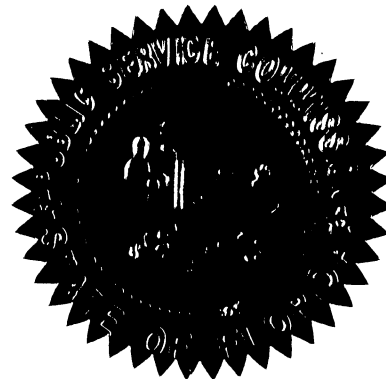


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070293-SU

In the Matter of:

APPLICATION FOR INCREASE IN WASTEWATER
RATES IN MONROE COUNTY BY K W RESORT
UTILITIES CORP.



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PROCEEDINGS: KEY WEST SERVICE HEARING

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Wednesday, October 1, 2008

TIME: Commenced at 10:30 a.m.
and
Commenced at 6:00 p.m.

PLACE: Old City Hall
City Commission Chambers
510 Greene Street
Key West, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
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P R O C E E D I N G S

1
2 CHAIRMAN CARTER: Good morning to one and all. Can
3 everyone hear me? I'm not accustomed to these microphones, so
4 I'll do my best here.

5 First of all, I want to say good morning to one and
6 all and thank you for coming to this service hearing. And the
7 reason we're out here is that we want to hear from you, the
8 consumers and customers of this utility, as we go through this
9 process.

10 In a minute we'll have housekeeping matters that
11 we'll take care of, and then we'll go into a portion where we
12 hear from the company, then we'll hear from OPC, and at that
13 point in time we'll start hearing from you because it's very,
14 very important that we hear from you. What did I say? The
15 Office of Public Counsel. Oh, yeah. Sorry. I'm using
16 acronyms. You know, I'm from the government. I'm here to
17 help. I start using those acronyms. The Office of Public
18 Counsel when I say OPC. And what we'll do is that after we
19 hear from the two parties, we'll have you, those of you that
20 are wishing to speak, we'll have you sworn in as a group and
21 we'll go from there and hear from you.

22 In the meantime, just a few housekeeping matters.
23 First and foremost, if you've got to go, the door to my left in
24 the corner that says "Exit," those are the facilities in there.
25 So if you've got to go, you'll use that.

1 Secondly, there's a green form. Cindy, would you
2 hold one of these up, please? This green form explains the
3 who, what, when, why and where of what's going on here. The
4 most significant aspect of this green form is the last page.
5 Kind of like when you read the Bible, you read the Book of
6 Revelations, the last book in there, so this is like
7 Revelations. This is the most significant page. And you go
8 back here, those of you that don't want to speak but want to be
9 heard, you can put your comments on this and send it back to
10 us. It's a little mailer and you fold it and you send it back
11 to us and we'll make sure that your comments are added to the
12 record so that you can be heard.

13 Additionally, if you have friends and neighbors who
14 for whatever reason could not be here today and you know that
15 they're interested in this, please take some of these with you
16 and get the information to us so we can hear from them. It's
17 important that we hear from everyone.

18 So with that, also there's the -- I don't have a
19 copy. Cindy, will you hold up the sign-in sheet? Those of you
20 that are wishing to speak publicly, there's a white sheet
21 there. You need to complete that. And as we go through our
22 public hearing portion of that, we'll listen to you from the
23 public. Mr. Burgess from the Office of Public Counsel will be
24 calling you individually. And when you do come up and speak,
25 please state your name, address and telephone number. And you,

1 as you're coming up to speak, you'll be coming to the podium to
2 my right.

3 And I think that's most of our housekeeping matters.
4 What I'd like to do, Commissioner, is that, first of all, let
5 me introduce the Commission staff and Commissioners. To my
6 right, Commissioner Argenziano.

7 COMMISSIONER ARGENZIANO: Good morning.

8 CHAIRMAN CARTER: And, of course, being a hillbilly
9 from Georgia I missed the most important thing. I should have
10 introduced myself first. Matthew Carter, Chairman of the
11 Florida Public Service Commission. Also who will be joining us
12 in a minute will be Commissioner Nathan Skop.

13 So let's do this. Commissioner, let me first of all
14 call the meeting to order and ask staff if they would read the
15 notice.

16 MR. JAEGER: Yes, Chairman Carter.

17 Pursuant to notice, this time and place was set for a
18 customer service hearing in Docket Number 070293-SU,
19 application for an increase in wastewater rates in Monroe
20 County by K W Resort Utilities Corp.

21 CHAIRMAN CARTER: Thank you. Now we'll take
22 appearances of the parties.

23 MR. WHARTON: John Wharton and Marty Deterding of
24 Rose, Sundstrom & Bentley in Tallahassee representing the
25 utility.

1 MR. BURGESS: Mr. Chairman, I'm Steve Burgess with
2 the Office of Public Counsel, and I'm here today with J. R.
3 Kelly, the Public Counsel. We are here appearing on behalf of
4 the citizens of the State of Florida.

5 CHAIRMAN CARTER: Thank you.

6 MR. JAEGER: Ralph Jaeger on behalf of the
7 Commission.

8 MS. HELTON: Mary Anne Helton, advisor to the
9 Commission.

10 CHAIRMAN CARTER: Thank you very kindly. And as I
11 said, I want to welcome you all here. And I'd like to thank
12 the wonderful people of Key West for allowing us to use this
13 historic building. It's very, very nice. I guess I'm kind of
14 overdressed for the part, but I do enjoy being here and I thank
15 you for the ceiling fan. It's nice and cool in here.

16 But we also have, with us today we have PSC staff.
17 Cindy Muir over to my right will be there to assist you if you
18 have any questions. Also the company has staff here today.

19 MR. DETERDING: Yes, sir.

20 CHAIRMAN CARTER: Company staff. Would you please
21 identify yourself just in case any customers may have some
22 questions or concerns?

23 MR. SMITH: Yes. I'm Bill Smith. I'm the owner of
24 the utility company. This is Bart Smith. He's one of the
25 directors of the utility company. This is Ed Castle. He is

1 the engineer for the utility company. Chris Johnson, he's the
2 General Manager of Plant Operations. This is Doug Carter, the
3 General Manager of the utility company. And that's the staff.

4 CHAIRMAN CARTER: Thank you, Mr. Smith. Thank you.

5 What we try to do when we come out to hearings like
6 this is, one, if there's a problem or concern, we ask that the
7 company, they have representatives so we can take care of that
8 on the, while we're here. Additionally, we have our staff from
9 the Public Service Commission. If you have questions or
10 concerns, we can deal with that as well.

11 So I've already mentioned that we'll swear you in as
12 a group. Let's kind of move forward with that. Let me see.
13 Before we take our opening statements, I probably need to go
14 into preliminary matters.

15 MR. JAEGER: Yes, Chairman Carter. I think there's
16 one preliminary matter that we should take up before the
17 beginning of the service hearing for sure, and that was the
18 irregularity of the notice. The notice was, public notice of
19 publication was not submitted -- it was submitted late to the
20 newspaper and was published nine days late. And I think the
21 utility requested a rule waiver, and I thought we'd let the
22 utility introduce their side, and then we'll hear from OPC and
23 then staff.

24 CHAIRMAN CARTER: Okay. Let's do that.

25 Good morning. You're recognized.

1 MR. WHARTON: Thank you, Mr. Chairman.

2 Rule 22 -- 25-22.407(7) requires that no less than 14
3 days and no, no more distant than 30 days prior to the date of
4 the hearing there shall be publication of hearing in a
5 newspaper of general circulation about the time, date, location
6 and purpose of the hearing. That did not occur in this case.
7 Actual notice was given to all of the customers by mail. There
8 was a notice of this hearing published in the newspaper on
9 Friday, and we have brought in that affidavit of publication.
10 There have been two articles in the newspapers of general
11 circulation: One that fits easily within this time frame
12 that's contemplated by the Administrative Code rule and which
13 is attached to the motion, another which was only published
14 this Saturday, both of which had some of the information, what
15 the hearing was about, where the hearing would be, the date of
16 the hearing. I don't believe either article had the time of
17 the hearing.

18 We have filed a request that the rule be waived. But
19 I would also ask, and staff counsel, I know, has formed an
20 opinion on this, that the first article, particularly since it
21 was in a paper of general circulation, since it did have the
22 vital information required by rule, be taken such that the rule
23 would be satisfied.

24 Here is K W's concern. If there is not some sort of
25 a consensus on this issue, and, therefore, I guess I won't

1 really ask the panel to be ruling on a contentious motion, then
2 I would request just to make sure there's nothing hanging out
3 there that the court of appeals might be interested in -- I
4 understand that the Commission has a way they've sometimes
5 resolved this in the past at a customer hearing after the fact.
6 And so maybe once we've heard from OPC and staff we'll
7 understand whether we have achieved that level of consensus or
8 how the Commission wants to proceed.

9 CHAIRMAN CARTER: Thank you.

10 Commissioner Argenziano, you're recognized for a
11 question.

12 COMMISSIONER ARGENZIANO: Can you hear me?
13 What happened?

14 MR. WHARTON: It just didn't, it just didn't get
15 done. It just didn't occur. It was not the fault of the
16 paper.

17 CHAIRMAN CARTER: Mr. Burgess.

18 MR. BURGESS: Commissioner, with regard to the
19 deficiency in the notice's effect on these proceedings today,
20 we are not taking the position that it invalidates these
21 hearings today and the Commission's ability to take evidence
22 today. We believe this exercise today is a valid exercise of
23 Commission jurisdiction to take, to take the evidence and to
24 hold the hearing.

25 The question, I think, that comes into perhaps

1 greater relevance is what about the people that maybe have not
2 had an opportunity to be heard? Should there be another
3 opportunity to be heard? Well, we aren't taking that position
4 because we don't -- we are down here, we don't know the
5 circumstances and we aren't customers. So we aren't claiming
6 that you need to have another hearing or do something to
7 further satisfy the notice requirements, but I don't feel like
8 I can speak on behalf of any customer who may not have received
9 notice because of the deficiency. So we are not asking for
10 another hearing. We are saying we believe today's hearings are
11 valid with regard to the Commission's exercise of its
12 jurisdiction, but we don't believe we can speak to the question
13 of whether perhaps some other method of input may be
14 appropriate for people who may claim to not have received
15 notice.

16 CHAIRMAN CARTER: Okay. Let's hear from, hear from
17 staff and then we'll come back to the bench.

18 MR. JAEGER: Chairman Carter, instead of a rule
19 waiver, we're looking at whether the due process rights of the
20 customers have been violated. And there's no doubt, I mean
21 there's no question they did violate Rule 25-22.407 requiring
22 the 14 days of newspaper publication prior to the hearing. But
23 there was that article that came out about 15 or 16 days prior
24 and it discussed the location, the purpose. And so staff does
25 not believe that the due process rights of the customers have

1 been violated by this under the 120 -- the provisions. So
2 there may be some -- if there is an appeal, I understand
3 Mr. Wharton's concern that, you know, that the court could
4 say -- and I don't think we need another customer service
5 hearing, but there could be that concern that that might be
6 brought up on appeal.

7 CHAIRMAN CARTER: Commissioner Argenziano.

8 COMMISSIONER ARGENZIANO: Well, it could. We can't
9 say that it can't. I mean, there could come a situation where
10 someone out there may say, well, you know, I didn't, I didn't
11 know. Ordinarily it would be, it would be printed for 14 days
12 or just would be the minimum of 14 days?

13 MR. WHARTON: In between 14 and 30. No, no sooner
14 than 14 or longer than 30.

15 COMMISSIONER ARGENZIANO: Well, then it's very
16 possible that that could occur. We can't just say throw that
17 out. So I don't know what we do in that case.

18 MR. WHARTON: I think I would suggest respectfully
19 based upon the comments that I have heard that the best course
20 of action might be that, that we attempt in a way that is the
21 most expeditious and inexpensive, perhaps through video or
22 something, and that we do publish and give customers who want
23 an opportunity to comment in the customer portion the ability
24 to do that sometime in between 14 and 30 days after publication
25 occurs. Maybe there is some way to do that in a way that could

1 minimize the expenses to everyone.

2 CHAIRMAN CARTER: Mr. Jaeger.

3 MR. JAEGER: That's, you know, I hate to go through
4 that expense, but we could do it through video conferencing,
5 maybe we could minimize it and that would be the safest way. I
6 don't think we have a problem, but there is always that
7 question.

8 CHAIRMAN CARTER: Well, that sounds reasonable,
9 particularly when you consider that you sent actual notice to
10 the customers. And those were the addresses that you send the
11 bills to as well; correct?

12 MR. WHARTON: Correct. And I'm going to be
13 submitting that affidavit to staff for filing. Also the
14 affidavit of Friday's publication. I also have a copy for
15 staff of the second article, and I attached the one article
16 that was within the Administrative Code rule contemplated time
17 frame to our motion, so.

