim rate

9 and a request for a final rate. Why don't you just go -- it's

10 like gas, you know. You raise it a little bit each week and

11 then all of the sudden it gets up to $3.50 a gallon. But I

12 think if they're going to have a final rate, it should be the

13 final rate they've been discussing.

14 I don't understand on the interim rate why the

15 calculation is based on 6,000 gallons, and if you go to Page, I

16 think Page 10, it's based on 5,000 gallons. So the, the over,

17 over, over 6,000 gallons in one rate but on Page 10 it's

18 5,000 gallons.

19 Regarding the, the water out there, I guess I was

20 told that years ago that our water department was condemned and

21 they had to tap into the Sebring Lakes for the water. So

22 that's why that our system was condemned by the Department of

23 Environmental Protection so that we had to tap in out there.

24 There are numerous times that I notice that water is

25 being flushed out of the lines. It floods the roads, it floods

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1 the cul-de-sacs. One of the neighbors finally dug a trench

2 with his own backhoe where they could bury a pipe to flush it.

3 But there's a lot of wasted water. I've seen this water run

4 for 24 hours, come out of there gushing. You know, that's so

5 much a gallon, that's a lot of money coming off -- that's being

6 charged to us as homeowners.

7 We've had six improvements, six new houses built in

8 the last year and a half in our area. I've never received a

9 notice saying your water may be in danger because of new

10 hookups. I don't know if fire hydrants are part of their

11 system or part of the county system, but we have no fire

12 hydrants at all in Sebring, in the Lake Josephine area.

13 I'm just against a water rate of this, this

14 magnitude. I've been away for a month. I got back yesterday.

15 I'm afraid to open my mail when I get back home to look at my

16 water bill for last month. Because last month it was like $25.

17 The way I hear it, it will probably be $100 this month, so.

18 I'm on a fixed income. Like a lot of my neighbors, we're

19 retired. To have this excessive amount of rate increase is

20 ridiculous. I think a little bit each year won't hurt the

21 pocketbook, but to go from $15 to $58 in one month is

22 ridiculous. And speaking for my association, I'm sure most

23 members feel that we don't want this type of rate increase.

24 The water pressure in our area is not good at all.

25 Sometimes during the week we have great water pressure and then

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1 the rest of the week if you flush the toilet or go to the

2 laundry club, the laundry tub, you have no water pressure at

3 all, so. It fluctuates. I don't know why. Maybe it's because

4 the hookup at Sebring Lakes, they may be using more water

5 there. We get the -- we're the end of the line, so.

6 As far as the water quality goes, I don't drink it.

7 I buy bottled water. I have not noticed any cloudiness in our

8 water. I do have a double filtration system in the house, so

9 maybe that's why. I have a tenant that lives in a house a

10 couple of blocks from where I live. They have well water, it's

11 beautiful water. I drink their water. It doesn't smell, it

12 tastes good, and it's well water. I own the house, and so I

13 wish my water quality was that where I could drink it, but I

14 don't. Thank you.

15 COMMISSIONER CARTER: Sir, would you hold on for one

16 second? I want to do two things. One, to ask are there any

17 exhibits?

18 MR. MACERI: I have no exhibits. No.

19 COMMISSIONER CARTER: Okay. The second thing, you

20 asked, you made a couple of questions, and, Mr. Rendell, I want

21 you to respond. He mentioned about the gallonages on the

22 exhibit here, the handout. Would you kind of explain that to

23 him, please?

24 MR. RENDELL: Sure. What the staff has attempted to

25 do is give the customers a representation of what the bills may

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1 be at the various rates, the rates prior to filing, the interim

2 rates and the requested. So we usually look at 3,000, 5,000 or

3 10,000 just to give a representation. Those won't be your

4 actual bills. It will be based on your actual consumption.

5 MR. MACERI: Well, it says here under 6,000 is $5.71

6 and over 6,000 is $7.14. You know, do you base your, your Page

7 10 on that same calculation? If you use --

8 MR. RENDELL: Yes. What they've requested, what the

9 utility has requested in its final rates is a two-tiered

10 inclining block rate structure so that your first 6,000 gallons

11 would be based on a lower charge, and then anything over the

12 6,000 gallons would have a higher or an inclining rate based on

13 the gallonage. That's what their proposal is.

14 MR. MACERI: All right. Thank you.

15 COMMISSIONER CARTER: Thank you so kindly.

16 Mr. Reilly.

17 MR. REILLY: Okay. Melinda Springsteen.

18 Whereupon,

19 MELINDA SPRINGSTEEN

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 MS. SPRINGSTEEN: Hello. My name is Melinda

24 Springsteen. I live at 112 Leona Drive, and it's in the Lake

25 Josephine area. My number is 381-5290.

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1 I have a couple of concerns today. About a month ago

2 I caught my house on fire, and my water has been shut off to my

3 house for now a month. My water bill this month was more than

4 my water bill last month, and I only used 300 gallons this

5 month, this past month before it got shut off from the billing

6 periods that they state on their bills. Now if I can go from

7 my -- Sebring Lakes, I pity them. I go from $19 to $27 and I

8 use -- I used 3,000 gallons in March, 6,000, a little over

9 6,000 gallons in April, and then in May they're telling me I

10 used, you know, 300 gallons, which is fine. I just need to

11 know why my bills are going -- why is it so much of a

12 difference? Why do I go from a $19 bill to a $27 bill from

13 3,600 gallons to 300 gallons? That's my first complaint.

14 The next one is if I'm going to be charged for water

15 I use, charge me for the water I use. Don't estimate my bill.

16 Because I know for a fact -- I know the people who read the

17 meters. They're related to me. My father reads the meters,

18 and they've been estimating my bill since February. In

19 February we put in a new sewer system, and at that time our

20 meter was, it got hit by the backhoe and it was destroyed. So

21 they had to, I had to have them put in a new meter, which was

22 fine. They're estimating my bill off the old meter reading.

23 They're not even doing it on the new meter reading. And that's

24 my biggest concern. If you're going to have someone read the

25 meters, then charge me for what I've used. You know, and I

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1 understand an increase, but not as much as they're wanting it.

2 You know, like several people have said, a little bit over the

3 next few years, fine, whatever. But I am a mother of five

4 children and cannot afford a hundred dollar water bill. It's

5 just not going to happen, you know. Like one said, it's my

6 mortgage or my water bill, period. And you're going to

7 obviously pick your house over your water. And you can go

8 buy -- I can go to my mom and dad's and wash my clothes and

9 I'll just buy the bottled water. It's going to be cheaper in

10 the long run if they do this.

11 Another concern I have, behind my house there is an

12 old plant that, where it used to be like ran -- the water used

13 to -- that's where it used to come out of the big red tank that

14 sits in the backyard, my neighbor's house in the backyard.

15 Well, now their water system is off of Canary Way. Is there

16 any way we can get them to get this old, you know, this old

17 system off this property? There's a huge tank and the top of

18 the tank is all rusted out. Because I've climbed up there to

19 see the top. You know, I have twins that are seven, an

20 eight-year-old, a nine-year-old and a two-year-old. And

21 there's no fence around it, they have no fence up. And I watch

22 my kids outside, we're outside, the yard is fenced in, but

23 stuff can happen and kids can get out of the fence. And if one

24 of my kids climb up there, two are handicapped, what -- you

25 know, there is times that your kids will escape from you. It

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1 happens. So it's human, you know. I just, I'm just concerned

2 about that tank. If it's not in service, why, why is it there?

3 Why can't they take that facility out when they don't use it

4 and it hasn't been in service for three years?

5 And, again, I went to the source on that. I didn't

6 want to say this. My grandfather used to own Lake Josephine

7 Water and that's how I know how long this stuff has been in

8 service and out of service, where, you know, the water system

9 is now off Canary Way, and this one hasn't been in service for

10 three years now. So I just want to know when -- you know, when

11 they initially bought the company from my grandfather, he was

12 supposed to, or AquaSource, when that -- Aqua Utilities, what

13 used to be AquaSource, when that went out of service, when they

14 no longer used that for the water system, they were supposed to

15 remove the tank and tear down the old shed. You know, there's

16 two tanks, a tall one and a long skinny one. And they're

17 supposed to tear down the sheds and I just would like to know

18 when that's going to happen. Because it's hazardous, you know.

19 If it had a fence around it, I might be fine with it another

20 two or three years. But there's no fence around it, it is an

21 old building that has, you know, holes in the doors and kids

22 can get in there and mess with stuff. And they are in that

23 yard a lot. You know, they go back and forth between the two

24 yards. So there's swing sets in the other yard because it's

25 just bigger and the neighbor lets us do it. So, you know, I

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1 just -- if there's a fence around it I might be a little less

2 concerned. And I pity Sebring Lakes with their water. I don't

3 have complaints about my water because I don't have any system,

4 no filtration system or nothing on my stuff and it's fine. But

5 I do -- if they're going to have people read the meters, bill

6 me for what I use. And then if we can get something done about

7 that tank in the backyard, it would be greatly appreciated.

8 COMMISSIONER CARTER: Okay. Mr. Reilly.

9 CROSS EXAMINATION

10 BY MR. REILLY:

11 Q You posed this question to the company and what have

12 they told you about the timing on the abandoned Lake Josephine

13 water plant?

14 A No. They -- I have never -- Pugh's, I've called

15 Pugh's and asked them. But they don't have -- it's hard to get

16 in contact with anybody through Aqua Utilities, first off. And

17 so I haven't really, I have not spoke to anyone, which I was

18 going to speak to this young lady after, afterwards and see

19 what we can get the ball rolling on that. But, you know, Pugh

20 Utilities, they'll tell you that they can't do nothing about it

21 because they are paid to read the water meters and do pretty

22 much what -- they're -- I don't know, whatever they do for Aqua

23 Utilities, you know. That's not their system. They can't just

24 go in there and take it down. They have to have -- because

25 it'll come out of their pocket. And I don't blame them. I

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1 would not go in there and take it down through the cost of

2 someone else's -- you know, it just wouldn't happen.

