

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: July 14, 2008
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Stephen C. Larson, Executive Secretary to Commissioner Argenziano
RE: Communication received in docket 080148-EI

RECEIVED-FPSC
08 JUL 16 AM 11:53
COMMISSION
CLERK

Commissioner Argenziano has received the attached letter in the above noted docket. Commissioner Argenziano has not seen this document. Please file these documents in the appropriate docket and disseminate to all interested parties.

DOCUMENT NUMBER-DATE

06108 JUL 16 08

FPSC-COMMISSION CLERK

VENETIAN VILLAGE
LAKE COUNTY, FL

7-15-08

SUBJECT: AQUA UTILITIES FL
DOCKET No. 080121-WS

AUF APPLIED FOR RATE INCREASE IN '07
AND NOW AGAIN IN '08

1. BEFORE PURCHASE OF HOME IN '04 WATER PRESSURE 48 P.S.I. AUF NOW HAS 48 P.S.I.
2. WATER HAS EXCESSIVE CHLORINE CAN NOT DRINK. INSTALLED FILTER SYSTEM.
3. FORCED TO PAY FOR WATER + SEWER WE DO NOT USE. FACILITY CHARGE IF WATER IS TURNED OFF. CHARGE OVER \$30/month IF WE ARE NOT HOME.
4. BUT, AUF HAS INSTALLED NEW ELECTRONIC REPORTING METERS SO THEY CAN LAY-OFF WORKERS

SHIRLEY S. + D.H. WALKER
28843 TAMMI DR.
TAVARES, FL 32778

Taking back our water

By Alan Smitow and Deborah Kaufman

Falling bridges, collapsing levees, bursting pipes, sewage spills, failing electrical grids — this short list of major infrastructure failures in just the past few years might lead one to think that there's a conspiracy, that terrorists are taking down our public services and tax-built assets.

But it turns out that we are doing it to ourselves, first by underinvesting in our water, transportation and energy systems, and then by trying to solve the problem by auctioning off these assets in a fire sale to the highest private bidder.

Water utilities have been among the most controversial items up for sale, but other public services are also on the block as state and local governments hope to balance budgets by auctioning off public bridges, highways and airports. Last year, Indiana's toll road was sold to a foreign consortium for \$3.8 billion in the largest highway privatization deal in U.S. history. Other public properties under consideration for sale: Chicago's Midway International Airport, the New Jersey Turnpike and the Pennsylvania Turnpike.

This is not a sideshow or an arcane environmental issue. Trillions of dollars and essential services that preserve our public health and national security are at stake.