18 CHAIRMAN CARTER: Ms. Helton, in view of what we've
19 heard today and the fact that the company will go through
20 another set of motions, not the kind of legal motions but
21 additional steps to make sure that everyone was informed, would
22 it be appropriate for us to allow them to do that and then we
23 just rule on this at a later point in time? Do you understand
24 what I'm trying to --

25

1 MS. HELTON: Well, I am comforted by the fact that,
2 one, the customers have received actual notice, as is also
3 contemplated by our rule.

4 CHAIRMAN CARTER: Okay.

5 MS. HELTON: I am also comforted by the fact that
6 there was a newspaper article published that gives information
7 required by the rule. It's my understanding at least one of
8 those articles was published during the time frame contemplated
9 by the rule. I'm not sure that we do have to decide today
10 whether we have an additional service hearing or not. It seems
11 to me that we can go through the process today and at the end
12 of the hearing see where we are and see whether we, whether
13 there is a need to schedule an additional hearing.

14 CHAIRMAN CARTER: Well, I'm, I'm just, Commissioners,
15 I'm just thinking aloud, particularly in light of what
16 Mr. Burgess has said and in light of the fact that the
17 customers did receive actual notice, additionally is that there
18 could be some subsequent follow-up. We've got basically two
19 hearings today; we've got the hearing this morning and one this
20 evening. And the article has been in the paper of general
21 jurisdiction, general circulation locally and all that. I'm,
22 I'm kind of thinking aloud.

23 Commissioner Skop, any thoughts?

24 COMMISSIONER SKOP: I tend to agree with you,
25 Chairman. I tend to, I tend to agree with you, Chairman, to

1 the extent that actual notice has been published, and I agree
2 with Commissioner Argenziano that I'm concerned that for
3 whatever reason the publication, the publication notice was not
4 published. But, again, I think there was adequate protection
5 to ensure due process pursuant to Mr. Burgess's comments and
6 also Mr. Jaeger's comments. Just I think we can move forward
7 and address the need for an additional service hearing at a
8 later date.

9 CHAIRMAN CARTER: Okay. So I was -- let's do this.
10 Let's kind of -- Ms. Helton, help me kind of keep, keep it in
11 the road a bit so we can get, get where we need to be. Would
12 it be a matter of saying based upon actual notice, based upon
13 the public hearing, based upon the publication of the articles
14 within the time frame in a newspaper of general circulation and
15 based on the fact that even after these hearings the companies
16 will go and make a further appeal to the customers and all like
17 that, I think at that point in time it will give us a basis
18 from which we could agree to the waiver, do you think?

19 MS. HELTON: Well, I'm not sure that we can agree to
20 the waiver today anyway because we don't have -- the notice
21 time has not been met as contemplated by the waiver statute in
22 120 point, I think it's 542, but don't hold me to that. So I
23 don't think we can vote on the waiver -- y'all can vote on the
24 waiver today at all.

25 CHAIRMAN CARTER: But when we do vote, and I want you

1 to make sure that what I just, those factors that I just
2 enunciated are in as the basis for that.

3 MS. HELTON: Yes, sir.

4 CHAIRMAN CARTER: Because we do have that.

5 Okay. Let's move further. Mr. Jaeger, we're in
6 preliminary matters.

7 Let me just make sure the company understood what we
8 said we were doing. Are you guys comfortable with that?

9 MR. WHARTON: That's fine, Mr. Chairman.

10 CHAIRMAN CARTER: Mr. Jaeger.

11 MR. JAEGER: There are several other preliminary
12 matters. Some of them I think can be taken up in the technical
13 hearing. But one I think we probably ought to take up now is
14 just the Comprehensive Exhibit List. And the staff -- staff in
15 these type of hearings drafts a Comprehensive Exhibit List
16 which lists all the exhibits that have been filed to date and
17 prenumbers them. And we've got 1 through 34, and I think all
18 the parties agree that they can be, that can be identified and
19 entered into the record. Not the 34 exhibits but the
20 Comprehensive Exhibit List. So that's the first thing.
21 1 through 34 will be identified and, and it's just the Exhibit
22 1, which is the Comprehensive Exhibit List itself.

23 CHAIRMAN CARTER: Mr. Burgess, have you had an
24 opportunity to look at the Comprehensive Exhibit List?

25 MR. BURGESS: I have, Mr. Chairman. We are fine. We

1 have no objection to that.

2 MR. WHARTON: We also have no objection, Mr.
3 Chairman. The parties had a discussion. I will just say very
4 quickly that staff has circulated the documents. The documents
5 have already been exchanged in discovery, most of them, or
6 attached to prefiled testimony in the form of a disk. This is
7 a good way to do it in voluminous documents and a modern way to
8 do it. But the parties agree that if there is some agreement
9 after the fact that this actually should have been part of,
10 say, what was given up in Number 50, that it could be
11 supplemented even if it doesn't appear on this disk. That's
12 the one disadvantage of not being able to review the box full
13 of documents that come in. But I think the parties are all in
14 agreement.

15 CHAIRMAN CARTER: Okay.

16 MR. WHARTON: And we do agree with staff's policy.

17 CHAIRMAN CARTER: Show that done without objection.
18 And also you had a notice, a notice you filed subsequent to
19 that.

20 MR. WHARTON: I do.

21 CHAIRMAN CARTER: That would be -- Mr. Jaeger, now
22 the Comprehensive Exhibit List is -- would that be --

23 MR. JAEGER: That's Exhibit 1. Also we have the
24 Staff's Composite Exhibit 2 which all the parties have agreed
25 to.

1 CHAIRMAN CARTER: Exhibit 1, which is staff's
2 comprehensive?

3 MR. JAEGER: And that would be Exhibit 2. And if you
4 want, we can go ahead and move that in. All the parties are
5 agreed that it can be moved in.

6 CHAIRMAN CARTER: Okay. Exhibit 2, give me a title.

7 MR. JAEGER: Staff's Composite Exhibit and it's
8 stipulated. And it's consisting of many documents in response
9 to interrogatories and discovery.

10 CHAIRMAN CARTER: Mr. Burgess, any questions,
11 concerns?

12 MR. BURGESS: No, Mr. Chairman. We, we agree and
13 have no objection to stipulating it into the record.

14 CHAIRMAN CARTER: Mr. Wharton?

15 MR. WHARTON: Okay.

16 CHAIRMAN CARTER: Show it done.

17 (Exhibits 1 through 34 marked for identification.)

18 (Exhibits 1 and 2 admitted into the record.)

19 Exhibit 3 --

20 MR. JAEGER: Then there's 32 more exhibits that are
21 already prenumbered already. So the first exhibit we would
22 start with would be 35.

23 CHAIRMAN CARTER: So today as we proceed, this
24 Exhibit 2 is comprehensive with Exhibits 1 through 34?

25 MR. JAEGER: 1 through 34 are preidentified exhibits.

1 Yes.

2 CHAIRMAN CARTER: Okay. So -- okay. Let's do this.
3 Now we're on Exhibit 35.

4 Mr. Wharton, you're recognized.

5 MR. WHARTON: Yes. I would like to pass out the, to
6 whoever I should pass it out to, the affidavit of, the personal
7 notice that was effectuated and also an affidavit of the
8 publication which occurred on Friday.

9 CHAIRMAN CARTER: Commissioner Argenziano.

10 COMMISSIONER ARGENZIANO: Just a question. The
11 notices that you sent out, a lot of people are up north at this
12 time. Do you send out the notices to their other residence or
13 the residence on record? Do we know if they've gotten notices
14 when they're not living, actually living in the Keys?

15 MR. WHARTON: To my knowledge, the mailings went to
16 the address of record that the utility had for service.

17 COMMISSIONER ARGENZIANO: Does -- one other question.
18 Does it indicate on the notice that they can participate by
19 written comments?

20 MR. WHARTON: I would have to look. I know that
21 these forms of notices are approved in advance by staff as
22 consistent with the Administrative Code rule, and that was the
23 notice that was sent out in this case.

24 MR. DETERDING: Yes, Commissioner. The notice that
25 was sent to the individual customers was several pages long.

1 It does contain information about filing written comments, if
2 they wish to, with the Commission's address.

3 CHAIRMAN CARTER: Thank you. And that will be listed
4 as Exhibit 35, and that's the publication. Mr. Burgess, are
5 you okay with that?

6 MR. BURGESS: Yes, sir. No objection.

7 CHAIRMAN CARTER: We're not -- we're just entering it
8 into the record.

9 MR. BURGESS: Absolutely.

10 CHAIRMAN CARTER: They still have to go through the
11 normal process. But we're going to -- so show it done without
12 objection.

13 (Exhibit 35 marked for identification.)

14 Any further preliminary matters, Mr. Jaeger?

15 MR. JAEGER: I believe the rest can wait until the
16 technical hearing when we get through the customers.

17 CHAIRMAN CARTER: We really came to hear from the
18 customers. I hope all that gobbledygook we just went through
19 didn't really phase you because it's more -- the process that
20 we're going through, part of it is the public hearing where we
21 hear from you, the customers that are involved.

22 The other part of it is that once we complete our
23 public hearing, we're going to go into a technical, we call it
24 a technical phase. All that is is where lawyers and experts
25 get together. You know, an expert is just somebody from out of

1 town with a business card. So the experts get a chance to make
2 their testimony and get it cross-examined. And then our staff
3 will also be a party to that -- well, not necessarily a party,
4 but they'll certainly be in the process of asking questions to
5 make sure that they dotted the I's and crossed the T's and also
6 look at it from an economic standpoint in terms of whether
7 these numbers are supportable. But I also want to hear from
8 you, the customers, about this proposed rate increase.

9 So what we need to do right now, let me just kind of
10 tell the parties, is that I'm going to ask if you would keep
11 your opening statements to not more than ten minutes because I
12 really want to hear -- not I, but we really want to hear from
13 the public. That's why we're down here. We want to hear from
14 the people that are impacted by this. So anything further
15 before we go to opening statements, staff?

16 MR. BURGESS: Commissioner?

17 CHAIRMAN CARTER: Mr. Burgess, you first.

18 MR. BURGESS: I apologize, Mr. Chairman. This is a
19 request that we have and on behalf of our office with regard to
20 the order in which this is taken. The opening statement that I
21 have is, is directed to the evidence that we intend to present.
22 It will take place in the technical side of the hearing. If
23 it's at all possible, if it's acceptable to you, I would ask
24 that I make that presentation to the Commission after the
25 customer testimony --

1 CHAIRMAN CARTER: Okay.

2 MR. BURGESS: -- and immediately before the
3 technical.

4 CHAIRMAN CARTER: That would be fine. That would be
5 fine.

6 MR. BURGESS: Thank you.

7 CHAIRMAN CARTER: Mr. Wharton, is that cool?

8 MR. DETERDING: That makes sense to us.

9 CHAIRMAN CARTER: Excellent. Excellent. That gives
10 us more time, more opportunity to hear from the public.

11 MR. WHARTON: Chairman Carter, very quickly. I would
12 just like to add one page to the composite exhibit on the
13 matters we discussed on the notice, and this is the article
14 that appeared on Saturday the 27th that noted the time, the
15 date and the place of this hearing.

16 CHAIRMAN CARTER: So Exhibit 35 will be a composite
17 exhibit.

18 MR. WHARTON: It actually has two affidavits plus
19 this article.

20 MR. BURGESS: No objection.

21 MR. JAEGER: He's given me a copy of it.

22 CHAIRMAN CARTER: Okay. Who's keeping it?

23 Okay. With that then, let's do this. Those of you
24 that are wishing to speak today, would you please stand and
25 raise your right hand?

1 (Witnesses collectively sworn.)

2 Those of you that may have come in later, I mentioned
3 that you'll be coming to this podium to my right. And when you
4 come to the podium, please give your name, address and phone
5 number so we -- the young lady sitting in front of me here,
6 she's a court reporter. This is part of the official record
7 that we'll have before we rule on this matter, and she's taking
8 down everything that you say and we want to make sure that we
9 get all your comments on the record.

10 Okay. All right. Mr. -- anything -- nothing
11 further? Staff? Commissioners?

12 Mr. Burgess, you're recognized. Would you call the
13 first person?

14 MR. BURGESS: If I might, Mr. Chairman --

15 CHAIRMAN CARTER: Yes, sir.

16 MR. BURGESS: -- I would ask that the Public Counsel,
17 J. R. Kelly, call the witnesses as, as --

18 CHAIRMAN CARTER: Mr. Kelly, it would be a pleasure
19 to have you, sir.

20 MR. KELLY: Thank you, Mr. Chairman. I appreciate
21 it. I've got a list here to call. Some of the folks here have
22 indicated that they're a little bit pressed for time, so I'm
23 going to take them out of order a little bit. And ask any of
24 you that if you are pressed for time, you need to get back to
25 work or to another pressing matter, if you'll just come up and

1 let me know and I'll take your name out of order. Again, as
2 the Chairman said, the most important thing is that you get
3 heard and we want you to have an opportunity. But we do know
4 that with a hearing at 10:00 sometimes that you have pressing
5 matters. So please come up and let me know and we'll take you
6 out of order, if we need to, because I do have a couple of
7 people that have indicated that.