3 COMMISSIONER CARTER: Okay. Did you have -- do you

4 have -- do we have exhibits from you?

5 MS. SPRINGSTEEN: No. I just, I have one bill. No.

6 I just want -- I can give you a copy of my bill where it's been

7 estimated since I put in my new meter. I guess I could do

8 that. I would like to be charged for it right.

9 COMMISSIONER CARTER: Do you have her number? And,

10 Ms. Rule, do you have her number? You've got her number so you

11 can talk to her afterwards about this?

12 MS. SPRINGSTEEN: Yeah. I'm going to stick around,

13 so.

14 COMMISSIONER CARTER: Thank you.

15 Mr. Reilly.

16 MR. REILLY: No further questions. I didn't know

17 whether we could possibly get an answer to the abandoned plant.

18 I know we're interested in the status of that, but could we

19 have a --

20 MR. LIHVARCIK: I'll find out by the end -- by

21 tonight.

22 MR. REILLY: Okay.

23 UNIDENTIFIED SPEAKER: If the Commission can pardon

24 me a second, I want to speak a little bit on her behalf.

25 COMMISSIONER CARTER: Wait. Wait. Wait. Wait.

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1 Before I do that, before I do that, in all fairness I want to

2 hear from everybody first. If we have some additional time,

3 we'll go back over. But, I mean, everybody took off time from

4 their jobs to come and all. So in all fairness I've got to

5 hear from the people first. If we have anymore time, great.

6 If not, Gerald is available and Bev is out there and you can

7 write it down. But I do, out of fairness and courtesy to your

8 neighbors, we want to do as much as possible. We have a

9 limited amount of time. So if that's okay, I would like to

10 conduct it that way.

11 Mr. Reilly.

12 MR. REILLY: I guess no further questions at this

13 time except that -- if we could -- I think we're going to get

14 an answer --

15 MR. LIHVARCIK: I'll have an answer before we meet

16 tonight. But we'll contact her.

17 MR. REILLY: Okay.

18 COMMISSIONER McMURRIAN: Chairman.

19 COMMISSIONER CARTER: Yes, ma'am.

20 COMMISSIONER McMURRIAN: I seem to remember that

21 sometimes we ask for late-filed exhibits on questions like

22 that. Is it appropriate for the company just to file that as a

23 late-filed exhibit instead of just talking with the staff?

24 COMMISSIONER CARTER: That's interesting. And, in

25 fact, Commissioner, thank you for that. That reminds me that

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1 this would be the second or third issue like that. Maybe we

2 could have that as a late-filed in terms of how we follow up

3 with the customer complaints on this.

4 MS. RULE: Commissioner, I was not in the meeting

5 with staff, but I know Mr. Hoffman, Ken Hoffman met with staff

6 recently to discuss the issue, among other things, of specific

7 responses to staff complaints. And I'm sure your staff can

8 give you more of the details than I can because I was not at

9 the meeting, but I do believe we plan to file testimony that

10 will specifically address the customer complaints that have

11 been raised at this and other meetings. Would that be

12 sufficient or would you rather additionally have a late-filed

13 exhibit?

14 MR. REILLY: We did have a discussion about them

15 filing maybe at the same time staff files its testimony the

16 company's response to matters brought up at the customer

17 meetings, but this would be a specific response. You can elect

18 to respond however you want to to the customer hearing, but

19 this would be a requirement to provide an answer to this

20 abandoned plant issue.

21 MS. SPRINGSTEEN: I also have -- there is legal

22 documentation, legal documentation saying when that facility is

23 shut down and is no longer in use it is to be removed. There

24 is legal documentation on that.

25 MR. REILLY: And do you have that?

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1 MS. SPRINGSTEEN: You know what, that's what one of

2 the young ladies, she was like, "Why don't you get the

3 documentation?" I could get it and I would go get it right

4 now, if I could.

5 COMMISSIONER CARTER: Let's do this. Katherine, do

6 you have a recommendation?

7 MS. FLEMING: I am aware that there will be an order

8 forthcoming revising the order establishing procedure where the

9 utility will be filing any testimony, rebuttal testimony to any

10 customer concerns that are raised at the service hearing. And

11 I do believe that this issue as far as the abandoned pump could

12 be addressed in that testimony as well.

13 I think, I believe what Mr. Reilly is suggesting that

14 maybe when the utility gets together with the customer maybe

15 they could provide a written letter as to their response to the

16 customer. Is that what you're requesting?

17 MR. REILLY: My only thought is -- the operative word

18 is "could." I mean, the company is going to choose its

19 response at that time, and I didn't know whether the

20 Commissioner wanted a response to this. I mean, to require the

21 company to respond to what their timing and what their response

22 is to this abandoned plant, you know, without --

23 COMMISSIONER CARTER: Well, let me respond. It's not

24 a could, it's a should. It's not a -- we want to see -- I

25 mean, that's what we're asking for. That's why we're asking

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1 for customer comments today is that we want to see that. And,

2 again, let's -- we're getting far afield here. I want to make

3 sure that we hear from everyone here today so we're complete.

4 Let's move on. That's going to be in the record. We'll be

5 looking at all these. This is just one of three that I've

6 heard so far today in this locale, and there are others that

7 we'll be responding to and looking over this to see how those

8 have been responded to. So we'll do it at that point in time.

9 So at this point, Mr. Reilly, would you please call the next

10 witness.

11 UNIDENTIFIED SPEAKER: Are we going to get another

12 rate increase because they're taking her tank down?

13 MS. SPRINGSTEEN: It's not my tank, it's just in my

14 backyard.

15 COMMISSIONER CARTER: Mr. Reilly, you're recognized.

16 MR. REILLY: Okay. The next witness is Missy

17 Fotheringham.

18 Whereupon,

19 MISSY FOTHERINGHAM

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 MS. FOTHERINGHAM: Hello. My name is Missy

24 Fotheringham. I reside since October 31st, 2004, at

25 13450 Lynnwood Street in Sebring Lakes. Since October 31st,

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1 2004, my average water bill has been approximately $27. It

2 brings me great certain that the residents in Sebring Lakes

3 have been overcharged. Upon reviewing my water bill dated May

4 1st, it showed 15,300 gallons being used in a 30-day period.

5 This is an average of 510 gallons per day. The total water

6 bill for charges last month was $82.47. I was concerned, but I

7 sent in my check as I faithfully do every month.

8 On Saturday, June 9th, I received my second water

9 bill. After opening the envelope I could not believe what I

10 was reading, a water bill in the amount of $205.10. After

11 reviewing this water bill, it showed 14,700 gallons being used

12 in a 30-day period. This is an average of 490 gallons per day.

13 The bill showed a water base facility charge increase from

14 $9.68 in April to $47.37 in June, as well as a rate increase

15 from .00219 per gallon to .01073 per gallon, an increase of

16 .00854. In comparing the two water bills, I noticed that in

17 May my water bill was $82.47 for 15,300 gallons, but suddenly

18 jumped in June to $205 using less water at 14,700 gallons. The

19 water usage from one month to the next was less but increased

20 $122.63. This does not make any sense. I have a household

21 size of two, my daughter and myself, who is a single parent

22 living on a fixed income. A water bill higher than an electric

23 bill is outrageous. I demand answers and want to know how this

24 happened and how it will be corrected. And if I -- this is the

25 first notification that I did receive regarding a rate increase

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1 by coming to this meeting that I just was made aware of

2 yesterday, and I appreciate your time. And I did present water

3 bills, copies of my water bills.

4 COMMISSIONER CARTER: Thank you. Thank you.

5 Questions?

6 MR. REILLY: That would be number?

7 COMMISSIONER CARTER: Exhibit 33.

8 MS. FLEMING: Yes, 33.

9 (Exhibit 33 marked for identification.)

10 COMMISSIONER CARTER: No questions?

11 MR. REILLY: No.

12 COMMISSIONER CARTER: Thank you so kindly.

13 Mr. Reilly.

14 MR. REILLY: Michael O'Meara.

15 Whereupon,

16 MICHAEL O'MEARA

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. O'MEARA: My name is Michael O'Meara, and I live

21 at Sebring Lakes Boulevard in the Sebring Lakes water district.

22 I think basically everybody has got pretty much the same

23 complaints about the water quality and everything which isn't

24 so great, but this meeting is basically for rate increases.

25 And I think everybody has been shocked when they got their

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1 bills. I think we're all used to our bills going up a little

2 bit. We realize the cost of everything goes up. But when you

3 get a bill that goes up 500 percent and you're using less

4 water, sometimes you might wonder how you're going to pay it.

5 And with my electric bill, I can cut back on my electric and

6 lower my bill. But they've staged these water rates where if I

7 shut my water meter off, I'm still going to be paying four

8 times as much as I was when I was using water. So you got no

9 choice.

10 Do you all have a copy of this?

11 COMMISSIONER CARTER: Yes.

12 MR. O'MEARA: If you go to Page 5 and look under

13 Sebring Lakes on the interim rates, you might wonder why

14 there's so many people here from Sebring Lakes. Just circle

15 that $47 compared to what it was before. And this is just the

16 base rate. This is if you use no water at all.

17 But I think -- basically our main concern or my main

18 concern is as the steep, the steepness of the increase all at

19 once and not being able to do anything about it even if you use

20 water or you don't use water. And that's about all I have to

21 say. Thank you.