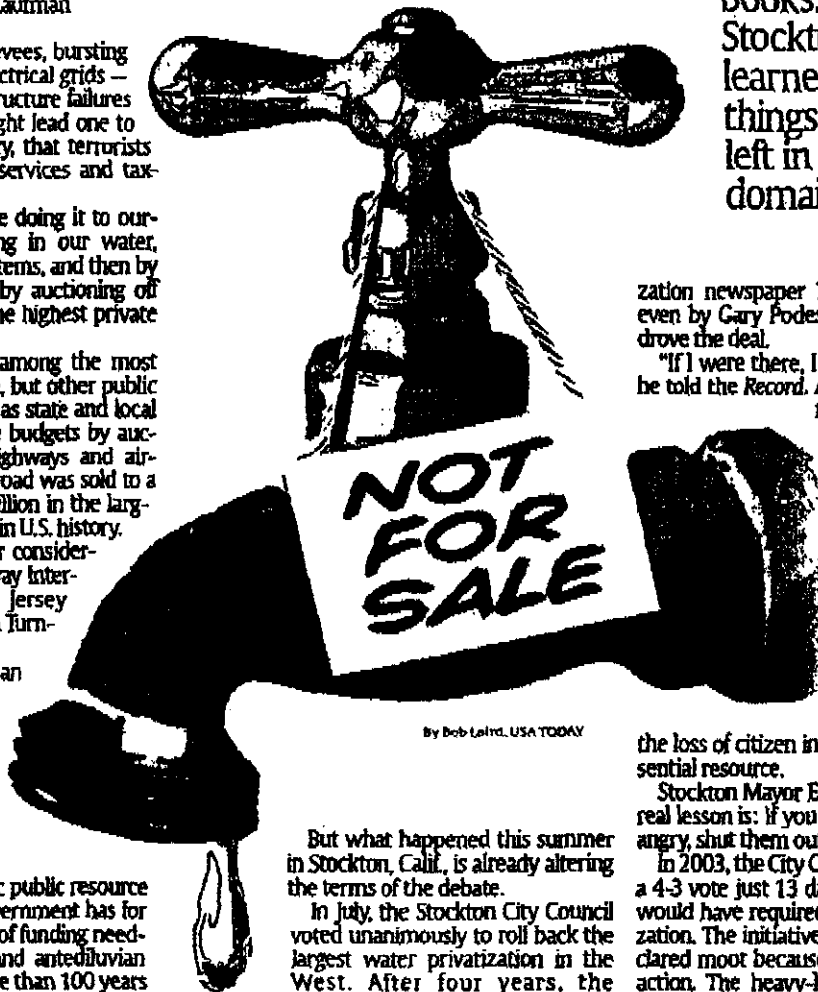
The water lifeline

In the case of our most basic public resource — our water — the federal government has for years starved states and cities of funding needed to upgrade aging plants and antediluvian water pipes that are often more than 100 years old. The reasons for neglect have not been political or financial, but ideological.

The Bush administration — and to a lesser extent the Clinton administration before it — cut clean water funding to drive an agenda committed to private profit over the public trust. That agenda survives in spite of widespread droughts and a growing climate crisis that will require a strong government hand to ensure universal access to clean, affordable water.

The privatization drive, until now, has survived in spite of public opinion. Republican pollster Frank Luntz recently found that 86% of Americans support a federal trust fund for water. "I can tell you from personal experience," he told a House committee, "that such an overwhelming consensus about the role of Washington doesn't happen often — but it exists here."

Federal and state politicians don't seem to be hearing that message, perhaps because it is drowned out by the lobbyists and campaign contributions of multinational water companies that seek to profit from water scarcity.



By Bob Lehm, USA TODAY

But what happened this summer in Stockton, Calif., is already altering the terms of the debate.

In July, the Stockton City Council voted unanimously to roll back the largest water privatization in the West. After four years, the \$600 million showcase deal with a multinational consortium, OMI-Thames Water, has been scrapped in favor of a return to public control.

The decision came after repeated court rulings determined that the deal violated California's environmental law, but the legal issue was only the last straw. Noxious odors drifted regularly from the sewage treatment plant. There were sewage spills, fish kills, increased leakage from underground pipes, staff turnover and increases in water rates after years of rate stability.

Citizen watchdog groups had also reported that the private company had adopted a "run-to-fail" approach to preventive maintenance. "Employees were feeling frustrated that they couldn't maintain the facilities the way they had previously," said Stockton City Council member Susan Eggman.

Four years into the 20-year contract, nobody was willing to go to bat for OMI-Thames. The Stockton City Council's unanimous decision was supported not only by the formerly pro-privati-

zation newspaper *The (Stockton) Record*, but even by Gary Podesto, the former mayor who drove the deal.

Today's rage is the privatization of our highways, energy systems and even our water supplies in order to balance the government books. But as Stockton, Calif., learned, some things are better left in the public domain.

"If I were there, I would do the same thing," he told the *Record*. Although a "non-disparagement" agreement forced local politicians to portray the decision as amicable, this was a rout, and OMI-Thames was unceremoniously being shown the door.

Citizens on sidelines

There was, however, another deeper reason for dissatisfaction: widespread concern about the loss of citizen input into the future of an essential resource.

Stockton Mayor Edward Chavez told us, "The real lesson is: if you really want to make people angry, shut them out."

In 2003, the City Council approved the deal by a 4-3 vote just 13 days before a citywide ballot would have required voter approval for privatization. The initiative won, but the vote was declared moot because of the earlier City Council action. The heavy-handed maneuver enraged many Stocktonians and shifted the debate.

Now, doubts about corporate water privatization are spreading from small towns such as Lee, Mass., to midsize cities such as Stockton and metropolises such as Atlanta, where water privatization failed miserably in 2003.

Even so, whenever a bridge falls, a levee breaks or a steam pipe bursts, we invariably hear renewed calls to privatize. Let Stockton's experience testify that privatization is not the solution.

Instead, what is required is a new commitment by citizens and government to rebuild our infrastructure so that our water and other essential services remain in the public domain to be managed for the benefit of all citizens, and not for the profit of a few.

Alan Smitow and Deborah Kaufman are producers of the PBS documentary film *Thirst* and, with Michael Fox, are co-authors of the new book *Thirst: Fighting the Corporate Theft of Our Water*.