8 With that, Mr. Chairman, the first speaker is
9 Ms. Diane Beraldsen. And I apologize if I butcher anybody's
10 name.

11 CHAIRMAN CARTER: Ms. Beraldsen.

12 Whereupon,

13 DIANE BERALDSEN

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

16 DIRECT STATEMENT

17 MS. BERALDSEN: Diane Beraldsen, 25 A 7th Avenue.

18 And my phone number as well?

19 CHAIRMAN CARTER: Yes, ma'am.

20 MS. BERALDSEN: (305)293-8621.

21 We have Enron, we have the real estate subprime
22 loans, our economy, the recession, we have Wall Street, the big
23 bailout. This is the same. Until now it was the Office of
24 Public Counsel who was taking measures to protect us.

25 I have great concerns. I'd like to know why our

1 government didn't send this group here to clean up this
2 company. Where was our local government? And it seems to be
3 another good old boy deal, a Bubba deal here in the Keys.

4 I'd like to know what happened to -- there was a big
5 controversy with Key West Resort a couple of years ago. There
6 was an agreement that the company made with the homeowner. The
7 homeowner would take their sewer pipe to the main street and it
8 would be hooked up. That hookup was originally sentenced that
9 the company would pay for it, but two or three sentences were
10 changed and that cost the homeowner lots of money. That was a
11 big controversy.

12 Last night we had a meeting at the church for us
13 public citizens, and I was offended when Bill and his workers
14 from Key West, well, they're not really his workers, but the
15 people associated with his companies came to our meeting
16 because I felt infiltrated. And it's a tactic that I found
17 very aggressive. He took up our time explaining his side of
18 the story, all of his expenses, but I really felt intimidated
19 by it. That meeting was for us, and they were asked to leave
20 and they did leave finally.

21 But I ask you -- I want to also tell you there was a
22 grand jury that found the Key West Resort and the county guilty
23 of mismanagement and disservice to the citizens. So there is a
24 history behind them.

25 And if you allow this company to continue to operate

1 this way, it teaches their family that they can continue to
2 operate this way, mismanagement, they have their workers
3 contracted out. They don't actually employ employees to sewer
4 the Stock Island area. These subcontracts end up costing us
5 more money. One of the companies pads a 30 percent increase to
6 materials, the wife gets a restaurant dinner for \$236, the
7 children get cell phones, we're paying for it. I don't know
8 why we have to pay for these expenses. There should be -- he
9 should, Bill should be responsible for his own expenses. But
10 if you don't take action now, who will?

11 Another thing that worries me is that all of their
12 legal expenses can also come out of the company expenses. So
13 for whatever Bill pays for his lawyers, which I'm -- and we
14 don't even know if it's a family member who's the lawyer. They
15 pay so much money for these, for these entities, we have to pay
16 for it. I ask the company -- I ask the group here right now,
17 the board, do not let him charge us, the customers, legal fees
18 because it was his own responsibility.

19 And I just want to express another thing that
20 happens. You tell the citizens, us, that the way this company
21 has been allowed to operate it's okay to operate. It really
22 sends a big message to other companies who will do the same.
23 You really need to clean up, and I ask you to please protect us
24 because we are the poor people, we are the ones who truly
25 suffer. And even though Bill said last night it was a

1 \$6 increase, it actually -- we should be charged less money if
2 they operated the company the way it should. And thank you for
3 letting me speak. Thanks.

4 CHAIRMAN CARTER: Hang on one second.

5 Commissioner Argenziano.

6 COMMISSIONER ARGENZIANO: I appreciate you coming
7 here today, except I just need to know more than, than what
8 you've told me. You've mentioned that you believe -- I think
9 what you said, correct me, please, if I didn't get it right,
10 that the subcontractors that they use are padding, did you say,
11 30 percent, bumping things up 30 percent more than they need to
12 be?

13 MS. BERALDSEN: What I understand from newspaper
14 stories, from information that was shared last night, there
15 actually are no employees in the Key West Resort. They're
16 actually contracted out. One of the companies that is
17 contracted, Bill, his son-in-law, charged a 30 percent increase
18 for materials. I don't -- that's not a -- that should not be a
19 proper business procedure. That's, I believe, exorbitant. The
20 wife owns the golf course, which has something to do with all
21 of this.

22 COMMISSIONER ARGENZIANO: Excuse me, and I don't mean
23 to cut you off, but what I'm trying to find out is I guess I
24 need more specifics. I don't understand what the wife owning a
25 golf course has to do with it. If you can let me know, because

1 I don't know the story.

2 MS. BERALDSEN: You know what, there's so much
3 background to this whole thing. You know, first of all, we're
4 charged a flat rate. We are -- there's no meter for our sewer.
5 How they -- so they just charge us a flat rate. It has
6 something to do, and I'm just going to give you the gist
7 because me as a citizen, I don't know all the inside
8 information. But I do read papers and I listen to radio and I
9 pay attention. And what happens is something to do with the
10 water usage in some instances determines how much the sewer
11 will, will be charged, the bill. Something happens out in the
12 golf course. They don't pay for the water or some, some
13 special deal is made. It's, I believe it's connected. It's
14 like this good old boy gets a deal here, this good old boy gets
15 a deal here, they all work together. And if you were to follow
16 all of these, the web, you would find even more shenanigans.
17 Okay?

18 But all I could tell you -- you asked me how it costs
19 more money for the subcontracts. That in itself would cost
20 more money. Because if you don't -- a company that would
21 employ its own employees and do a good business, they will just
22 simply -- there is no middleman, and that in itself -- when you
23 subcontract, you enter the middleman who is allowed to charge
24 whatever they charge, you see. So in that instance for the
25 son-in-law padding the 30 percent on materials, is that, is

1 that a good example for you? Can --

2 COMMISSIONER ARGENZIANO: Yes. And one other
3 comment. I think you said something about the children of who
4 having cell phones?

5 MS. BERALDSEN: Yeah. It was in the story. It's, as
6 his business expenses, he, we pay for his three children's cell
7 phones. I mean, it may, it may sound meaningless, but it all
8 adds up and it shows how they do their financing. If this is
9 found and discovered, imagine what else is discovered. I mean,
10 they could charge us anything as a business expense when it
11 should be a personal expense and we shouldn't bear the burden
12 of paying for it. Okay.

13 COMMISSIONER ARGENZIANO: Thank you. Mr. Chairman,
14 if the company would respond and if staff would tell me if
15 they've looked into or heard any of these allegations as far as
16 the company using those type of expenses and the customer
17 paying them.

18 MR. JAEGER: You want the utility first?

19 COMMISSIONER ARGENZIANO: The company, can you
20 respond to it?

21 MR. WHARTON: I don't believe so, not without
22 conferring with the client. Or there may well be people who --
23 Mr. Smith may more appropriately be able to answer those
24 questions when he's on the stand.

25 MR. SMITH: I can respond now.

1 COMMISSIONER ARGENZIANO: Well, I don't know how to
2 do this. Maybe staff can --

3 MR. JAEGER: There are issues on what are legitimate
4 expenses and related-party transactions, that's all through
5 this case.

6 COMMISSIONER ARGENZIANO: Okay. I haven't found that
7 specifically. What I'm trying to find out is is the company
8 billing the customers for the gentleman's children's cell
9 phones?

10 CHAIRMAN CARTER: Was that part of the -- Marshall
11 Willis.

12 MR. SMITH: I'll tell you this.

13 CHAIRMAN CARTER: Hang on a second.

14 MS. BERALDSEN: Does he want to come to the mike?

15 COMMISSIONER ARGENZIANO: Hang on a second.

16 CHAIRMAN CARTER: Just hold on. Everybody just
17 freeze in place.

18 Mr. Willis.

19 MR. WILLIS: I think I can help out on this real
20 quick like. If you look at the Prehearing Order, Page Number
21 24, and I believe in stipulation number six, all parties have
22 agreed that miscellaneous non-utility telephone expenses of
23 \$7,508 should not be included in the expenses of the utility
24 company. That includes those costs. It was one of our audit
25 findings.

1 COMMISSIONER ARGENZIANO: Well, I guess then it comes
2 down to that the company was trying to charge the consumer for
3 cell phones for the children?

4 MR. WILLIS: Well, the company did definitely include
5 costs in their, in their actual utility expenses that we would
6 not consider as legitimate utility costs to pass on to
7 consumers. You do find that on the occasion, but staff strips
8 those out.

9 COMMISSIONER ARGENZIANO: They're stripped out.

10 MR. WILLIS: Yes.

11 COMMISSIONER ARGENZIANO: So any charges that would
12 go to the consumer now do not include those. So you do
13 understand.

14 MS. BERALDSEN: Okay. But then let me make this --

15 CHAIRMAN CARTER: Hang on a second. Hang on a
16 second.

17 Commissioner Skop.

18 COMMISSIONER SKOP: Thank you. Thank you, Mr.
19 Chairman. I don't think my microphone is working too well.

20 CHAIRMAN CARTER: Can you guys hear back there?

21 COMMISSIONER SKOP: I'll talk my normal voice. I
22 appreciate the comments. And to Commissioner Argenziano's
23 point and Mr. Willis's point, would it be correct to understand
24 that notwithstanding the proposed stipulation that those costs
25 were just recently added into the case before us in terms of

1 trying to be included in the future base rate or was that
2 something that they had previously charged the consumers for?

3 MR. WILLIS: No. This wouldn't be something they
4 previously charged consumers for because it would have had to
5 have been included in the last rate case, included in the rates
6 of the company. If the Commission does not allow these costs
7 as part of their base rate increase, at that point the cost is
8 borne by the stockholders. It would not be borne by the
9 customers.

10 COMMISSIONER SKOP: Thank you. Then just one more
11 question, Ms. Beraldsen, touching upon Commissioner
12 Argenziano's question. I guess you're also asserting that in
13 relation to the subcontractor that subcontracting is being done
14 with, through relatives or related parties, I think as
15 Mr. Willis has mentioned; is that correct?

16 MS. BERALDSEN: Yes.

17 COMMISSIONER SKOP: Thank you.

18 MS. BERALDSEN: Can I just -- you understand my point
19 though about the expense for the cell phones. It shows the
20 business can even consider this a business expense, there
21 probably are more expenses that would not be fair.

22 COMMISSIONER ARGENZIANO: And I appreciate you
23 bringing that up. What I'm very happy to see is that staff
24 caught it and it will not be included. Thank you.

25 MS. BERALDSEN: Yeah. Okay. Thank you.

1 COMMISSIONER SKOP: Ms. Beraldsen, just one more
2 quick question. And to that point, I can assure you our staff
3 does an excellent job in scrubbing the numbers and we root out
4 those expenses that are disallowed and we do disallow those.
5 So I appreciate you bringing that to our attention.

6 MS. BERALDSEN: I'm very grateful for you guys being
7 here. Thank you.

8 CHAIRMAN CARTER: Mr. Burgess, you're recognized.

9 MR. BURGESS: And just for Commissioner Argenziano's,
10 to the Commissioner's question, Issue 24 is the issue that
11 deals with what she spoke of with regard to the specifics.

12 COMMISSIONER ARGENZIANO: Thank you.

13 CHAIRMAN CARTER: Thank you.

14 MS. BERALDSEN: Okay.

15 MR. WHARTON: Chairman Carter, I do have a couple of
16 points of this witness, of this witness.

17 CHAIRMAN CARTER: Ms. Beraldsen, would you please --

18 MS. BERALDSEN: Oh, I'm sorry.

19 CHAIRMAN CARTER: You're recognized.

20 CROSS EXAMINATION

21 BY MR. WHARTON:

22 Q Very quickly, ma'am, because I'm not sure exactly
23 what you're aware of in terms of ordinances and laws out there.
24 I want you just to assume for the purposes of my question that
25 that is the case. If the Florida Legislature has passed a law

1 that applies to the Florida Keys to attempt to secure people
2 who aren't on central sewer systems to connect to them and to
3 try to get central sewer systems to improve the quality of
4 their treatment methods to preserve the environment of the
5 Florida Keys, would you be generally supportive of that?

6 A Can -- I'm sorry. Can you say that one more time?

7 Q Yeah. If the Florida Legislature has put a law in
8 place --

9 A Yeah.

10 Q -- that is --

11 A The central sewer in --

12 Q -- its purpose is to help preserve the environment of
13 the Florida Keys by getting people, say, who are on septic
14 systems --

15 A Yeah.

16 Q -- to connect to bigger sewer systems or by getting
17 people who are on little sewer systems to connect to bigger
18 sewer systems --

19 A Yeah.

20 Q -- with better treatment methods, would you be
21 supportive of that?

22 A Absolutely. But then for that matter, I also
23 understand that the quality that they sewer the water, that
24 they actually clean the water is not up to par either. I
25 believe that how they clean the water is controversial as well.

1 And I think that we have information from the environmental
2 people who will share that also. I'm an environmentalist. I
3 certainly agree that everybody should be hooked up to a central
4 water system and have that done for the environmental.