22 COMMISSIONER CARTER: Mr. O'Meara, do we have, do we

23 have a record?

24 MR. O'MEARA: I didn't pick my bill up this month

25 after my neighbor told me what his was. I haven't been to the

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1 post office yet.

2 (Laughter.)

3 COMMISSIONER CARTER: Thank you so kindly.

4 MR. O'MEARA: From what I've listened to some of

5 these people, I think maybe their blowout might be on the wrong

6 side of the meter.

7 COMMISSIONER CARTER: Thank you so kindly.

8 Mr. Reilly.

9 MR. REILLY: Judith Storms.

10 Whereupon,

11 JUDITH STORMS

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 MS. STORMS: Good morning. My name is Judith Storms.

16 I live at Lake Josephine, 903 Lake Josephine Drive in Sebring.

17 My husband's name is George. We've been on the same water

18 source since 1992 when it was Lake Josephine Water. The water

19 at that time was good. Since then, since it's been on

20 AquaSource, twice in the past three years I've gotten a notice

21 from AquaSource saying, we're sorry, but we neglected to check

22 the quality of your water on a periodic -- I think they do it

23 every three months or whenever they do it -- we forgot to check

24 it, it was overlooked, and now three months later we're telling

25 you the water is okay now. I find that completely

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1 unacceptable. That's the only thing they do for us is check

2 the water. They don't do anything else. Maybe they throw some

3 chlorine in now and then, you know. But both times notice came

4 three months after the fact. All right. I wish I had kept the

5 papers. Unfortunately I didn't.

6 This is a very unfortunate thing for us because my

7 husband is a heart transplant patient and he's, because of his

8 medicine he is immunosuppressed and any bacteria anywhere can

9 kill him. You know, it'll make us sick, maybe throw up for a

10 couple of days. He can die from it. He has been drinking

11 bottled water after the hospital, Tampa General, tested our

12 water and said that he should be drinking bottled water when he

13 came home from the transplant. However, I still have to do the

14 dishes in the water, we still have to bathe in the water, I

15 still do the laundry in the water.

16 In September I had what they thought was pneumonia,

17 and then on further testing and biopsies I came up with a very

18 rare microbacterial infection that's not a contagious thing

19 that passes from person to person, it is from environmental.

20 And they said there's a very good chance, even though nobody

21 could prove it, that it was in the water and I inhaled it from

22 the showerheads, the showerheads in our house.

23 The water is terrible tasting. We don't drink it at

24 all. My ice machine is completely unusable because the ice

25 makes, after a day makes the refrigerator smell so bad that we

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1 don't use it. I'm spending $75 a month on bottled water and

2 ice. I even have -- I cook all our food. Do you know how much

3 water it takes to cook a pot of spaghetti? It takes almost a

4 whole gallon jug purchased at the store.

5 What else do we have here? The water quality, the

6 taste, like I said, is unacceptable. The color is yellow and

7 it's -- there are also -- before I finish here, we also have

8 that red tank in view back of our house. There must be some

9 water supply still hooked to it somehow because every once in a

10 while the thing overflows like crazy from the top, water runs

11 down like crazy everywhere there. That young lady that spoke

12 about her children, I would be more concerned not about them so

13 much climbing it but just being underneath it when the water

14 let go. Some small child could really be injured. I did not

15 realize there wasn't a fence around it. We're fenced in all

16 around us. If a child was underneath that and the water let

17 go, they could be seriously injured. And I don't know where

18 that water is coming from. I really don't.

19 I also have a blowout pipe in my yard which I have

20 tried unsuccessfully to get removed. They tell me they have a

21 right-of-way to it, even though my lawyer says there's nothing

22 in my deed that says there's a right-of-way to that pipe. They

23 don't come in and touch it anymore. I have a dog in my yard.

24 And my dog won't hurt anybody but I keep the dog out there.

25 The water meter readers know the dog and they play with her and

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1 everybody else knows the dog, you know, so that's no problem.

2 But nobody has come. The last time they came I went -- they

3 opened it up in my backyard on my patio right out, 15 feet out

4 in the area of the patio. I had to go downtown for something.

5 I came back at 5:30 at night, not a soul around anywhere and

6 the water is still gushing out. Whoever had opened it forgot

7 to come back and close it. That was, you know, that was a big

8 waste of water, you know, that didn't need to be wasted.

9 I think that if you go up in increases, if they

10 increase the water, it would be a big travesty to the people in

11 the Lake Josephine area. It's not like this is the Coca-Cola

12 Company and we can go out and buy Coke to replace it. Yeah.

13 We can go out and buy bottled water, but we still have to use

14 that water for bathing, dishes, laundry. And instead of going

15 out, they ought to address the problems with the water and then

16 we wouldn't mind them going up. That's what I have to say

17 today. Thank you very much.

18 COMMISSIONER CARTER: Thank you. Do we have any --

19 MR. REILLY: We didn't have your bills, did we?

20 MS. STORMS: No. No.

21 COMMISSIONER CARTER: Thank you so kindly.

22 Mr. Reilly.

23 MR. REILLY: Nestor Guevara.

24 Whereupon,

25 NESTOR GUEVARA

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1 was called as a witness on behalf of the Citizens of the State

2 of Florida and, having been duly sworn, testified as follows:

3 DIRECT STATEMENT

4 MR. GUEVARA: Good afternoon, Commissioners, counsel,

5 ladies and gentlemen. My name is Nestor Guevara. I'm new to

6 the area. I lived in Dade County for at least over 20 years.

7 And while driving on Route 27 my history from a kid growing up

8 between orange groves, I kind of like this area, Highlands

9 County. It's a beautiful place. So I happened to purchase

10 some property on Sebring Lakes Boulevard. I'm sorry. I live

11 at 4245 Sebring Lakes Boulevard. Okay. And with that said,

12 I've built a little home there and, which took some, a lot of,

13 well, it took a toll on me. Had I known back then what I know

14 now, I was not going to build a house. And one of them is

15 concerning the water. And I'll tell you, my background is the

16 service industry. And for the quality of water there, you

17 don't -- this exorbitant sum of increase that we are receiving

18 or we have received right now, it needs to be looked at very

19 seriously.

20 And also it's quite a safety hazard and a health

21 hazard to our well-being. As you all know, the term water,

22 what water is is the prime necessity of life. And what I'm

23 concerned about also is I have a little two-year-old

24 granddaughter and my son and his wife and maybe another younger

25 one will be coming down to spend time with me. And, yes, I

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1 cannot use that water. And you've heard it from all the other

2 residents, you cannot use it for cooking and drinking purposes.

3 But, however, we must wash, do the dishes and the laundry and

4 so on with the putrid smell and everything else that's coming

5 from it.

6 I would like to ask a question to define what is

7 wastewater. Is it that big pipe that's at the end of my

8 property that's gushing out there eroding -- you know, it's the

9 state's easement property in front of my property, is that what

10 it is? Every day at 6:00 for 15 minutes gallons of water has

11 been just wasting. And Mr. Carr is my, Roy Carr is my neighbor

12 and he had that problem. When I moved down there and they have

13 moved the water into mine, he said, "Oh, yeah, that's what

14 happened." Well, low and behold, that's what's happening now.

15 That's only one part of it. So is that what wastewater is?

16 COMMISSIONER CARTER: We'll have our staff to give

17 you a definition. Gerald, would you tell him?

18 MR. EDWARDS: Wastewater is water --

19 COMMISSIONER CARTER: Pull the mic closer to you,

20 Gerald.

21 MR. EDWARDS: Wastewater is water that's normally

22 referred to as sewer treated water. Okay?

23 MR. GUEVARA: Okay.

24 MR. EDWARDS: What you're referring to is line

25 flushing.

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1 MR. GUEVARA: Right. Okay. Well, thank you. That

2 flushed line water, well, to me, my layman mind, it's just

3 wasting. And I was discussing with my neighbor the other day

4 that somewhere along those lines, that's, that water, despite

5 the conditions of it, I think it can be utilized somehow. And

6 one day I saw a Pugh serviceman, the truck pulled up, and I

7 asked him, well, I said, "If I can arrange something to cap

8 that water so it can just wet the grass in my other two lots

9 there, can I do it?" He said, "Well, we cannot do anything

10 unless you get it from Aqua Utilities." So that's on the back

11 burner. But it was only a suggestion.

12 One of the main reasons why I'm here is that I just

13 moved in to that address January of this year, sort of halfway

14 moving in because I'm still officially in Miami. However --

15 and I'm having a little problem with my insurance company

16 asking about a fire hydrant on that street. We do not have a

17 fire hydrant on that street. Again, I always talks to my

18 neighbor, he loves to talk, a nice man. And I suppose if

19 something goes wrong, God forbid, a fire, where will the fire

20 truck get the water supply? So, and that's one of the reasons

21 why I purchased the property because I love the water. I'm

22 basically a country boy from where I was born overseas and I

23 like the environment there. He said, "Well, the fire hydrant

24 is Josephine Creek." So I kind of breathed a little sigh of

25 relief that they will put it there in case something happens.

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1 But I think -- I don't know the details on obtaining

2 fire hydrants along those three, along Sebring Lakes Boulevard.

3 I know that I was told -- and, again, I'm up and down between

4 Miami and here, so it takes me a little while to get

5 information where to go and what to do. But I would like to

6 know also about obtaining fire hydrants for that street. And I

7 also would like to know about -- well, you're talking about

8 water, so. But I was also told that the sixth house that's

9 being built, which my house was the sixth house on the street,

10 the county or the state or whatever will look into paving the

11 road. Now it's the seventh house and the seventh house is

12 being built on Sebring Lakes Boulevard.

13 And also someone mentioned about the trash cannot be

14 collected. Monday I put my trash out and no one came

15 because -- I also spoke to the trash man. He said, well, he

16 usually gets stuck down there when he comes to pick up the

17 trash, so put it on the other side. So I did. But no one

18 picked it up on Monday.

19 Again, I don't want to go into dreary details about

20 the quality of water because it's, it's unhealthy.

21 But just to end the second part of why I came to this

22 and took time off my job is that the builder sent a letter, the

23 builder's attorney sent a letter to Mr. Jack Lihvarcik, if I'm

24 pronouncing it correctly, that's you, and I remember the name

25 because I also somehow got through to you amongst that taking

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1 place. But this letter was sent out to you from my builder's

2 attorney on April the 10th, '06. And it took him to, him,

3 meaning my builder, to respond to me, which means that at that

4 time he received information from Aqua Utilities two months

5 later, '06, which was in June of '06. And I have these copies

6 here. The main copies are right here.

7 I would like to know from my neighbor's property,

8 which is about three, I think two or three blocks, why did I

9 have to pay an average of $8,300 to Aqua Utilities for just to

10 get water in the house? And as I said in the beginning of my

11 statement, had I known back then what I know now, my house

12 wasn't going to be at 4245 Sebring Lakes Boulevard. However,

13 the house has been built and I needed to move in. And I, I

14 don't have that kind of money to, to just jump and build a

15 house somewhere else. Besides, I like the environment there

16 with the canal, with the creek and the quietness and everything

17 else.

18 Back again, $8,300, and I have this here, plus

19 another $415 to hook up service. Okay. And these are here.

20 And I was told then -- I made calls to Tallahassee and I spoke

21 to a very nice person, a lady up there. I don't remember her

22 name. But she said, "Look, it's just $500 for you to have to

23 pay." I sent the check. The check was sent back to me. And

24 then suddenly out of the blue this, this statement came from

25 Pugh Utility Service, Incorporated, at 760 Henscratch Road,

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1 Lake Placid, Florida, that I had to pay. In order to get the

2 water from my neighbor's place where the end of the line was,

3 my neighbor is Roy Carr, to my place it's going to cost me

4 $8,300. So I'm asking -- this is paid. I'm sort of halfway

5 moved into, so the money was paid.

6 Other, other homes will be built in those other

7 couple of lots. So when those homes are being built, the

8 people who will be, all they will be paying will be, what, a

9 $500 hookup fee upon my $8,300. So I, I have some questions

10 here for some, for answers that I would like to have concerning

11 this exorbitant sum of money I've paid for water that you

12 cannot use 100 percent and you cannot even consume. It's not

13 serving the purpose, serving as a prime necessity of life in my

14 book. Thank you very much for your time.

15 COMMISSIONER CARTER: Thank you. Mr. Guevara, you

16 have -- Gerald, did you get copies of the letters that he has

17 there? Do you have a copy that you could give to us?

18 MR. GUEVARA: I can give you these right now.

19 COMMISSIONER CARTER: This will be Exhibit Number 34.

20 This would be a composite because I think you have two letters.

21 (Exhibit 34 marked for identification.)

22 MR. GUEVARA: Some past residents who came up and

23 mentioned it's hard to get to Aqua Utilities, it's true, it's

24 very difficult. The only conversation I have to say that I had

25 with, and I remember the name because it's an easy name like

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1 John or Jack is that he spoke to me and that was -- but it took

2 me at least six months waiting to get, to get some permit from

3 them to give the okay to Pugh Utilities to install this. So it

4 was a double whammy for me. I had to wait six months later and

5 then to give, pay this exorbitant sum of money. And that's

6 all. And thank you very much.

7 COMMISSIONER CARTER: Thank you. Any questions?

8 CROSS EXAMINATION

9 BY MR. REILLY:

10 Q I guess a couple of things. I guess he has a

11 specific problem about the propriety of his main extension fee

12 and to what extent he has a right of reimbursement if other

13 customers come on that line. I mean, is that the nature of

14 your question?

15 A Yes. Yes. And I understand that earlier on I heard

16 someone ask about reimbursement and, on this rate, this

17 increase. But you're not looking at a few, some -- and with,

18 with all heart (phonetic) to this exorbitant sum of water rate.

19 But comparing what I have paid already I'm sure not looking for

20 a return on every month, you know, on my water bill. This is

21 numbers that are very different in my case, so.

22 Q What's the length, the distance between your neighbor

23 and your home that caused this main extension?

24 A Well, it's about, like I said, it's about three house

25 lots. That's --

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1 MR. CARR: It's about six building lots and I think

2 the six, they're 40-foot yards.

3 MR. REILLY: You said six lots at how many feet?

4 MR. CARR: 40 feet.

5 MR. REILLY: They're 40-foot lots?

6 MR. GUEVARA: Is it 80 width? In width it's 80.

7 (Simultaneous conversation.)

8 BY MR. REILLY:

9 Q So that's 240?

10 A That's 80 foot, 80-foot wide.

11 Q Oh, 80?

12 A Yes.

13 Q Okay. It's 80. Okay.

14 A It's 80. That's double.

15 MR. REILLY: Okay. And I guess that's the nature of

16 a customer question, just to clarify the propriety of what he

17 was charged and to what extent, you know, others who connect,

18 whether he has an opportunity for reimbursement. And that

19 could be in the nature, I guess, of a directed response.

20 COMMISSIONER CARTER: The same as we've done before.

21 MR. REILLY: Same as the others.

22 BY MR. REILLY:

23 Q And I had a question on the flushing. You had

24 mentioned with some degree of regularity the company went out

25 and flushed the lines. And you called the --

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1 A Well, that's been going on on my neighbor's property

2 for --

3 MR. CARR: Sir, may we speak at the same time? We're

4 neighbors and maybe we can help one another out. But they

5 flushed the line when it ended at my property. That washed the

6 road out. Okay. When Nestor come along and built his house

7 down from me, they extended that blowout pipe down to his

8 property. In addition to charging him the 8,000 plus dollars,

9 now they put the blowout tube down there and that blew the road

10 out down at his house.

11 BY MR. REILLY:

12 Q Now how often do they flush the lines?

13 A Well, I notice it's every day from 6:00 to 6:15.

14 And I want to mention something here that just came

15 to mind. I last had a conversation with someone in Tallahassee

16 from this water company and they mentioned, they said, "Well,

17 we don't charge residents for that sum of money for installing

18 water in that area. All we charge is a flat rate of $500." I

19 said, "Well, this is what I was told and the check was sent.

20 When I sent it, it was sent back to me. In order for me to get

21 water in the house this is what I had to pay."

22 Q You will get a specific response on that.

23 And but your testimony is that they flush

24 approximately at that location every day.

25 A Every day from 6:00 to 6:15. And I just had last

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1 week some friends came down from Hendry County, Georgia, a

2 husband and wife, he and his wife came down to see the place.

3 And it's sad that they traveled for something like eight hours

4 and suddenly just three minutes to get to my house their car

5 went stuck. So it's a good thing I had a little chain on my

6 4X4 and I pulled them out. But that's okay. But that's from

7 all the flushing from the roads and so on -- to get better

8 roads.

9 COMMISSIONER CARTER: Thank you.

10 MR. REILLY: I appreciate your testimony.

11 MR. CARR: I don't mean to interrupt.

12 COMMISSIONER CARTER: I'm going to come back if we

13 have time, like I said to the other gentleman.

14 MR. REILLY: And we are getting to the end of the

15 signup people, so those who want to make additional comments, I

16 mean --

17 COMMISSIONER CARTER: Yeah. We'll come back. But we

18 want to make sure that we give everybody an opportunity to be

19 heard first. If we have any additional time, we'll come back.

20 So you'll be the second person.

21 Mr. Reilly.

22 MR. REILLY: The next witness is Rusty Sherman. I'm

23 sorry.

24 MS. FLEMING: I just wanted to go ahead and identify

25 the exhibit as Number 34.

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1 MR. REILLY: Number 34, composite 34.

2 COMMISSIONER CARTER: Okay. Mr. Reilly.

3 MR. REILLY: And Rusty Sherman.

4 Whereupon,

5 RUSTY SHERMAN

6 was called as a witness on behalf of the Citizens of the State

7 of Florida and, having been duly sworn, testified as follows:

8 DIRECT STATEMENT

9 MS. SHERMAN: Hi. I'm Rusty Sherman, and, no, I'm

10 not a guy. I live at 2150 Sullivan Street, Sebring. It's in

11 the Oak Beach area of Lake Josephine.

12 I almost feel as though I'm up here under false

13 pretenses after hearing about the neighbors in Sebring Lakes.

14 I had no idea that they were being charged as much as they were

15 charged. I thought the rate increase for our area was

16 unfounded in that the quality of the water is so unacceptable

17 here in the United States of America. I've lived in Florida,

18 as I'm sure a lot of people here have, for the majority of my

19 life. I've lived in Vero Beach. For a while my parents lived

20 in Charlotte County. On weekends and stuff we would go to

21 Fort Myers at Fort Myers Beach. And, yeah, this is more than

22 two years ago, but still I remember the water quality in

23 Fort Myers Beach at that time, and we're talking the '50s and

24 '60s of the last century, and here I am now in Highlands County

25 and it's about what it was in Fort Myers Beach in the '50s and

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1 '60s where you could hardly stand to be around any open faucet

2 because the odor was so bad.

3 I'm not a clinical person but I have worked in major

4 hospitals in the southeast coast and I've been in rooms where

5 patients have gotten terribly sick, and we're not only talking

6 food, we're talking medications. The odor is very similar to

7 what you experience when you turn on the faucet.