5 Q Are you generally supportive of Monroe County's
6 implementation of an ordinance directing people who aren't
7 connected to central systems to connect to central systems in
8 order to preserve the environment?

9 A I believe that everybody should be connected. How
10 it's done is another topic. Everybody should be hooked into
11 the central water system.

12 Q Are you generally supportive of the relationship, the
13 transaction that occurred between the county and K W to
14 effectuate that end, to secure K W going to a higher standard
15 and to secure people connecting to the system?

16 A Well, that was a hot topic. We had a meeting in
17 Stock Island, and these fellows, I actually felt really bad for
18 them, Bill and the other two fellows. The citizens were told
19 that the hookup fee to put everybody on a central sewer system
20 would be paid for by Key West Resort. And it seemed like in a
21 span of maybe two or three months somehow this paper had
22 changed its wording two or three sentences. We had a very hot
23 meeting at the community college, and the county commissioners
24 were there, I think. But the issue came up. There was a
25 controversy about that.

1 So to be clear and answer your question, no, I'm not
2 happy because it seems that three sentences were changed, which
3 put the burden of expense for that hookup -- and that hookup,
4 by the way, there's several procedures that you can use to
5 hook, to use to hook up the main system with the pipe coming
6 out from the house. There's like the ejection or there's
7 gravity, whatever. The design that was chosen happened to also
8 be the most expensive. So if the citizens understood that they
9 would be burdened with that expense to hook up, I don't think
10 they would have chosen that more expensive method. So it
11 wasn't fair.

12 Q Let's go to the bottom line though. As I understand
13 what you're saying, you are generally supportive of persons in
14 the Florida Keys who are on smaller systems or septic tanks
15 hooking up to higher quality central sewer service systems in
16 order to preserve the environment of the Keys.

17 A Yes. Yes.

18 Q Thank you.

19 A Okay.

20 CHAIRMAN CARTER: Mr. Burgess, anything further?

21 MR. BURGESS: No, I have no questions. Thank you,
22 Mr. Chairman.

23 CHAIRMAN CARTER: Staff?

24 MR. JAEGER: No questions.

25 CHAIRMAN CARTER: Thank you. Thank you very much.

1 MS. BERALDSEN: Thank you.

2 CHAIRMAN CARTER: Mr. Kelly.

3 MR. KELLY: The next speaker, Mr. Chairman, is
4 Mr. George Rose.

5 Whereupon,

6 GEORGE ROSE

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

9 DIRECT STATEMENT

10 MR. ROSE: Thank you, Mr. Kelly.

11 My name is George Rose. I am at -- I own Hurricane
12 Hole Marina, 5130 Overseas Highway. I'd like to thank the
13 Commission and the residents for this opportunity to address
14 the Commission.

15 I am here in support of the rate hike as a business
16 owner. I believe that the \$7 rate hike is modest and
17 responsible and does not reflect a gross disregard for the
18 customers' financial impact.

19 My understanding is that this work was done two years
20 prior to a compliance issue and that Mr. Smith put his money
21 out front not knowing if he'd ever recoup it to be in
22 compliance and it was a proactive move. He also saved us money
23 by doing it earlier because it's only going to be more
24 expensive later on.

25 It's also -- I'm trying to build a green marina, and

1 the work that they've done has been very ecofriendly and
2 supportive of the Legislature's laws to that effect.

3 I also think that the prior speaker brings up some
4 good points, but I also know as a business owner that we're all
5 easy targets and that the, that in the process of doing
6 business we're all under regulatory audits and what not. And I
7 don't think that people -- I think information gets passed
8 easily and spun easily, so it's not always what you read in the
9 paper or what you see on TV is accurate. And I think that,
10 that they have to do business under the public eye and public
11 scrutiny and I think there's always mistakes made and judgments
12 in error. But the company as a whole has always seemed to do
13 the right thing for the community. And it's a very expensive
14 process and I think we underestimate the burden that they are
15 under and the decisions they have to make, and it's very easy
16 for us to sit back and pick at them. As I said, you know,
17 things aren't always done right but I think that they've always
18 tried to do the right thing. That's it. Thank you very much.

19 CHAIRMAN CARTER: Thank you. Hang on a second,
20 Mr. Rose.

21 Commissioners? Mr. Burgess?

22 CROSS EXAMINATION

23 BY MR. BURGESS:

24 Q Yes. Did you -- did I understand correctly that
25 you're a businessperson here?

1 A I'm, I am a business owner and I'm also a resident of
2 Stock Island. I live on the golf course.

3 Q And what business, what sort of business?

4 A It's Hurricane Hole Marina. I operate a restaurant
5 and a marina. And I have both -- I have great needs and it's
6 actually extremely expensive for me to co-exist with the resort
7 utilities. I pay a great deal of money. But I also understand
8 that wastewater and especially in the Florida Keys is one of
9 our most important issues. And I understand the need for those
10 infrastructure resources to be in place and it's very difficult
11 to have a company do it right, especially the system may be
12 perceived as the most expensive system. In the long run it was
13 probably the smartest system. You know, sometimes you spend
14 the money right the first time instead of wasting it and having
15 it be inferior five or ten years from now.

16 Q And in the establishment of your prices, I mean,
17 doesn't the competitive market basically create the prices that
18 you're able to charge for goods and services?

19 A Yeah. I am under market, I bear market prices. I
20 have -- it doesn't relate to my costs. That affects my profit,
21 not my prices. I have to stay, I have to stay competitive.

22 Q Are you aware that the, that the utility company is a
23 monopoly that is protected from competition by state law and
24 that the customers are required to take service from that
25 company and only that company?

1 A I am aware of that.

2 Q And would you agree that if there are any costs
3 associated with what's been presented that the Commission
4 determines are improper or imprudent or unreasonable, you
5 wouldn't want to pay those, would you?

6 A No, I wouldn't. But I do believe that I would have
7 that recourse to pursue.

8 Q So if there are issues brought before the Commission
9 that demonstrate to the Commissioners that a particular cost is
10 unreasonable or imprudent, that should be removed from the
11 amount that's paid by the consumers.

12 A Absolutely. And I do support the prior speaker's
13 efforts in regards to cell phones and what not. I think at
14 times in a vacuum you make a decision that is obviously, under
15 this light, an improper one. And it seems that it was
16 rectified and I think further costs -- and people as they go on
17 longer and longer without scrutiny could make more errors in
18 judgment, and I think that's what we're all here today to
19 prevent.

20 Q Thank you for your testimony. I appreciate it.

21 A You're welcome.

22 MR. WHARTON: I do have one follow-up, Mr. Chairman.

23 CHAIRMAN CARTER: You're recognized.

24 CROSS EXAMINATION

25

1 BY MR. WHARTON:

2 Q Sir, are you aware of the fact that K W's rates will
3 be the lowest wastewater rates in the entire Florida Keys, even
4 if this rate increase is approved?

5 A I am.

6 CHAIRMAN CARTER: Any questions from staff?

7 MR. JAEGER: No questions.

8 CHAIRMAN CARTER: Commissioners, anything further?
9 Thank you very kindly.

10 MR. ROSE: You're welcome. Thank you.

11 Mr. Burgess. Mr. Kelly.

12 MR. KELLY: The next speaker is Mr. Glen Owens.

13 Whereupon,

14 GLEN OWENS

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 MR. OWENS: Good morning, Mr. Chairman, fellow
19 Commissioners.

20 CHAIRMAN CARTER: Good morning.

21 MR. OWENS: My name is Glen Owens, O-W-E-N-S, and I
22 live at 184 Venus Lane. And my phone number -- that's on
23 Geiger Key, and my phone number is 293-0153. And I am one of
24 the original founders of the M-10 Coalition in the Lower Keys.
25 And if you don't mind, I will read my statement so to, as a

1 matter of brevity.

2 And M-10 Coalition was formed in March of 2005 as a
3 way to provide citizen input on the construction of a central
4 wastewater system on Rockland, Big Coppitt, Geiger and Shark
5 Keys, which has, is composed of approximately 45,000 residents.
6 The specific event that led to our formation was an agenda item
7 on the upcoming Florida Keys Aqueduct Authority Board of
8 Directors meeting. That agenda item, if approved by the FKA,
9 Florida Keys Aqueduct Authority board, would have seated all
10 authority for wastewater projects in unincorporated Monroe
11 County from the FKA to the county commission. Under state
12 statute, the FKA was the wastewater authority for the county
13 and was responsible for the design, construction and operation
14 of county wastewater systems, and M-10 wanted to keep it that
15 way.

16 After conversations with friends and acquaintances
17 who lived or owned property on Stock Island and after reading a
18 report from the grand jury that had investigated the process by
19 which the sewer system was built on Stock Island, the M-10
20 Coalition determined that we wanted no part of the
21 private/public approach for our wastewater system. We were
22 appalled at the problems the residents of Stock Island were
23 being forced to endure, some of which are being described to
24 you today.

25 We were even more appalled at the role our county

1 government was playing in the project. The grand jury report
2 used the word "incompetent" nearly 20 times to characterize the
3 county involvement in the Stock Island sewer system project.
4 M-10 decided we would have no part of such a process and that
5 we would work to keep the FKA as the wastewater authority for
6 the unincorporated Keys and support them in their efforts to
7 design, build and operate the required wastewater system.

8 Unfortunately, or I should say fortunately we were
9 successful and the result is an interlocal agreement between
10 the county and the FKA regarding the sewer systems. Terms of
11 the ILA, interlocal agreement, require the county to provide
12 the funding for our wastewater systems and that the FKA design,
13 build and operate those systems for the next 99 years.

14 We know what our share of the building of the central
15 system will cost each of us upfront and we are free to hire a
16 plumber of our choosing to connect our homes to the new system.
17 There are no additional fees or administrative costs, and the
18 FKA by law is not permitted to charge any more to operate and
19 maintain our system than it costs them to do so. We shudder to
20 think where we would be today if the county commission had
21 gained control of wastewater in the Keys and forced upon us the
22 same type of system they forced on the residents of Stock
23 Island. Thank you. Do you have any questions?

24 CHAIRMAN CARTER: One second, please.

25 Commissioner Argenziano.

1 COMMISSIONER ARGENZIANO: Nothing. Thank you.

2 CHAIRMAN CARTER: Commissioner Skop? Mr. Burgess.

3 MR. BURGESS: No questions, Mr. Chair.

4 CHAIRMAN CARTER: Mr. Wharton.

5 MR. WHARTON: A couple of quick questions.

6 CHAIRMAN CARTER: You're recognized.

7 CROSS EXAMINATION

8 BY MR. WHARTON:

9 Q One, sir, I just want to make sure that I am clear
10 that you're not a customer of K W; is that correct?

11 A Not at this -- no, I'm not.

12 Q I'm trying to refine my technique a little here to
13 take up less of your time than I did earlier.

14 Isn't it correct that you would be supportive of the
15 people in the Florida Keys connecting to central systems who
16 are on septic tanks and package plants now?

17 A That's our desire and our program.

18 Q And you would also be supportive of efforts of the
19 utilities to treat wastewater at a higher standard as opposed
20 to a lesser standard here in the Florida Keys, wouldn't you?

21 A Of course.

22 MR. WHARTON: Okay. Thank you, sir.

23 CHAIRMAN CARTER: Thank you.

24 Staff, anything?

25 MR. JAEGER: No questions.

1 CHAIRMAN CARTER: Thank you very kindly, Mr. Rose --
2 Mr. Owens.

3 Mr. Kelly, you're recognized. Thank you, Mr. Owens.

4 MR. KELLY: The next speaker is Ms. Kim Wigington.
5 Whereupon,

6 KIM WIGINGTON

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

9 DIRECT STATEMENT

10 MS. WIGINGTON: Good morning.

11 CHAIRMAN CARTER: Good morning.

12 MS. WIGINGTON: Kim Wigington. I'm a resident of
13 Stock Island. My mailing address is Post Office Box 5705, Key
14 West, and the zip is 33045. Telephone number, (305)296-4009.

15 Commissioners, thank you for traveling to Monroe
16 County. I have notes to keep this as brief as possible, if
17 you'll forgive me for reading this.

18 Today may be the first time that you've heard of our
19 experiences with this utility, but it is not the first time
20 authorities have been informed of this company's business
21 practices.

22 In 2002, the Stock Island community was preparing and
23 planning for construction of a central wastewater collection
24 system. The plans the utility presented to be vetted and shown
25 to the public differ greatly from what was constructed by the

1 utility. The difference in the plans was that the burden of
2 cost was shifted to the property owner and away from the
3 utility. As a result, one of the issues that you may hear
4 again and again is the lack of service connections. An
5 engineering audit for a grand jury concluded that the
6 construction as-built records did not match what they observed
7 was constructed in the field. A number of properties cannot
8 connect. To this day there are people who are not connected to
9 the system who have paid their capacity reservation fees, have
10 put their structure on their, infrastructure on their property
11 and paid the utility fees but are unable to connect to the
12 collection system.

13 Some customers have had to pay for infrastructure in
14 the public right-of-way. There were several who have paid a
15 great deal for infrastructure, as much as \$150,000 for
16 infrastructure in the public right-of-way. Then they turn the
17 asset over to the utility and they still have to pay a
18 percentage of what they paid for construction to the utility or
19 one of the utility family members that gets paid separately.
20 Now keep in mind that most of these customers were under code
21 enforcement action and it's code enforcement action proceedings
22 initiated by the utility's referral.

23 I would never do business with this company, but the
24 community is forced to do business with this company by a
25 county whose officials, some officials, present company

1 excluded, please, some of the officials were found by a grand
2 jury to be negligent and didn't have the best interest of the
3 public in mind regarding this utility.

4 The utility paid money to a former county
5 commissioner. This has been confirmed by a grand jury and the
6 State Ethics Commission. The utility has been enabled by
7 corrupt government. Please keep that in mind when you hear
8 people talking.

9 I was in a meeting last night and heard people say
10 that they were fearful of speaking to you today. They were
11 fearful of being at that meeting because of retaliation both
12 from the utility and from, in the past, some county officials.
13 I've heard this over and over again for the last five years.

14 There has been heavy-handed customer relations, there
15 have been heavy-handed contract negotiations. For example,
16 after receiving and signing for registered letters noticing
17 service availability, some residents received a knock on the
18 door by an armed deputy. The deputy delivered the same exact
19 letter received twice in the mail, once regular mail and once
20 by registered mail. The armed deputy showed up as early as
21 7:00 a.m. in the morning. My 80-year-old neighbor met the
22 deputy at the door in her nightgown thinking something had
23 happened to her daughter in Maryland. Another neighbor my age
24 who has an elderly mother feared that something had happened to
25 her mother when she saw the armed deputy there. They both had

1 received and signed for registered letters from the utility.
2 And by the way, the County Attorney's Office has a letter that
3 came about a month after that saying that those being served by
4 deputies with a 30-day connection notice had no system
5 available for connection at that time due to the lack of
6 right-of-way infrastructure. The County Attorney's letter
7 further states it's K W Resort Utilities' responsibility to
8 ensure the appropriate infrastructure is in place to make the
9 system available.

10 There have been other actions of heavy-handedness:
11 Targeting low income customers for code enforcement action.
12 This has been validated by county record in an e-mail from the
13 utility's representatives to county officials. During contract
14 negotiations he recommended the county authorities and the
15 utility jointly target low income households with code
16 enforcement action. That's a quote.

17 I attended some of those code enforcement proceedings
18 early on. The first one was not held in the normal venue which
19 would be a venue like in this BOCC chambers. It was held in an
20 airport arrival area 50 miles away with no ability to be
21 recorded by television and could not be recorded by audio
22 because of the arrival of aircraft and passengers through the
23 area.

24 The first question asked of these customers was, "Do
25 you deny or admit the charge?" The homeowners were not allowed

1 to explain that they had nothing to connect to until they
2 admitted whether they were connected or not. So they had to
3 admit that they were in violation of the connection.

4 Please keep in mind that these low income homeowners
5 in code enforcement proceedings do not have attorneys and may
6 be unclear of their rights. Those with means have spent tens
7 of thousands of dollars in legal fees, needless legal fees.

8 Another example of heavy-handedness: During contract
9 negotiations, one of the utility owner's family members,
10 utility owners, who is an attorney, attended a condominium's
11 board meeting. He identified himself only as an attorney
12 representing a unit owner. He would not give his name and he
13 made a demand for all the association's attorney's records
14 relating to sewer matters. While demanding to discuss the
15 utility litigation matters with the board, he was fully aware
16 that the board was represented by legal counsel and that legal
17 counsel was not present. He did not disclose to the board that
18 he was part owner of the utility, nor that he was representing
19 the utility against the condominium association, nor that he
20 stood to make hundreds of thousands of dollars as a result of
21 their contract negotiation.

22 One example of public relations: The utility placed
23 an ad in the local newspaper during contract negotiations and
24 it begins with a quote, "No good deed goes unpunished." In the
25 body it states that at no time K W Resort Utilities or anyone

1 associated with it interested in purchasing, was interested in
2 purchasing or ever made an offer to purchase property on South
3 Stock Island. I'll provide copies of recorded deeds of South
4 Stock Island properties purchased during that time of contract
5 negotiations by the people the utility was denying had
6 purchased properties. I'll provide other documentation of what
7 I've said to you today, if I may.

8 One issue is obvious: It is unclear where this
9 utility ends and the family members and their companies begin.
10 At times the fees to the family members appear to be hidden or
11 indirect, and the required monthly maintenance contracts with
12 an in-law are paid separately from the monthly bills paid to
13 the utility. Fees were paid to one family member during hookup
14 supposedly as an engineer, believed to be an engineer,
15 including the inspection of your engineer's work. But if that
16 family member was an engineer at the time, no record of it
17 could be found. He admitted in a deposition that he was an
18 electrical engineer in training in Illinois only.

19 This family also oversees the testing of your
20 collection system from time to time and when you connect. Our
21 contractors told us that the testing was excessive and
22 vindictive and based on personal relationships. Costs were
23 driven up to those who complained, especially to those who
24 complained to the Public Service Commission.

25 I don't see anyone in this audience that's

1 negotiating a contract at this time and there are several that
2 are still trying to connect to the system. It takes years of
3 legal wrangling to even get connected to this utility and tens
4 of thousands of dollars in what I believe to be needless legal
5 fees.

6 Commissioners, Stock Island's experience with this
7 utility has prompted citizens of neighboring islands to rise up
8 and demand that this utility not be allowed to expand its
9 service to their neighbors.

10 I appreciate your patience and listening. I would
11 ask you please to make sure hearings held in Tallahassee are
12 available live by audio so that this case can be followed by
13 us. And allow me to leave no doubt whatsoever concerning this
14 utility's rate increase: I strongly oppose any increase in
15 rates paid by this community and respectfully request a refund
16 of past excessive charges. And this rate case only looks at a
17 segment of this utility's history. I wonder what the result
18 would be if other years of this utility's operation were to be
19 audited. I appreciate your oversight very much, and I would
20 ask that you take immediate and appropriate action to protect
21 consumers.

22 CHAIRMAN CARTER: Thank you. Before you go, I know
23 the Commissioners may have some questions, is that, yes, we'll
24 accept the information. Staff that would be Exhibit 36. The
25 documents, that will be Exhibit 36.

1 MR. JAEGER: That's correct. And that's
2 documentation of Ms. Wigington's testimony?

3 CHAIRMAN CARTER: That's an appropriate title.
4 (Exhibit 36 marked for identification.)

5 Okay. Commissioner Argenziano.

6 COMMISSIONER ARGENZIANO: Yes. Thank you for being
7 here.

8 First, just let me explain that Florida Statute
9 mandates the PSC to allow utilities to recover certain costs.
10 So kind of we have -- not kind of. We have a mandate. What we
11 have to look at is prudence, the reasonableness of how they're
12 doing it and, and that sort of thing --

13 MS. WIGINGTON: I understand.

14 COMMISSIONER ARGENZIANO: -- we can look at. You
15 bring up some points that I guess I need some clarification on.
16 And I read through, but after reading so many different cases
17 it kind of jumbles up. So if you don't mind, if I could kind
18 of extract those. And, staff, if you could jump in at any
19 time. And even sometimes even though it's right here in the
20 book, while we're talking about it, get it out now if there's a
21 question and we can answer it. I'd like to do that while we're
22 here.

23 But when you talk about people not being able to hook
24 up to the company --

25 MS. WIGINGTON: Yes.

1 COMMISSIONER ARGENZIANO: -- do you mean financially
2 or the company is disallowing additional hookups? Which
3 doesn't make sense to me because that would be more bread,
4 money for them. So if you could explain that to me, I'd really
5 appreciate it.

6 MS. WIGINGTON: Well, they get the capacity
7 reservation fee. I think part of the confusion here is that
8 unlike most utilities that we're used to here in the county,
9 this utility charged us a capacity reservation fee which the
10 public was not aware of in the very beginning. It has nothing
11 to do with system development or what you'll be provided or
12 hookup. Most people thought that their \$2,700 fee was the fee
13 for the system development in the street, that the
14 infrastructure would be in the public right-of-way, and all
15 they had to do was pay their plumber to connect, and that was a
16 flat fee, \$2,700. What ended up happening was that was
17 considered a capacity reservation fee. You got nothing for
18 that. It's like buying the parking space instead of getting
19 the car that you thought you were getting. So with a capacity
20 reservation fee, then they started adding on hookup fees,
21 administration costs, legal fees, 10 percent to the son-in-law,
22 5 percent to the engineer, 10 percent for something else, and
23 it just added up and added up and people had to start
24 negotiating that.

25 COMMISSIONER ARGENZIANO: And, Mr. Chair.

1 CHAIRMAN CARTER: You're recognized.

2 COMMISSIONER ARGENZIANO: And when you say deputies
3 arrived at people's homes --

4 MS. WIGINGTON: Yes.

5 COMMISSIONER ARGENZIANO: -- was this because they
6 had not hooked up?

7 MS. WIGINGTON: What was delivered was a 30-day
8 notice for connection. Yes, they had not connected. They had
9 nothing to connect to. This was one of the ones where I was
10 served by an armed deputy.

11 COMMISSIONER ARGENZIANO: That comes from the county,
12 the notice?

13 MS. WIGINGTON: The notice came from the utility.
14 The utility hired and paid armed deputies to deliver nonlegal
15 letters to customers for 30-day notice service availability
16 when there was no service available. But we had already signed
17 previously a registered letter, the exact same copy. All three
18 are in here: One with a deputy's signature, one was
19 registered, the registered envelope, and one that we got by
20 regular mail.

21 COMMISSIONER ARGENZIANO: Again, here's where I'm
22 getting confused, and excuse me if I'm just thick, if the, if
23 the residents had not been able to connect up because the
24 company I guess, I guess that's what you're saying, the company
25 just didn't have a connection going, they paid their capacity

1 reservation fee, which I'd like staff to really explain to me
2 what the heck that really is, and if, if the company and the
3 resident have not connected, now you're saying the company had
4 sent the notice out to the consumers, to the residents
5 indicating that they had not connected. The only reason they
6 hadn't connected was why, because the resident --

7 MS. WIGINGTON: There was no connection point in the
8 right-of-way for the collection system to connect to.

9 COMMISSIONER ARGENZIANO: Okay.

10 MS. WIGINGTON: And in our instance we needed a
11 buffer tank.

12 COMMISSIONER ARGENZIANO: So how did the company
13 expect you to have that? I guess I have to have an answer from
14 the company too. Because how do you send out notices or send
15 armed deputies to people's houses if they haven't connected if
16 they don't have the infrastructure there to connect? I'm
17 sorry.

18 MR. WHARTON: Well, if I may, that never happened.
19 What you've got, what you've got is an ordinance of the county
20 that says that K W must give notice to the customers of system
21 availability in order to trigger the ordinance. From there the
22 county is enforcing their own ordinance. All this about code
23 enforcement boards and no TVs and lawyers and deputies showing
24 up is the county enforcing an ordinance. You know that K W
25 doesn't have deputies and --

1 COMMISSIONER ARGENZIANO: How does the county enforce
2 through a utility? Why didn't the county send out their own
3 notices?

4 MS. WIGINGTON: This came from the utility. And one,
5 one aspect that we deal with is factually incorrect information
6 constantly, and that was blatantly factually incorrect.

7 The deputies were hired -- I asked the deputy on my
8 porch, I invited her in for iced tea, and she was hired by the
9 utility to deliver a letter. It's explained in the deposition
10 from, I believe, Mr. Carter and Mr. Johnson. Their
11 explanations were it's a way that we could get the letter to
12 them other than by registered mail.

13 And keep in mind, they could get -- if they had 70 in
14 that homeowners association to pay their capacity reservation
15 fee, it was \$186,000 roughly, approximately, then they don't
16 have to offer service. They can put that off for five years.
17 So with \$180,000 plus and not offering a monthly service,
18 there's benefit to being able to do that.

19 MR. WHARTON: Well, Commissioner Argenziano, just to
20 be very succinct, first there was a registered letter. Anyone
21 who refused the registered letter, the County Attorney
22 suggested that we use the county deputies to deliver the notice
23 of availability. Things that happened after that in terms of
24 enforcement were on behalf of the county.

25 COMMISSIONER ARGENZIANO: So there were, so there

1 were deputies that went out?

2 MR. WHARTON: There were deputies who delivered the
3 notice to anyone who refused the registered letter.

4 MS. WIGINGTON: That's not correct.

5 COMMISSIONER ARGENZIANO: How do these people hook
6 up -- I understand there's a county ordinance. The county
7 wants the citizens to move off septics or smaller systems,
8 understandably so. The environment is very fragile here and I
9 think you've heard people -- I agree. But if the
10 infrastructure is not there to hook up and the county is asking
11 the utility to send out notices or send deputies to, which I
12 would question why the county would do that --

13 MS. WIGINGTON: They did not.

14 COMMISSIONER ARGENZIANO: -- but, but I don't
15 understand how the utility would not respond to the county and
16 say that we don't have infrastructure there to hook up.