8 My home is fairly new. I just bought it about a year

9 ago. So, therefore, the couple of times that I have called the

10 company -- and I'm sorry to say I've never had trouble getting

11 through to them. And when I've talked to them, they've all

12 spoken English with a delightful southern accent that I was

13 able to understand and be understood. The last time I called

14 about something I had mentioned the quality of the water, the

15 odor. I am embarrassed sometimes to go see friends on the

16 southeast coast because my hair, my clothes, in my estimation,

17 smell horrible. They don't smell clean. Okay. And, no, don't

18 worry, I'm not going to leave my clothes or part of my hair as

19 an exhibit. The Commission can't take that shock. But the

20 woman was so delightfully helpful and everything and she wanted

21 to send somebody out to test the water. I said, "It's not just

22 my house." I have friends who have a place on Lake Josephine

23 Drive right down from me. For the last couple of years that's

24 where I was coming up and I was staying there, and that's

25 how -- this is how I became addicted to bottled water. Living

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1 on the southeast coast I never bought bottled water except

2 maybe for guests or something. But now I have to have bottled

3 water. I am a cancer survivor, and to find out that up here

4 you get notices about your water possibly causing cancer. I

5 avoid people who smoke because I've been there, done that. I

6 don't want to do it again. This is new hair and I really don't

7 want to have new hair again after losing it due to chemo.

8 When I turn water on in the shower to warm up and

9 then I go in after like maybe a minute, the power of this odor

10 is overpowering. It's just -- and I think, oh, yeah, I'm

11 trying to get clean? Sometimes being next to someone who has

12 been working outside in the 95-degree weather, they smell

13 better than the water does that you get in to clean. The

14 clothes are horrible.

15 I bought this house. The people that I bought it

16 from are delightful people, but they give a whole new

17 definition to frugal. But every time I turn around I see

18 filters and I have no idea what these filters are for. Uh-huh.

19 I know what they're for now. So I don't mind a slight increase

20 as long as they can just definitely guarantee me that within

21 six months my water is going to taste and smell so sweet I'm

22 going to think that I'm back up in Maine or I'm out west where

23 the rivers run clear and the water smells sweet, and I don't

24 think you can do it.

25 So, like I said, I feel as though my complaints are

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1 very miniscule compared to those poor people that live in a

2 place that I almost bought a house. Thank you very much for

3 your time.

4 COMMISSIONER CARTER: Thank you, Rusty. We don't

5 have Ms. Sherman's, we don't have her bills or anything of that

6 nature, do we?

7 MS. FLEMING: I don't have anything in front of me,

8 no, Commissioner.

9 COMMISSIONER CARTER: Mr. Reilly.

10 MR. REILLY: Dave McCadam.

11 Whereupon,

12 DAVE McCADAM

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. McCADAM: My name is Dave McCadam. I live on Oak

17 Beach Boulevard in Lake Josephine. Thankfully I don't live in

18 Sebring Lakes after seeing these numbers on here, which I think

19 these interim rates for the people in Sebring Lakes are

20 absolutely obscene. And whoever approved these, I'm shocked

21 that you're doing that to these people.

22 But speaking on behalf of Lake Josephine, I live

23 actually at the very end of the line. I think it's been

24 clarified now that the water plant in Lake Josephine has been

25 shut down and it's been shut down for, I don't know how long, a

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1 couple of years. It was actually shut down by the Department

2 of Environmental Protection for many issues. It wasn't up to

3 standards. So we were tapped into Sebring Lakes, as you've

4 heard, and our water comes from there. Why the people at

5 Sebring Lakes are being hit with this charge and we're not, I'm

6 at a loss for this and really haven't got an answer here yet on

7 that.

8 All I can say is I've been on my property eight

9 years. Being at the end of the line I've watched the water

10 being flushed out on the street at an excessive rate every day.

11 They used to flush it right out on the street until myself,

12 other neighbors complained, said, you know, you've got to bury

13 this pipe underground. I mean, you literally couldn't walk out

14 to your mailbox without getting soaked. And it was just absurd

15 to run water out in the street. Maybe the people in Sebring

16 Lakes are paying for all that water they've been pumping. I

17 don't know.

18 But the water pressure, and, again, I'm at the end of

19 the line, the water pressure in my house has always been

20 substandard at best. It's barely adequate to take a shower.

21 If somebody is outside and turns on a hose or something when

22 you're in the shower, forget about it. You know your water

23 pressure is cut in half. We've had numerous boil water orders,

24 I think a couple in the last few years.

25 The bottom line is, we kind of summarize this, I

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1 think you've heard we're dealing with a very antiquated system

2 over there. Our Lake Josephine system is shut down. I believe

3 that it's, the DEP has ordered that it be brought up to

4 standard or, or whatever or they're going to have to build a

5 bigger one in Sebring Lakes or whatever they plan to do. I

6 don't know. But these are answers we'd like to have on Lake

7 Josephine because that's a growing area, there's a lot of

8 houses growing there, and I think you people, when you bought

9 these smaller antiquated little water systems, you knew what

10 you were buying. You're buying them all over the country. And

11 you have an obligation to bring these up to standard. And if

12 you want to ask for a reasonable rate increase and show the

13 Commission and show the residents exactly how you're going to

14 bring them up to standard, that's one thing. But when you come

15 in with exorbitant increases like this and we don't get a lot

16 of answers and we're dealing with substandard water quality,

17 substandard water pressure, a water plant that is -- have you

18 ever seen the Lake Josephine water plant? Pretty impressive,

19 isn't it? Yeah.

20 (Laughter.)

21 I don't know if any of you in the Public Service

22 Commission have seen it, but while you're in town I'd like you

23 to drive over there and take a look at it. Yeah. I'll take

24 you over there. It's not far from my house. You'd be

25 impressed. But this is what we're dealing with and we deserve

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1 better. And I find it ironic that while our elected officials

2 are up in Tallahassee trying to get a handle on our runaway tax

3 issues that we're sitting here in Highlands County looking at

4 this nonsense for this ridiculous rate increase for a

5 substandard water system. And, you know, I'm hoping that those

6 of you on the Public Service Commission, I think you're getting

7 the message here today, and I'm hoping the representatives of

8 the company are getting a message here today.

9 We want to be partners with you. I do. I want to

10 have, I want to have a good water system here, but we haven't

11 for eight years. We didn't when Pugh had it, they did all they

12 could, then you guys came in and bought it like you're doing

13 around the country and now here we are. So what's the answer?

14 We need to know what you're going to do to bring this up to a

15 quality water system and show us exactly how you're going to do

16 it. And then if you want a reasonable rate increase, a

17 reasonable rate increase, well, you can justify it. But right

18 now these numbers are, are shocking. And I think, not to be

19 redundant here, I think you're all hopefully getting the

20 message here and that that carries back and that we can get a

21 resolution of this that will work for all parties involved.

22 Thank you for your time.

23 COMMISSIONER CARTER: Thank you, Mr. McCadam.

24 (Applause.)

25 MR. REILLY: The final listed witness, David Schwan.

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1 Whereupon,

2 DAVID SCHWAN

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. SCHWAN: My name is David Schwan. I live at

7 113 Leona Drive, Sebring, Florida, Lake Josephine water. And I

8 don't know what the gentleman's name was that spoke just before

9 me because my diuretic kicked in and I had to go out and take

10 care of that.

11 Anyhow, I also am glad that Ms. Springsteen spoke

12 before me because she lives across the street from me. I knew

13 she had a lot of kids but I'd just see her coming and going.

14 And I don't get out so much. I've got a problem with skin

15 cancer and stuff like that. But I did the snow bird thing for

16 about 12 years. I've lived on Leona Street for all that time.

17 It was cheaper to buy a home than to try to rent for three or

18 four months. I've been living here permanently since the end

19 of November 2000. I was lucky enough to be here for the

20 hurricanes of '04 and '05. And I went up to Michigan where I'm

21 from originally, I'm a retired letter carrier, and I was always

22 water conscious and conservative on it. And I didn't know I

23 was going to be living on a sandbar, so I don't have any grass.

24 I don't water it, so I don't use that much water. It's just me

25 and my wife. I'm retired. Just like everyone else that spoke

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1 here this morning, I'm opposed to the increase, especially the

2 final increase that they're asking for.

3 And I know that the man that spoke before me, you

4 knew what you were buying when you got this from Mr. Pugh and

5 his granddaughter, and I was glad to find out that was his

6 granddaughter because I didn't want to say anything nasty

7 because she's still here. And I'm glad I don't live in Sebring

8 Lakes. I live in Lake Josephine. So that's their water system

9 that Mr. Pugh had.

10 The first drink of water that I took from the faucet

11 was the last. That was back in 1989. And the biggest problem

12 that I have besides the fact that I won't drink it, I won't use

13 that water for making coffee or anything that's going to go

14 into my system, but is the -- as Ms. Springsteen mentioned, she

15 knows the problems of the meters being read. I was gone for a

16 full month in October of 2005 when Wilma came through and my

17 November bill was -- I can't remember how many thousands of

18 gallons I used when I wasn't here for the whole month, you

19 know, and it just didn't make any sense to me. I called and,

20 of course, I believe that what it was, must have been was

21 whenever they finally caught up to the errors that they've been

22 making with reading the meters was that, you know, I had

23 thousands of gallons of water when I wasn't used -- when I

24 wasn't even here. I was up in Michigan. So that's the

25 problems that I have with having the meters read properly. I

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1 don't use but two or three thousand gallons of water a month.

2 And these rate increases -- I can go along with the interim

3 one, but I don't see this final request that they're making. I

4 think it's outrageous just like everyone else here that talked

5 this morning.

6 I thank you. I don't have any other problems this

7 morning other than it's going to be late for me to eat my

8 lunch. My wife is very particular that if I'm not there, I

9 don't eat. No. I'm just kidding. Thank you very much.

10 COMMISSIONER CARTER: Thank you, Mr. Schwan.

11 MR. REILLY: Thank you.

12 COMMISSIONER CARTER: Was that our last?

13 MR. REILLY: That was our last listed witness. We do

14 have --

15 COMMISSIONER CARTER: Is there anyone that we --

16 before I go to those that I told I'd come back to, is there

17 anyone that came in afterwards that didn't get a chance to

18 speak that would like to speak?

19 Okay. Hearing none, we'll go in this order. First,

20 Mr. Rissmiller.

21 MR. RISSMILLER: Yes.

22 COMMISSIONER CARTER: And then he'll be followed by

23 Mr. Barnard, Floyd Barnard.

24 Whereupon,

25 WILLIAM RISSMILLER

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1 was recalled as a witness on behalf of the Citizens of the

2 State of Florida and, having been duly sworn, testified as

3 follows:

4 DIRECT STATEMENT

5 MR. RISSMILLER: I wanted to sort of verify and speak

6 on behalf of when Ms. Springsteen was up here talking about

7 that tower and the danger to the children in the area.

8 In the Sebring Lakes area I myself have told three

9 different gentlemen that came around to read our water meter,

10 and back in the past at the time we had what they called the

11 blowout pipe right catty-corner from our house on the other

12 corner. But the pumping station in the Sebring, in Sebring

13 Lakes development, they had a pit dug outside their fenced

14 area. That pit was open for probably better than a year.

15 I'm very high on protection of children, a child

16 advocate and everything. And I know for big businesses in this

17 country they have to follow OSHA guidelines. We were having

18 working class families moving in, young families moving into

19 the Sebring Lakes area there because of the new homes being

20 built, and I've seen these young little children, three, four,

21 five, six years old, out there riding their bicycles and

22 running around. Where this pit area was right behind the water

23 pumping station outside the fence is a big grass area and these

24 children are playing there. I thought by OSHA standards that

25 that had to have barricades up as protection, you know. And I

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1 told three different gentlemen that I know and asked them when

2 they were going to protect this pit area because of children

3 running around. And they said that they would let the company

4 know and everything, but that was never, ever protected. It

5 finally did now be filled in. Whatever they were working on

6 got filled in. But there was no protection around that pit

7 area for over a year. If a child would have fell in there -- I

8 went over there and looked and there was water down in the

9 bottom there. If a child would have fell in there and

10 disappeared and people would have been called out for a search,

11 what do you think they would have found? Would you want one of

12 your children in the bottom of that pit found? That upset me,

13 when she brought that up about that tower that upset me highly,

14 very, very highly, and that brought my memory back about this

15 pit.

16 And on behalf of these gentlemen talking about the

17 water lines being flushed by their homes because now it's the

18 end of the line, I was told about that it's because of the high

19 concentrate that builds up at the end of the line of chlorine

20 and alkaline and everything. And I know a few times when that

21 flush, that end of the line flush was right catty-corner to

22 where I live, across the corner, that that used to run for two

23 or three days straight sometimes and I would question it. And

24 they would say, well, there's so much chlorine built up, you

25 know, that they had to flush the lines out and everything, you

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1 know. But the homeowners weren't notified. You know, these

2 homeowners are drinking this water and all this building up in

3 their body, you know. No one is notified of the danger of the

4 high concentrate. That's all I have to add.

5 COMMISSIONER CARTER: Thank you.

6 CROSS EXAMINATION

7 BY MR. REILLY:

8 Q Just a small question now. This pit, this is at the

9 water plant? Explain to me this hole that was created. This

10 is filled with water?

11 A I think it was probably there at the time that they

12 were going to be connecting and giving water to Josephine Lake

13 development. That might have been at that time. And this pit

14 was just left open. And that's what I'm saying, I notified

15 three of the workers. One of the gentlemen that came down at

16 the time -- the blowout line was right catty-corner to where I

17 live. I told him about the pit and asked questions about it,

18 you know, because of safety, children. And then two, two meter

19 readers that came out, I asked them about it, when it was going

20 to be covered or protected and everything. And nothing was

21 ever done until I guess they were done with their work or

22 whatever they had to do and filled it in. Now that's what I

23 said, I felt because of such a big, big company they had to

24 follow OSHA regulations. I had a business up north in

25 Pennsylvania, the Pocono Mountains, okay, and because of the

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1 business I was in with the equipment I had to follow OSHA

2 regulations, you know, and I just couldn't understand why this

3 danger was allowed to continue.

4 COMMISSIONER CARTER: Thank you so much,

5 Mr. Rissmiller.

6 Next we have Floyd Barnard. Did I get it right this

7 time, Mr. Barnard?

8 MR. BARNARD: Barnard.

9 COMMISSIONER CARTER: Barnard?

10 MR. BARNARD: Barnard.

11 COMMISSIONER CARTER: Barnard. Give me one more

12 chance.

13 Whereupon,

14 FLOYD BARNARD

15 was recalled as a witness on behalf of the Citizens of the

16 State of Florida and, having been duly sworn, testified as

17 follows:

18 DIRECT STATEMENT

19 MR. BARNARD: Okay. On these meters, I can tell you

20 some of the problems on your meters. You can go around and

21 check most of your meters, if you folks go out and check your

22 meters, you'll see you can't even read your meter. It's

23 covered up with dirt. Now I don't know how the hell they read

24 the meter when it's covered up with dirt, but they do.

25 The pit that he's talking about, when they put the

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1 line from Sebring Lakes over to Josephine, they pumped for four

2 straight days, and I believe that's an 8-inch line that they

3 have running over there, to make sure that the pipe was cleaned

4 out. So that's where that pit I think is originally started

5 from.

6 And as far as the blowouts that they're talking

7 about, I understand from the company -- I know what's behind

8 their mind to keep this, try to keep this sludge away that

9 we're getting and to blow the chlorine out. So I'll give them

10 credit for that part. It's the rest of the things that's going

11 on, you know, the prices they're charging and the quality of

12 the water.

13 But most of these meter things, if you check them,

14 you'll find out the meter is completely covered with sand. I

15 don't know how that man reads that meter. I've had new people

16 move into the neighborhood and they want to know about the

17 meters and stuff and I show them where it is and where the

18 shutoffs and stuff like this are. And I'll open that trap door

19 and it will have that much dirt piled on top of the meter. How

20 you can read it, I have no idea. You have to go and clean it

21 out yourself because the company don't do it. Your servicemen

22 do not clean out those pits. Okay. That's about it.

23 COMMISSIONER CARTER: Hold on. Hold on.

24 Commissioner Skop.

25 COMMISSIONER SKOP: Thank you, Commissioner.

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1 Mr. Barnard, just a quick question with respect to

2 the metering. On the meter itself, have you ever taken any

3 actions to write down what the numbers are on a month-to-month

4 basis to see what the actuals that you're seeing versus what's

5 reported on the billing?

6 MR. BARNARD: Yes, I do. But, see, I'm one of the

7 few people that every three months I go out and I dig my own

8 meter out. I keep my meter so that you can read my meter, so

9 most generally my meter gets read right.

10 COMMISSIONER SKOP: But with respect to the accuracy

11 of what you're reading versus what you're being charged for.

12 MR. BARNARD: Yeah. The times I have checked it's

13 been right on. Originally they used to use just the last --

14 well, these meters were brand new, so they used the last three

15 numbers originally. Now over the period of years we've went

16 up, now they're reading the whole reading across. I haven't

17 done it since they started that. But I have checked on them a

18 couple of times and they've been accurate within, you know --

19 the time you walk out and the time they read it, I mean maybe

20 the wife has pushed the handle down or turned the handle on,

21 you know, so there could be a variation there.

22 COMMISSIONER SKOP: And also too with respect to the

23 meters themselves, do you know if they have the ability to

24 perhaps be read electronically through the radio frequency or

25 --

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1 MR. BARNARD: They cannot be read electronically in

2 our area.

3 UNIDENTIFIED SPEAKER: They're just setting that up.

4 That's being set up now.

5 COMMISSIONER SKOP: Thank you.

6 COMMISSIONER CARTER: Okay. Thank you.

7 I want to make sure that we gave everyone an

8 opportunity.

9 Ms. Springsteen, did you have another comment? Come

10 on down please so we can get it on the record. The reason

11 we're doing this is we're trying to get it on the record. Let

12 me just say -- two more? Okay. Good. We'll just do that.

13 We're trying to, you know, get as much in -- before you speak I

14 just want to let you know that our goal is to allow the

15 customers to give us as much input as possible before we make a

16 decision. So it's important to us the issues that you raise,

17 and please be advised and please know that they are significant

18 to us.

19 Yes, ma'am, you're recognized.

20 Whereupon,

21 MELINDA SPRINGSTEEN

22 was recalled as a witness on behalf of the Citizens of the

23 State of Florida and, having been duly sworn, testified as

24 follows:

25 DIRECT STATEMENT

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1 MS. SPRINGSTEEN: I do have to -- on behalf of the

2 people that do read the meters, they are read every month. I

3 used to read them. They do read. And they have requested

4 AquaSource to put in the electronic ones. And whenever your

5 meter is covered with dirt, they dig your meter up until -- and

6 they read them, I'll tell you they read them on the 18th or

7 19th of every month. So on the 18th or 19th of every month, if

8 you want to go read your meter, most of the time I guarantee

9 you it will be dug up. Because I do know the people that do

10 read the meters, they actually read it.