17 MR. WHARTON: And I understand your concern,
18 Commissioner Argenziano, and I think that there will be some
19 people in this hearing who will be able to address that with
20 great specificity.

21 As I understand it, there are some potential
22 customers who are asking for the construction of facilities
23 that we consider on-site and that, in fact, we've had
24 conversations with the PSC, and I think anyone would have a
25 right to complain to the PSC if the utility wasn't rendering

1 service within the service area and so there's a story there.
2 But we disagree that the facilities were not available, the
3 central facilities were not available, and there are, we have
4 persons who can answer questions in that regard.

5 COMMISSIONER ARGENZIANO: Well, that's going to be
6 something I'm going to need to find out about. And I'd like
7 staff to maybe fill me in on that. Because if the
8 infrastructure is not there, I don't see how the individual can
9 have any, any violation.

10 MR. WHARTON: And I understand. And I don't want to
11 belabor the point right now and I certainly don't want to get
12 into some kind of heavy cross. I'll just say that we do
13 disagree with many of these facts. This lady is well-known to
14 the utility, she's a candidate for the county commission, which
15 is absolutely fine obviously, it doesn't affect her voracity or
16 anything else, but we do request the opportunity to file a
17 late-filed exhibit in the customer testimony, as is the
18 Commission policy, rather than get into some back and forth
19 here.

20 COMMISSIONER ARGENZIANO: Okay. I just --

21 MR. WHARTON: I understand.

22 COMMISSIONER ARGENZIANO: There are points that are
23 coming up that I need answers to.

24 MR. WHARTON: We'll try to answer every question that
25 you have.

1 COMMISSIONER ARGENZIANO: Okay. And, and just one
2 other thing. Have the citizens been in touch with your state
3 representatives and senators, senator?

4 MS. WIGINGTON: We were in contact with some
5 officials that were involved in the grand jury report.

6 COMMISSIONER ARGENZIANO: And in regards to the
7 county's --

8 MS. WIGINGTON: Yes. There, there have been federal
9 investigations, State Attorney investigations, a grand jury
10 report involving the politics with this. I've also included in
11 here on that other matter the registered letter that was
12 received and signed for. And those served by deputies had
13 received and signed for registered letters, as well as the
14 County Attorney's letter stating that the infrastructure wasn't
15 there and that they did not recommend that the utility use the
16 deputies. But I've been involved in this issue since 2002,
17 involved in it -- it's been rather lengthy and rather
18 excessive. So this is not something that I've just gotten
19 involved in in the last few months.

20 COMMISSIONER ARGENZIANO: Mr. Chairman, one last
21 point. And I guess what I'd like to express is that there are
22 certain things that this Commission can deal with under our
23 jurisdiction and certain things we can't.

24 MS. WIGINGTON: I understand.

25 COMMISSIONER ARGENZIANO: Some of the issues that you

1 are regarding to are in different, a different court, so to, so
2 to speak. And I guess in hearing some of this I'd like answers
3 to it because some of them do tell me if there's prudence or
4 reasonableness on the part of the utility. So that's where I'm
5 really trying to go.

6 And understanding -- to let the citizens know also
7 that the Legislature, your Legislature, which I used to be a
8 part of, mandates to the PSC certain recoveries. And if we're
9 getting down to the nuts and bolts, everything else still, I'm
10 very concerned, as you are and I'm sure the utility is also,
11 but there are certain things we can do under jurisdiction. If
12 we're mandated only to look at -- I mean, if the Legislature
13 says the law is you will allow these recoveries, there may be a
14 lot of extra things that are going on that are not in our
15 jurisdiction that still concern people, and rightfully so.
16 But, and I'd love to see those questions answered because
17 sometimes there are a lot of things that if you just keep
18 talking about it, you come to a conclusion, if you can. But I
19 do want the people to know while we're sitting here today that
20 we are mandated to allow certain increases within -- and I'm
21 sure the Office of Public Counsel can tell you also, we do have
22 some mechanisms when it comes to prudence and reasonableness.
23 And so if you have those points to, and you've told me some, I
24 would like to hear those. And I just want you to know ahead of
25 time that we do have certain mandates that are upon us. And

1 unfortunately sometimes that gets -- I guess a lot of people
2 don't know, and just to let you know off the bat. But I
3 appreciate the information and will look forward to -- maybe
4 staff can answer some of those questions I have and maybe the
5 utility later on.

6 MR. JAEGER: Chairman Carter.

7 CHAIRMAN CARTER: Wait. Wait. Hang on a second.
8 Hold the phone.

9 Staff, make sure that you capture the questions that
10 Commissioner Argenziano asked so as we move further along this
11 line we'll have that presented to us at the appropriate time so
12 that we can put those in there. I know some of the criminal
13 justice issues are not within the confines of our authority,
14 but certainly asking for the service and their abilities, I
15 mean, that is within the context.

16 MR. WILLIS: That's correct, Chairman. I would
17 suggest that during the hearing we're going to have the utility
18 owner on both direct and redirect rebuttal testimony, and I
19 would suggest those are really good areas of proper questioning
20 when we get to that point and that would be the way to get it
21 into the record.

22 CHAIRMAN CARTER: Hang on. She's trying to listen to
23 you over the truck.

24 COMMISSIONER ARGENZIANO: We want to have the direct,
25 redirect --

1 CHAIRMAN CARTER: Direct and cross-examination
2 testimony when we get into rebuttal.

3 MR. WILLIS: In rebuttal testimony.

4 CHAIRMAN CARTER: Since these are the areas that we
5 would address during the technical portion.

6 COMMISSIONER ARGENZIANO: Yes. And we will do that.
7 I think that's a great suggestion, and maybe we can get some
8 additional insight. And later as we move forward maybe staff,
9 before we meet again, can have some of those questions answered
10 by others in the utility. Maybe just come down to the county
11 or wherever you get your information from, but find out what
12 the, what the actual facts really are.

13 MR. WILLIS: Sure.

14 CHAIRMAN CARTER: Thank you.

15 Commissioner Skop, you're recognized.

16 COMMISSIONER SKOP: Thank you, Mr. Chairman. And
17 just some quick questions, Ms. Wigington.

18 MS. WIGINGTON: I welcome it. Thank you.

19 COMMISSIONER SKOP: Can everyone hear? Hello? Okay.
20 That's better. That's better. Sorry. You've got to talk
21 right into this thing.

22 Just a few questions for Ms. Wigington following up
23 on Commissioner Argenziano's line of question.

24 I guess the issue, and we're getting into some
25 tangents, so I'm just trying to listen to information and

1 assert what we have the jurisdiction over in terms of some of
2 the concerns being raised. As Commissioner, Chairman Carter
3 mentioned, that there are more criminal or other issues that we
4 don't have direct jurisdiction over. But if I'm to understand
5 your concerns correctly, this, the use of the deputy spawned
6 from trying to collect advance capacity reservation costs; is
7 that correct?

8 MS. WIGINGTON: Uh-huh.

9 COMMISSIONER SKOP: Okay. And, and what I heard --
10 and I heard two different stories from Mr. Wharton. I'm not
11 going to get into this, but as I heard what you stated is that
12 some of the residents had received, actually received the
13 certified letters in the mail.

14 MS. WIGINGTON: Yes. Yes.

15 COMMISSIONER SKOP: And after that the deputy came to
16 those same people, and that was something different from what I
17 thought I heard Mr. Wharton say.

18 MS. WIGINGTON: Yes. I've included copies of those
19 in here, the signed registered letter and then the letter from
20 the deputy.

21 COMMISSIONER SKOP: Okay. And then also too to
22 Mr. Wharton, you mentioned that the County Attorney had
23 sanctioned the use of the deputy by the utility. Is there any
24 written record of that?

25 MR. WHARTON: No, there's not, Commissioner Skop.

1 COMMISSIONER SKOP: Thank you.

2 COMMISSIONER ARGENZIANO: One other question for
3 staff.

4 CHAIRMAN CARTER: Commissioner Argenziano.

5 COMMISSIONER ARGENZIANO: Actually two. One point is
6 tell me specifically, and I have a good idea what it is, but
7 what a capacity reservation fee is. And if you can tell me if
8 a company is utilizing a deputy, an off-duty deputy, who, is
9 that passed through to the customers or would the county be
10 responsible for paying that since they have asked the utility
11 to, to enforce a county ordinance?

12 MR. WILLIS: Well, the first question, the capacity
13 reservation fee is normally for a customer's reservation at the
14 wastewater treatment plant.

15 COMMISSIONER ARGENZIANO: To eventually hook up.

16 MR. WILLIS: Yeah. In this case the company had to
17 expand and build an advanced waste treatment plant to treat
18 this at a higher level. And the company can correct me if I'm
19 wrong, but I'm pretty sure that's, the capacity reservation fee
20 was for a wastewater treatment plant.

21 As far as the charge for a deputy, that's something
22 that the utility would have paid for and it would be a decision
23 of the Commission whether or not they would be able to include
24 the cost of that.

25 COMMISSIONER ARGENZIANO: Well, I guess my question

1 is did they, did they ask the Commission to include that, that
2 the customers would pay?

3 MR. WILLIS: Did they ask if they --

4 COMMISSIONER ARGENZIANO: Right.

5 MR. WILLIS: That I'm not sure about, but we can find
6 out.

7 COMMISSIONER ARGENZIANO: That's a question I want
8 answered.

9 MR. WILLIS: We can find out.

10 COMMISSIONER ARGENZIANO: Because it seems to me the
11 county should be responsible if they asked the utility to go
12 ahead and enforce an ordinance and not the customer.

13 MR. WILLIS: We can find out.

14 CHAIRMAN CARTER: Commissioner Skop.

15 COMMISSIONER SKOP: Thank you, Mr. Chairman.

16 And just one follow-up to Ms. Wigington. It also
17 touches upon a point that Commissioner Argenziano raised. We
18 as the Commission do have the discretion to view the management
19 of the utility and inform our -- I believe, you know, we're
20 required by statute on the cost recovery. But when it comes
21 down to the management, we do have 100 basis points discretion
22 of rate setting ability to either reward or, you know -- so
23 some of those intangibles do come into play. So, again, the
24 management of the utility is one of the factors that we have
25 small discretion but we do have some. So thank you.

1 MS. WIGINGTON: And we appreciate that.

2 CHAIRMAN CARTER: Thank you.

3 Mr. Burgess, before I come to you, I'm going to go to
4 Mr. Wharton. Is that okay?

5 MR. BURGESS: Thank you.

6 CHAIRMAN CARTER: Mr. Wharton, do you have any
7 questions?

8 MR. WHARTON: I do have a couple.

9 CHAIRMAN CARTER: You're recognized.

10 CROSS EXAMINATION

11 BY MR. WHARTON:

12 Q Ma'am, understanding what you have said
13 notwithstanding, you are supportive of the mandatory connection
14 ordinance here in the Keys, aren't you?

15 A I'm supportive of central collection of wastewater
16 and AWT treatment. I am, yes.

17 Q You are. Are you also -- because that was going to
18 be my second question. But in terms of the first question, are
19 you supportive of the mandatory connection ordinance?

20 A Mandatory connection, I understand the enforcement.
21 In this case it was in light of a public partner,
22 public/private partnership that was not in the best interest of
23 the public. I think it was abused by the utility and a little
24 bit I think it was abused by the county also. I think it's
25 being straightened out now. Things have been changed on the

1 county level.

2 In one instance, the sheriff, after finding out that
3 his deputies were being used to deliver these items for the
4 utility, put a stop to it immediately and will not deliver
5 letters for the utility anymore. So things are being changed
6 in a way in which in the future 30-day connection and stringent
7 enforcement is probably a good thing. But with a private
8 company that basically is a law unto its own self, it creates
9 problems.

10 Q Do you know whether the county's mandatory connection
11 ordinance was the implementation of a special act passed by the
12 Florida Legislature that pertained particularly to the Keys
13 requiring mandatory connection?

14 A You're talking about 99395, is that what you're
15 talking about? Yeah. I'm aware of that.

16 Q Okay. And are you, are you supportive of the concept
17 as it was invited (phonetic) in that bill?

18 A Yes. Yes. I've actually traveled to Tallahassee and
19 spoken on its behalf, by the way. So I think you will find
20 that Stock Island was very supportive. They were excited to be
21 connecting to a central wastewater system, one of the first in
22 the county.

23 My homeowners association built a collection system
24 within the confines of our homeowners association to meet this
25 utility a number of years before the system was even built in

1 the right-of-way. We built it so we could connect. People
2 were excited. We were on an island with cesspits. And a
3 result of the utility's business practices, people have been
4 left with cesspits, and I think you would be aware of the harm
5 that that causes near shore waters. They've been left with
6 cesspits and unable to connect to the utility.

7 Q Do you know whether any of those persons that you are
8 alleging have done everything that they should have done to get
9 connected to the utility made a complaint to the Commission to
10 that effect?

11 A Yes. Part of the Commission's complaints are in
12 here. Part of the issue would be that -- although people were
13 saying it in different ways, what they were complaining about,
14 it may have been an issue that the Public Service Commission
15 would refer them back to a county official.

16 One county official that's in here that they were
17 referred to is in court two blocks over in federal court in
18 trial now and was found negligent and incompetent by a grand
19 jury with his relations with this utility.

20 One property that you mentioned specifically is our
21 nextdoor neighbor. Our nextdoor neighbor to our property has
22 nothing to connect to. He's paid his capacity reservation
23 fees. I'm not really sure what it was. The last I saw it was
24 about eight EDUs. You can multiply that by \$2,700. And he is
25 provided no service monthly for sewer. He's still having to

1 use whatever he has as a septic system, which I believe
2 technically DEP would probably term it to be -- it's not even
3 secondary treatment, I don't believe. But he's paid his
4 capacity reservation fees, which would be a fair amount of
5 money paid to have the system placed on his property, the
6 construction fees. I'm assuming if he did construction, he
7 paid 10 percent to the son-in-law, 10 percent above the cost of
8 construction, and he still has no wastewater service.

9 I have in here a county document that lists several
10 properties that have no infrastructure and no ability to
11 connect. And they were in code enforcement, by the way.

12 Q Now you, you did receive the certified letter from
13 the utility?

14 A Yes. I received three letters.

15 Q So there was no, there was no need for personal
16 process on you and you didn't receive it; correct?

17 A I, I received the registered letter, signed for the
18 registered letter, as did the two people that I mentioned to
19 you, the elderly lady and the other neighbor. And, in fact, I
20 believe they're quoted in a newspaper article. It's the only
21 newspaper article that I included in this. Most of what I
22 provided to you is public record and other documents.

23 MR. WHARTON: We'll just respond appropriately in a
24 late-filed exhibit, Mr. Chairman.

25 Thank you.

1 CHAIRMAN CARTER: Thank you.

2 Mr. Burgess.

3 MR. BURGESS: Thank you, Mr. Chair.

4 CHAIRMAN CARTER: Hang on a second.

5 MR. WILLIS: Mr. Chairman, could -- do you possibly
6 know what your neighbor's address is that you just spoke about
7 that doesn't have, that doesn't have service?

8 MS. WIGINGTON: Sixty -- it should be 6700 Maloney
9 Avenue. It would be listed as Elmar (phonetic). There are
10 others that do not have -- I don't believe Vernon Tommies
11 (phonetic) has service now or did not. There's an Oxy,
12 something Oxygen, Key West Oxygen beside of them that did not
13 have service. Several individuals that the utility would claim
14 that the person had service but the service was three blocks
15 over or three blocks of property over. So you'd have to run
16 across your neighbor's property with your lateral, getting
17 easements from them to be able to connect on another street.
18 So, I mean, the term "service availability" is, is blurred.
19 But the county document that I have in here was one from the
20 Code Enforcement Director informing the County Attorney of a
21 few properties that they had found that had no ability to
22 connect but was in the code enforcement and I believe receiving
23 daily fines.

24 CHAIRMAN CARTER: Thank you, staff.

25 Mr. Burgess.

1 MR. BURGESS: Commissioner, I don't have any
2 questions. But I would note in response to, I believe,
3 Commissioner Argenziano's and Commissioner Skop's questions
4 that Issue 30 actually deals with the question of the fees paid
5 to the sheriff's deputies for distributing the notices.

6 CHAIRMAN CARTER: Okay.

7 MS. WIGINGTON: She told me she was being paid \$20 to
8 deliver each letter. So whether that's what was turned in to
9 you or not. I don't have that in writing. That's the reason I
10 didn't mention it to you. Everything that I mentioned to you I
11 have documented in here, but that's what she told me in my
12 home. Thank you.

13 CHAIRMAN CARTER: Thank you, Ms. Wigington.

14 MR. JAEGER: Chairman Carter.

15 CHAIRMAN CARTER: Do you have questions?

16 MR. JAEGER: I have a couple of questions, and I just
17 wanted to make sure on the exhibit --

18 CHAIRMAN CARTER: You're recognized.

19 MR. JAEGER: Thank you.

20 CROSS EXAMINATION

21 BY MR. JAEGER:

22 Q I believe I heard you say something about before you
23 hook up sometimes you need a buffer tank and that's a part of
24 the problem with the ability to hook up; is that correct?

25 A Yeah. Vacuum pits and buffer tanks were what were

1 changed around in the original plans and eliminated in the
2 second set of plans.

3 Q And you're saying that was then made the
4 responsibility of the customer --

5 A Correct.

6 Q -- when first you thought it might be the
7 responsibility of the utility.

8 A Correct. When -- the explanation from the utility's
9 representatives said that they believe it's a customer cost.

10 What happened is when we as the public -- and what
11 was vetted by the county and approved by the county commission,
12 what they saw was buffer tanks and vacuum pits, which are
13 collection tanks in the right-of-way marked on those plans.
14 But what was termed a bait and switch by the grand jury, what
15 was given as actually constructed eliminated those tanks out of
16 the right-of-way. So the utility now says, well, you have to
17 put those tanks on your property where they were provided in
18 the right-of-way for you to connect to. The result of having
19 that tank on your property means that you have a maintenance
20 agreement with, I believe, the son-in-law, you pay the monthly
21 for the maintenance of that. And the construction costs a lot
22 too, plus they have an easement on your property.

23 MR. JAEGER: Chairman Carter, if there's no further
24 questions, I would just have a question about this composite
25 Exhibit 36. I don't know if the utility is going to object to

1 it, but I believe we need to, while we have her here, find out
2 if composite Exhibit 36 is going to be admitted into the
3 record.

4 CHAIRMAN CARTER: Admitting it into the record is not
5 the same thing as admitting it into evidence. I think the
6 company recognizes that.

7 Mr. Wharton, would you agree with that?

8 MR. WHARTON: That's acceptable because admitted into
9 evidence would -- at a minimum we need a chance to object at
10 some point.

11 CHAIRMAN CARTER: No. No.

12 MR. WHARTON: Okay.

13 CHAIRMAN CARTER: Let me kind of clear everybody up.
14 I think that the people understood exactly what I said when I
15 said why we're here today is to hear from you. And part of
16 what we do is in the process, the first phase of this is that
17 we listen to the customers. And a lot of times customers will
18 come and say things that otherwise in a court of law may be not
19 admitted because it's hearsay and things like that. But I'm
20 not holding the customers to those kind of parameters or
21 anything like that because this is public testimony.

22 Now when we get into the technical portion of this,
23 you know, we're going to swear in the witnesses. You can get a
24 chance to cross-examine them. You can bring in the engineers,
25 you can bring in the accountants, you can bring in, you know,

1 the Lone Ranger, if you want, whatever the case may be. But
2 this portion is allowing the customers -- and I don't want any
3 customer to feel so intimidated that, you know, they don't want
4 to speak their mind. And I think that that's what separates us
5 from a lot of the countries around the planet, that we're a
6 democracy. That's how we operate. We allow our neighbors, our
7 friends and neighbors to come and say "I have an issue" and
8 they don't have to fear any retaliation or intimidation. So
9 I'm not going to -- no. No. We're entering this into the
10 record, not into the evidence. So this, that's my ruling. You
11 can give it to Mr. Burgess and he'll make sure it's put in
12 there. Thank you.

13 (Exhibit 36 admitted into the record.)

14 MR. BURGESS: Commissioner, I need to ask a question,
15 if I might.

16 CHAIRMAN CARTER: You're recognized.

17 MR. BURGESS: Thank you very much, Commissioner. I
18 appreciate that.

19 Here's my concern. I understand what you just, what
20 you said and the point of it, that, that the customers aren't
21 held to all the deadlines and prefilings and all of that that
22 allow the parties their due process rights to respond and that
23 sort of thing, and so, therefore, the concern about putting it
24 into evidence. But I guess my concern is that take, take the
25 issue -- we have an issue that is the amount of money spent to

1 sheriff's deputies which the company is seeking for recovery
2 for what has been stated by Mr. Wharton to Commissioner
3 Argenziano and which is in the testimony as well that the only
4 people that received this type of service of this notice were
5 people who refused to sign for the registered mail. And we
6 have a witness that said that's not true, and who said not only
7 am I telling you that's not true, but I have a document that
8 demonstrates that's not true. And I guess what I'm concerned
9 about is if we end up in a situation, because of the less
10 formal process of this testimony coming in, that, that treats
11 that documentation as anything less than something the
12 Commission can rely on to make a finding of fact.

13 CHAIRMAN CARTER: Ms. Helton, please.

14 COMMISSIONER ARGENZIANO: And while we're waiting for
15 her to come, may I ask a couple of questions?

16 CHAIRMAN CARTER: You're recognized.

17 COMMISSIONER ARGENZIANO: In regards to Issue 30 for
18 staff, I noticed that some of the miscellaneous expenses are
19 indicated by staff to be reduced by \$161. What about the
20 lodging expense? It doesn't seem right to me that if you own a
21 house in the Keys, that you charge a customer for lodging
22 expenses.

23 MR. WILLIS: No, that would not be appropriate.

24 COMMISSIONER ARGENZIANO: Okay. So that still then
25 has to be reduced.

1 MR. WILLIS: I'll check with my staff to make sure it
2 wasn't --

3 MR. BURGESS: That's, that's an issue in the case.
4 That's an issue. I can find the explicit issue, but it is one
5 that is in controversy where the company is seeking for it to
6 be passed on to the customers and we're arguing that it should
7 not be.

8 COMMISSIONER SKOP: Mr. Chairman, if I may.

9 CHAIRMAN CARTER: One second. Excuse me, y'all. I
10 was just listening to our General Counsel, Commissioners. And
11 what Ms. Helton has said is that basically it is treated,
12 Mr. Burgess, based upon review from Ms. Helton is that it is
13 admitted for us as the Commission to give it the weight that --
14 you understand what I'm saying to you?

15 MR. BURGESS: Yes, sir.

16 CHAIRMAN CARTER: And that's what I mean is that as
17 Commissioners we will be able to look at this. And we've
18 seen -- we're here for the testimony. We've seen the
19 witnesses, we've heard the questions and all that, we can see
20 that, and we can give that the weight, whatever it deserves.
21 Does that, does that meet your objection on that?

22 MR. BURGESS: Thank you, Mr. Chairman. Yes.

23 CHAIRMAN CARTER: Mr. Wharton?

24 MR. WHARTON: I guess all we would say, Chairman
25 Carter, is that we do object just for the record to the extent

1 that the documents are coming in. I just don't see how
2 customer testimony can work other than the way you have
3 originally described it. I can't -- the person who actually
4 generated those documents didn't come in and testify for
5 themselves. I can't cross-examine them. There was a mixture
6 of opinion testimony here. Maybe we'll need an accountant or
7 engineer. So I understand exactly what you're saying. But
8 just, just as a matter of the record and as far as the document
9 goes, we would object.

10 CHAIRMAN CARTER: Mary Anne.

11 MS. HELTON: It sounds to me that Mr. Wharton's
12 objection really lies to the fact that he thinks these are
13 hearsay exhibits, and correct me if you think I'm wrong.
14 Administrative law allows hearsay testimony to be admitted into
15 the record. It has to be corroborated by other evidence, and
16 then the Commission can always give it the weight that it's
17 due.

18 CHAIRMAN CARTER: Thank you. And with that, I think
19 the lawyers understand, but I just wanted to make sure that the
20 public understood what I'm saying is that I don't want there to
21 be a chilling impact on people willing to come up and give us
22 their opinion or tell us how they feel about it. I don't want
23 them to be in that posture.

24 And I think what Ms. Helton said kind of -- if I
25 misspoke, you know, correct me.

1 MS. HELTON: And not to say that -- we're not
2 discounting what Ms. Wigington is saying at all. I think
3 probably quite the opposite. She's here and she's given us her
4 real-life experiences with the utility and you should consider
5 that as such when you are weighing the evidence for this case.

6 CHAIRMAN CARTER: Thank you. And let me -- before
7 you go, Commissioner, did you have a question? Commissioner
8 Skop.

9 COMMISSIONER SKOP: Yes. Thank you, Mr. Chairman.
10 Just a follow-up on a line of questioning that
11 Commissioner Argenziano had and I think Mr. Burgess chimed in.
12 But to staff with respect to the disposition on Issue 30, I'm
13 going to reserve judgment until I hear the testimony. But I'd
14 ask that those expenses that are identified in the Prehearing
15 Order be appropriately scrutinized by staff.

16 MR. JAEGER: That's definitely at issue and staff is
17 looking at that, and that's part -- they have to justify the
18 legitimate, the expenses are legitimate and prudent.