11 And this is the legal document stating -- I ran

12 upstairs and pulled it. This is the legal document stating, it

13 says, here it says, "It is understood that the current access

14 road on Lots 17 and 16 of Block 1 of Lake Josephine Heights

15 Subdivision does not follow the 10-foot easement. Therefore,

16 AquaSource is granted unlimited entry and exit to the plant

17 using the existing road on property owned by Douglas E. Pugh.

18 If and when AquaSource ceases the use of the existing plant,

19 AquaSource shall demolish and remove the facilities. Once this

20 is completed," and then it says -- well, and then it goes on

21 saying that where if Pugh owns the property and after that

22 stuff. But this is the legal documents to get that removed.

23 COMMISSIONER CARTER: Thank you.

24 CROSS EXAMINATION

25

FLORIDA PUBLIC SERVICE COMMISSION

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1 BY MR. REILLY:

2 Q Who does this come from?

3 A This is -- I got it from the Clerk of Court's

4 upstairs. It's the Post Closing Agreement. It's an

5 agreement -- John McClure did it. It's an agreement between

6 Douglas Pugh, Darryl Pugh and AquaSource stating that when they

7 do cease the use of this plant, that they are to remove. And

8 it states at whose cost, what, you know. It has it in here.

9 MR. REILLY: Could we identify that?

10 COMMISSIONER CARTER: It'll be a little out of order,

11 but we'll just make it Exhibit 35. We'll put it under

12 Ms. Springsteen.

13 MS. FLEMING: We can make it Exhibit 35. I think

14 that would be clear.

15 COMMISSIONER CARTER: Okay. Let's make it Exhibit

16 35. Thank you, Ms. Springsteen.

17 (Exhibit 35 marked for identification.)

18 We had two other -- yes, sir, you're recognized, and

19 then we have one other. Give us your name again just for the

20 record.

21 Whereupon,

22 ROY CARR

23 was recalled as a witness on behalf of the Citizens of the

24 State of Florida and, having been duly sworn, testified as

25 follows:

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1 DIRECT STATEMENT

2 MR. CARR: Yes. Roy Carr, Sebring Lakes area. What

3 I'd like to see is, or find out is is there a possibility that

4 the water company and the county can come to some working

5 agreement as to the replacement of the roads that has been

6 damaged by the flow of the water? The county at this point has

7 taken the position that we need one more house on our street in

8 order for them to maintain it, but yet AquaSource's water is

9 what has undermined that road and washed it out and made it

10 impassable. Is there a possibility that the water company and

11 the board of county commissioners can come to some working

12 agreement to make those roads passable so that the trash truck,

13 the mailman and other people can get through there? If,

14 really, Nestor, if Nestor had a fire down there right now,

15 you're not going to get a fire truck down to his house. You

16 can't do it.

17 CROSS EXAMINATION

18 BY MR. REILLY:

19 Q But it is a county road; is that correct?

20 A The road, sir, was established back in the early '70s

21 when this community was first set up. Okay? And I'm not an

22 engineer but there is a hard-based road. I don't know what

23 you'd call it. But over the years it was not maintained and,

24 yes, there was some deterioration due to normal use. But that

25 that I'm talking about is not normal deterioration. I mean,

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1 it's where the water washed it out and there's no longer a road

2 available.

3 And there are -- like I say, it's been dry. There's

4 not been -- well, we got one stuck out there last week one

5 time. But now the rainy season has come and now you're going

6 to really get the washout. And down where they moved the pipe

7 down to the blowout pipe down at the end of the road down

8 there, I'm sure it's washed out down there too. But you

9 couldn't get an emergency vehicle in there.

10 Q You said that the county would pave this road. Have

11 they --

12 A No, not pave, sir. Maintain. They would grade if we

13 had -- you've got to have, I think, two residences for each

14 tenth of a mile. As it is set up right now, we only have seven

15 on that road, which we have to have one more person build

16 before the county would come in and grade it. But between now

17 and then, whenever that date might be, vehicles, vehicles can't

18 go through there, heavy vehicles.

19 Q Maintenance of this road might be beyond the

20 jurisdiction of this Commission.

21 A No, I understand that. I was, I was directing my

22 comment to AquaSource. Can they get with somebody on the board

23 of county commissioners to see if they can't come to some

24 working agreement so that, you know, should emergency vehicles

25 need to get down there, that we have a road base that, in fact,

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1 they can get down there?

2 COMMISSIONER CARTER: I'm sure -- Ms. Rule, I saw you

3 nodding in acquiescence that you will be contacting the county

4 and seeing --

5 MS. RULE: I'm not aware of who maintains the road.

6 It sounds like it is not a county road. But Mr. Lihvarcik will

7 have an engineer go out and check the condition of the road and

8 we'll certainly report back to the Commission in our testimony.

9 MR. CARR: Okay. That's Sebring Lakes Boulevard

10 specifically.

11 UNIDENTIFIED SPEAKER: You're going to find out that

12 that's going to be between AquaSource and the homeowners. It's

13 not a currently county maintained road.

14 (Simultaneous conversation.)

15 MR. CARR: But the road was in working condition

16 before AquaSource washed it out.

17 UNIDENTIFIED SPEAKER: Your issue will be with them.

18 COMMISSIONER CARTER: Thank you so kindly.

19 Yes, ma'am. Please, again, give us your name when

20 you come up to the podium for our court reporter so she can add

21 that to the record.

22 MS. GILLER: Yes. I did not fill out one of those

23 forms in the beginning.

24 COMMISSIONER CARTER: That's okay. You can fill out

25 one afterwards. But right now --

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1 MS. GILLER: My name is Theresa Giller.

2 COMMISSIONER CARTER: Wait. Excuse me. Were you

3 sworn in? Okay. Thank you so kindly.

4 Whereupon,

5 THERESA GILLER

6 was called as a witness on behalf of the Citizens of the State

7 of Florida and, having been duly sworn, testified as follows:

8 COMMISSIONER CARTER: You are recognized.

9 DIRECT STATEMENT

10 MS. GILLER: Thank you. My name is Theresa Giller.

11 That's G-I-L-L-E-R. I live at 5127 Grand Concourse and have

12 for the last 13 years.

13 A major concern of mine right now is our water bill.

14 It's extremely high, as everyone has already admitted that. My

15 question is if I'm ready to go back to the well and there's a

16 facility base charge on the meter, is that fee to be waived if

17 our water is disconnected and we resume to go back to the well?

18 It's more of a question. And am I going to get an answer

19 today?

20 COMMISSIONER CARTER: One moment. I'm trying to make

21 sure that we get your name and address for the record so he's

22 going to get you the form. So if you ask your question again,

23 it might be something that we can have staff respond to. If

24 you'd just kind of try that one more time.

25 MS. GILLER: If the facility base charge has gone up

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1 to $47, it's about $50 a month, so basically if we just sit

2 there and watch the meter and not use a drop of water, we're

3 paying $50 a month to sit there and watch the meter do nothing.

4 If I'm ready to go back to the well -- I have four children, a

5 family of six living in my home. We've been in the area for 13

6 years, and I'm ready to go back to my well. In my opinion,

7 this is a whole waste of time for me and everybody else. If

8 anybody is getting paid today, it's been a waste of time. I'm

9 ready to go back to my well. There's, the quality of water in

10 my well is much better than what's coming out of my pipes. I

11 mean, when I have friends come over to my residence and ask me,

12 "May I have a glass of water," and I go, "Would you like sweet

13 or unsweet," that's, that is not right. I'm ready to go back

14 to my well.

15 Will I be charged for the meter sitting in my yard

16 for the $50 facility base fee? Who do I ask that question and

17 when am I going to get an answer?

18 COMMISSIONER CARTER: I think, Mr. Rendell, that's

19 based upon the proposal -- look on Page 5, I believe it is, or

20 --

21 MR. RENDELL: If I understand your question, if you

22 disconnect your water system from Aqua's meter and go back to

23 the well --

24 MS. GILLER: I assume, which I don't want to assume,

25 but in this case I will because I don't have an answer or any

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1 facts in front of me. If I don't pay the bill I just received

2 on Saturday, I do know I will be disconnected one way or the

3 other. I have, luckily I have the ability -- I have an older

4 home. I have the ability, I can go back on a well. There's

5 many homes that are brand new in that area that have been there

6 within the next, the last five years. They don't have wells.

7 They were mandated they had to go on this city water plant,

8 this whatever they call city water. It's more sewer water in

9 my opinion, but that's just an opinion.

10 MR. RENDELL: We will have to look into the matter.

11 If you connect, the way I understand, if you connect your well

12 to your house, there has to be a physical termination of that

13 pipe from the meter to your house or else it'll create an

14 immediate cross-connection violation of a DEP rule. So there

15 will have to be a physical disconnection. You'd have to

16 request that your service be terminated so you would no longer

17 be a customer of Aqua. But we would have to look into it with

18 the utility.

19 MS. GILLER: Okay. But who's paying the facility

20 base charge? You're saying if I request to be disconnected,

21 there's a meter sitting there?

22 MR. RENDELL: They would have to remove the meter and

23 you would no longer be a customer of the utility in order for

24 you not to pay the base facility. If the meter --

25 MS. GILLER: After what's been said today, it's going

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1 to be a godsend.

2 MR. RENDELL: Sure. But what I was indicating is

3 there will have to be a physical disconnection of that pipe so

4 that no cross-connection could occur from the well into the

5 local water system.

6 MS. GILLER: Okay. So therefore my answer would be,

7 no, I would not be charged for that meter because they would

8 come get it, it's gone?

9 MR. RENDELL: That's not my answer. I would have to

10 check with the utility to see if you disconnected as a customer

11 and were no longer a customer and cease that relationship with

12 the company, then you would not have a base facility. You

13 would no longer be a customer. What I'm saying is we'd have to

14 see with the company if you requested this, when this would

15 occur. But you basically would have to no longer be a customer

16 of the utility.

17 MS. GILLER: Okay. And how long is that answer from

18 the company, how long will that answer take possibly?

19 MS. RULE: Mr. -- well, my understanding is,

20 certainly staff is correct, if you are physically removed from

21 the system, then you're not a customer and there would be no

22 charge. But like Mr. Rendell, I can't respond to the other

23 issues of what it would take to get that, whether there are

24 health department issues or DEP issues.

25 MS. GILLER: That's more of a concern for me to worry

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1 about whether or not I can or cannot hook back up to my well.

2 My concern is I am not paying the $50 a month that

3 you're requesting for me to pay for my meter.

4 MS. RULE: Once you're no longer a customer of the

5 utility, there will be no charges to you. That's correct.

6 MS. GILLER: Okay. What are we going to do about

7 what's being charged to us now? What are we going to do about

8 that? Are we paying it?

9 MS. RULE: I can't advise you to pay or not pay your

10 bills, and I'm not really sure what the question is. The

11 purpose of the hearing today is to gather your testimony and

12 the Commission will later make a decision about what, under

13 what circumstances the company can charge anybody anything.

14 MS. GILLER: Meanwhile what do we do with our

15 pocketbooks? Who do I ask that to? I'm looking at the

16 Commission.

17 COMMISSIONER CARTER: Do we have a bill, do we have a

18 copy of your bill?

19 MS. GILLER: You have a copy of three of my bills.

20 COMMISSIONER CARTER: Okay. We'll look into that.

21 Okay. That will be Exhibit Number 36.

22 (Exhibit 36 marked for identification.)

23 MS. GILLER: Along with a lot of my notes.

24 COMMISSIONER CARTER: And we'll have -- you can talk

25 with staff and you can talk with a representative of the

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1 company afterwards. But a lot of your questions does not lend

2 itself to us responding to that today based upon what we're

3 doing now. Right now we are taking input from the customers on

4 the proposed rate increase for the customers of Aqua. Your

5 question has to do more with whether or not you are a customer

6 or not. That's a different issue. And, again, I said we have

7 staff here, both -- we have staff from the Public Service

8 Commission and Aqua has staff here that we can deal with that.

9 But let me just say this. And we've gone -- and I

10 sincerely appreciate those of you that have come out to speak

11 on your own behalf as well as speak on behalf of your

12 neighbors. We've gone through a process where we've taken

13 testimony and this testimony will be used to help us in

14 Tallahassee as well as help the company be a better company and

15 help us be better regulators.

16 Let me just say before we conclude, I'm on the verge

17 of concluding. I wanted to give my colleagues an opportunity

18 to make a few statements before we adjourn.

19 Commissioner Skop, you're recognized.

20 COMMISSIONER SKOP: Thank you, Mr. Chairman.

21 Like I said, I do also echo the comments of the Chair

22 about taking the time to come out because the consumer input

23 that we receive is very critical in terms of understanding what

24 the perceived problems are and how and what issues need to be

25 remedied in terms of service quality and the cost-effectiveness

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1 of the service provided. So we do thank you for taking your

2 time out of your schedules to come offer testimony in this

3 regard. Thank you.

4 COMMISSIONER CARTER: Commissioner McMurrian.

5 COMMISSIONER McMURRIAN: Thank you, Chairman.

6 I just wanted to follow, of course, thanks to you all

7 for sharing with us your concerns not only about the rate

8 increase but about the quality of service. And I think, as

9 staff explained earlier, that we take those comments into

10 account and look at the quality of service in dealing with a

11 rate increase request.

12 Specifically to a question that Mr. Thompson brought

13 up, I just wanted to respond that, you know, I think when you

14 do call Tallahassee I think you're going to get people who do

15 care about your concerns on the other end of the phone. And if

16 not, please let us know, ask them to talk to their supervisor.

17 You'll see several numbers on the front of the Special Report

18 there that are direct numbers to several staff people involved,

19 as well as an 800 number that's down at the bottom which ties

20 directly into our consumer affairs representatives. And if

21 they can't directly answer your question, they will work to try

22 to get a more detailed response to you. And there's also a

23 website and an email address there. And I just wanted to point

24 that out because there are people on the other end of all those

25 things that do want to help you. And, in fact, a lot of those

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1 things come to us. So I just wanted to let you know that. But

2 thank you all for coming today.

3 COMMISSIONER CARTER: Mr. Reilly.

4 MR. REILLY: Just a housekeeping measure. We have

5 copies of three bills here of people that did not actually make

6 presentations. One of them is the McDonald bill, and that was

7 one of the people that signed up and chose not to speak.

8 Are the McDonalds here?

9 MS. McDONALD: We're here.

10 COMMISSIONER CARTER: Exhibit 37.

11 MR. REILLY: Did you want to have your bills --

12 MS. McDONALD: Yes.

13 COMMISSIONER CARTER: Exhibit 37.

14 MR. REILLY: That would be 37.

15 COMMISSIONER CARTER: Okay. That will be Exhibit 37.

16 (Exhibit 37 marked for identification.)

17 MR. REILLY: There's a John DeLisa. Are you still

18 here?

19 UNIDENTIFIED SPEAKER: No. He went home. He's our

20 neighbor.

21 COMMISSIONER CARTER: Exhibit 38.

22 MR. REILLY: Okay. Exhibit 38.

23 UNIDENTIFIED SPEAKER: He spoke.

24 MR. REILLY: Excuse me?

25 UNIDENTIFIED SPEAKER: He spoke.

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1 MR. REILLY: He spoke?

2 UNIDENTIFIED SPEAKER: Yes.

3 MR. REILLY: Well, let's make sure then. I --

4 COMMISSIONER CARTER: Where we are on the exhibits,

5 that would still be Exhibit 38.

6 (Exhibit 38 marked for identification.)

7 MR. REILLY: Okay. And then the last one is Dennis

8 Siminiak.

9 COMMISSIONER CARTER: Exhibit 39.

10 MR. REILLY: 39. Okay. Thank you.

11 (Exhibit 39 marked for identification.)

12 MS. FLEMING: Commissioner, if I may. I did want to

13 check to see if the utility wanted to put in a copy of the

14 notice and affidavit of this service hearing. And once we do

15 that, I would suggest that we move all the exhibits into the

16 record if there are no objections.

17 COMMISSIONER CARTER: That would be Exhibit Number

18 40.

19 MS. FLEMING: 40.

20 COMMISSIONER CARTER: Okay.

21 (Exhibit 40 marked for identification.)

22 (Exhibits 23 through 40 admitted into evidence.)

23 MS. RULE: Commissioners, I have the Notice of

24 Customer Service Hearings that was mailed to the customers. We

25 have not yet received the publisher's affidavits demonstrating

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1 that they were properly published. So I'd like to identify two

2 exhibits, one for the notice that I'll put into the record

3 today, and then a late-filed exhibit for the affidavits, if

4 that's okay.

5 COMMISSIONER CARTER: Show it done.

6 (Late-Filed Exhibit 41 identified for the record.)

7 As we conclude our discussion here today, we want to

8 thank you. Again, as I said, is that some of you came out on

9 your own behalf, some of you came out on behalf of neighbors

10 and friends and family. And let me just tell you this, we have

11 been going all over the State of Florida. This case involves

12 county water and wastewater rates in Alachua, Brevard,

13 Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk,

14 Putnam, Seminole, Sumter, Volusia and Washington Counties. And

15 as a Commission we are going out to each one of these service

16 areas listening to the consumers, listening to the customers,

17 the people that pay the bills. It's very, very important to us

18 to hear from you. Some of the people here today said they're

19 not professional speakers. We're not looking for professional

20 speakers. We're looking for people that write the checks.

21 It's important to us to hear from you on what issues that are a

22 concern to you. Some of it -- I noticed some people said,

23 well, maybe you don't have anything to do with the trash or

24 anything like that, but we still care about your issues. And

25 it's important to us to have that feedback so that when we make

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1 a decision, we make a decision based on the fact that it

2 impacts a person at the end of the line that's writing the

3 checks. So on behalf of the Florida Public Service Commission,

4 let me thank you for your time, thank you for your efforts.

5 And Mr. Reilly with the Office of Public Counsel, Ms. Rule with

6 the Aqua Utilities, to my fellow Commissioners, to our staff

7 and to you, ladies and gentlemen, thank you for coming out. We

8 are adjourned.

9 (Service Hearing adjourned at 1:03 p.m.)

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1 STATE OF FLORIDA )

: CERTIFICATE OF REPORTER

2 COUNTY OF LEON )

3

4 I, LINDA BOLES, RPR, CRR, Official Commission

Reporter, do hereby certify that the foregoing proceeding was

5 heard at the time and place herein stated.

6 IT IS FURTHER CERTIFIED that I stenographically

reported the said proceedings; that the same has been

7 transcribed under my direct supervision; and that this

transcript constitutes a true transcription of my notes of said

8 proceedings.

9 I FURTHER CERTIFY that I am not a relative, employee,

attorney or counsel of any of the parties, nor am I a relative

10 or employee of any of the parties' attorneys or counsel

connected with the action, nor am I financially interested in

11 the action.

12 DATED THIS , 2007.

13

14 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

LINDA BOLES, RPR, CRR

15 FPSC Official Commission Reporter

(850) 413-6734

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FLORIDA PUBLIC SERVICE COMMISSION