19 CHAIRMAN CARTER: Thank you, sir.

20 Anything further, Mr. Burgess?

21 MR. BURGESS: No thank you, Mr. Chairman.

22 CHAIRMAN CARTER: Mr. Wharton, anything further?

23 Thank you, Ms. Wigington.

24 MS. WIGINGTON: Thank you.

25 CHAIRMAN CARTER: We appreciate your coming.

1 Mr. Kelly, you're recognized.

2 MR. KELLY: The next speaker is Mr. George Neugent.

3 CHAIRMAN CARTER: Before you say anything,
4 Mr. Neugent, Linda, how are you doing?

5 THE COURT REPORTER: I'm good.

6 CHAIRMAN CARTER: Okay. You're recognized, sir.
7 Wait one second.

8 MR. KELLY: Mr. Chairman, I just thought that -- I
9 can't remember when Mr. Neugent came in. There were some other
10 people that did come in after you swore some folks in, so you
11 might want to ask -- and I apologize because I'm taking some of
12 these folks out of order because they've asked and I don't know
13 who got sworn in and who didn't.

14 CHAIRMAN CARTER: Let me just -- Mr. Neugent, were
15 you sworn in?

16 MR. NEUGENT: Yes.

17 CHAIRMAN CARTER: Let me ask for the record is there
18 anyone else that came in afterwards that planned to speak today
19 that has not been sworn in?

20 The other thing before you go is that at some point
21 in time I'm going to have to give the court reporter a break.
22 She's writing everything down. The other thing too,
23 Commissioners and parties, these mikes are not very sensitive.
24 You have to bring them close because Linda is really struggling
25 to transcribe what we're saying. And, you know, it's a

1 wonderful opportunity for us to be here, but sometimes the
2 truck in the back -- she's looking, she's partly trying to read
3 lips too, so help us out.

4 Okay. Mr. Neugent, you're recognized, sir.

5 Whereupon,

6 GEORGE NEUGENT

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

9 DIRECT STATEMENT

10 MR. NEUGENT: Yes. My name is George Neugent. I'm a
11 Monroe County Commissioner. I live in Marathon, Florida;
12 however, I'm here to educate myself further on what is taking
13 place with the Commission and also with the Office of Public
14 Counsel, Mr. Burgess, who I have a great deal of respect for.
15 I've witnessed his fair play with the firm group. And, Steve,
16 I'm glad to see you here today, along with the other
17 Commissioners.

18 My, my interest goes back as a three-term ten-year
19 County Commissioner. I've visited with Ms. Wigington,
20 Mr. Smith. We've discussed a lot of these issues. I have
21 friends on both sides of the aisle in this particular case.
22 But this is one of those issues that I wish would go away but
23 seems to be one that just keeps on giving, and it's a very
24 difficult situation.

25 I think that -- I believe the process works with the

1 Public Service Commission and also with the representation of
2 the Office of Public Counsel to make sure that our residents
3 get a fair shake in this particular issue. The relevancy of it
4 being, and I think that that would even be questionable,
5 whether it be the lowest cost of service in the county I think
6 is somewhat irrelevant from the standpoint -- it needs to be
7 what it is from the standpoint of the cost and you, the Public
8 Service Commission is here to make sure that that's the case.
9 However, a level of service certainly should be expected by our
10 residents from the standpoint of quality of service.

11 The Florida Keys Aqueduct Authority, which is our
12 partner in wastewater, provides a level of service of very high
13 quality and goes the extra mile from the standpoint of locating
14 the appropriate infrastructure necessary for the resident to
15 hook up at the least amount of cost. I wish the gentleman from
16 Hurricane Hole would still be here today because, just to use
17 that as a point of illustration, the service point that was
18 provided by Key West Resort Utilities was X number of feet away
19 from the Hurricane Hole. The county had to step up to the
20 plate and put in \$50,000 worth of infrastructure to allow that
21 person to hook up at a close point of which was reasonable.
22 There are many cases -- and I'm here to corroborate
23 Ms. Wigington's comments. Certainly if you'd like to visit
24 with her, talk to her, she has tremendous amounts of
25 documentations. She's a very straightforward spoken person who

1 will provide you with that information. I've been visiting
2 with Ms. Wigington for much longer than I'd like to be visiting
3 with her about this particular issue.

4 But clearly this was a controversial issue involving
5 the county, K W Resort Utilities and also the residents of the
6 Stock Island area, which probably represents a tremendous
7 amount of what I will call the working stiff in Monroe County.
8 And I say that with a great deal of pride and not in a
9 derogatory way. And that is why I'm here today to make sure
10 that I'm educated.

11 And also I know that the Public Service Commission
12 and also the Office of Public Counsel is going to protect our
13 residents, and that's why I'm here today. I also think that
14 it's a very fair expectation on the part of Key West Resort
15 Utilities to make a profit as allowed by Florida Statutes in
16 that they are a monopoly. And I think that with -- and by
17 providing that oversight, at some point in time we will have
18 resolved a lot of these issues that still continue to surface
19 themselves. And we want to be fair to both sides in this
20 particular issue and that's why I was here today. And once
21 again I'll thank you for, for being here.

22 CHAIRMAN CARTER: Thank you very kindly, Mr. Neugent.
23 Hang on one second.

24 Commissioners, it helps for us -- you know, these
25 microphones, in addition to not being the usual ones, to those

1 of us that are using these, as you turn your head, you kind of
2 take them with you as they go. That would really help our
3 court reporter, she's trying to transcribe, and it also will
4 help the people so they can hear us as we do that.

5 Let me just go first and foremost, Commissioner, a
6 question. Commissioner Skop, you're recognized.

7 COMMISSIONER SKOP: Thank you, Mr. Chairman.

8 And I appreciate the comments and all the points have
9 been well taken, and I appreciate the comments you made and the
10 substantiation of Ms. Wigington.

11 The only one concern that I had with respect to, I
12 guess, one of the comments that you made, I think that everyone
13 appreciates the fact that it is in the best interest of the
14 environment and the Keys and our natural resources here in
15 Florida to have people connect and I think that's a worthwhile
16 goal that I don't think anyone disputes.

17 But with respect to -- I think the comment was the
18 cost is irrelevant or how you do it is irrelevant even if it's
19 the most expensive cost option. I just wanted to indicate that
20 one of the purviews of the Commission's jurisdiction is we have
21 to ensure affordable rates. So in terms of what the cost is, I
22 do think that it is relevant to the extent that the costs are
23 far in excess of what they would be on another least-cost
24 option. Certainly that's something we have to consider.

25 MR. NEUGENT: Sure.

1 CHAIRMAN CARTER: Thank you.

2 COMMISSIONER ARGENZIANO: I do have one question.

3 CHAIRMAN CARTER: Commissioner Argenziano.

4 COMMISSIONER ARGENZIANO: Just to get back to
5 something else, did the county commission -- are you a current
6 commissioner?

7 MR. NEUGENT: Yes.

8 COMMISSIONER ARGENZIANO: Did the county commission
9 ask the utility to send out those notices and were they aware
10 that they were using deputies?

11 MR. NEUGENT: No, we were not. We have our code
12 enforcement department that follows up on those particular
13 issues. We do provide oversight to make sure that people are
14 hooking up when that service is provided to them. And the code
15 enforcement would take that. It would be brought before the
16 special master for adjudication and, but we do not use
17 deputies.

18 COMMISSIONER ARGENZIANO: So but did you ask the
19 utility to send out the notices for noncompliance?

20 MR. NEUGENT: Yes. We were, we were partners in that
21 from the standpoint they knew what duties they had. Whether we
22 actually told them to send these letters out -- but that's the
23 process in which it goes through. But we certainly enforce our
24 ordinances that require hooking up to wastewater treatment.

25 COMMISSIONER ARGENZIANO: Sure. I understand that.

1 But did you also hear from any, any of your constituents about
2 not being able to hook up?

3 MR. NEUGENT: Yes, we have.

4 COMMISSIONER ARGENZIANO: What was, what was the
5 results, because I'm curious?

6 MR. NEUGENT: Well, it's an ongoing process.

7 COMMISSIONER ARGENZIANO: Well, I mean, did the
8 county find that they couldn't hook up or there was hookup
9 there or --

10 MR. NEUGENT: In some instances, as the example that
11 I used with the Hurricane Hole, we felt like it was an undue
12 burden, but also for me personally I felt like that since they
13 are allowed to make a profit, that why aren't you providing
14 that infrastructure to the closest point of hookup on, from
15 where their, their personal property goes into the
16 right-of-way? And, again, for me personally, I felt like that
17 that was an obligation of the utility to provide that.

18 COMMISSIONER ARGENZIANO: Okay. Thank you,
19 Commissioner.

20 CHAIRMAN CARTER: Thank you. Just before we go
21 further, Mr. Wharton, just so you don't, if you want to just
22 make that a standing objection, it will be on the record and
23 we'll have that.

24 MR. WHARTON: I do. That's probably best.

25 CHAIRMAN CARTER: Okay. That would be the best thing

1 to do because we do want to hear from the public.

2 MR. WHARTON: And with regard to this particular
3 witness I don't have any questions. The situation of Hurricane
4 Hole and why we declined to make that investment, if we did,
5 and ask that it be contributed, we'll address that in a
6 late-filed. I'll need to find out.

7 CHAIRMAN CARTER: Mr. Burgess, is that okay with you
8 with the standing objection? And obviously between the parties
9 you can do what we normally do.

10 MR. BURGESS: I think that's a good way to go,
11 Mr. Chairman. I appreciate it.

12 CHAIRMAN CARTER: For the record let it be so.

13 Mr. Jaeger, do you have some questions?

14 MR. JAEGER: No questions.

15 CHAIRMAN CARTER: Let me just kind of -- thank you.

16 MR. BURGESS: Excuse me.

17 CHAIRMAN CARTER: Hang on one second.

18 MR. BURGESS: Just as a -- I have no questions, but
19 if you'll just allow me to --

20 CHAIRMAN CARTER: You're recognized.

21 MR. BURGESS: Thank you. To tell Mr. Neugent it's
22 good to see him again. The last time I was here we worked, we
23 worked together on a matter of Citizens Insurance Company
24 rates, and it's good to see him back involved in this situation
25 as well.

1 CHAIRMAN CARTER: Thank you, Mr. Neugent.

2 MR. NEUGENT: Thank you very much.

3 COMMISSIONER ARGENZIANO: The good old days.

4 CHAIRMAN CARTER: Let me just -- one further, before
5 I call Mr. Kelly up again, one further housekeeping matter is
6 that we do have two court reporters. So what we'll do is that,
7 Linda, we'll go for two hours with you and that will be in
8 fairly short order. And then we'll let you tag team with Jane
9 and bring her in so we'll keep going. So what we'll do, we'll
10 probably take a -- so I want everyone in here, if you haven't
11 had an opportunity to speak, you will. We're going to take a
12 break probably around noon, if that's an appropriate breaking
13 point, and we can bring in another court reporter, Linda, you
14 can get a break, and then that way we can kind of keep on
15 going. Is that all right with y'all? Because I do want to
16 hear from, I do want to hear from you. All right.

17 Mr. Kelly, you're recognized, sir.

18 MR. KELLY: Thank you, sir. If I can read this
19 writing, the next speaker is Mr. Richard, is it Bailey, Bartee?
20 Bailey, Bartee?

21 CHAIRMAN CARTER: Okay.

22 MR. KELLY: I'll just go down to the next one then.
23 Gordon Bondeser, Bondesen. I apologize.

24 CHAIRMAN CARTER: Gordon, you're going to have to,
25 you're going to have to help us with that.

1 Whereupon,

2 GORDON BONDESEN

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. BONDESEN: I apologize ahead of time because I've
7 never been accused of not speaking loudly or clearly enough,
8 but if that, in fact, happens, please let me know.

9 My name is Gordon Ross Bondesen. I live at 46 1st
10 Street, which is located on Big Coppitt Key. I've been a
11 resident of the Florida Keys for 38 years. To be clear, I
12 currently am not served by Key West Resort Utilities. And I
13 believe, to clarify to the Commission, many of us would not be
14 as concerned or as irritated as we are now had our, a majority,
15 and let me make that clear, a majority of our county commission
16 had done their job. Unfortunately you've had to come down here
17 to deal with something like this because the county commission
18 had trouble doing their job. And more than, more than not, we
19 were not given the opportunity that you are giving us today, so
20 I appreciate that.

21 I, after months of publicity and residential concerns
22 that were in the paper and on the radio and things concerning
23 the County Commission considering having the Resort Utilities
24 doing the sewerage project on Big Coppitt, I e-mailed my
25 commissioner. I did not get a response for maybe two or three

1 months. That being said, there was a town hall meeting held.
2 I heard more, I met directly with some of the residents, heard
3 more of their concerns. I'm the type of person who likes to
4 hear it directly from a person instead of using media reports.
5 I wasn't quite sure which way I would turn on this situation.
6 Me, owning a house in the Florida Keys was something that took
7 me almost 20 years to do. It's probably the only valuable
8 thing I have in the Florida Keys, so I take that very, very
9 seriously.

10 While I was making those decisions on what I might
11 do, and I might add that I was extremely vocal with some
12 letters to the editor and whatever expressing my concerns, I
13 received a call from Bill Barry, who was, I'm not sure whether
14 he still is, but was a spokesperson for Key West Resort
15 Utilities. Mr. Barry called me beginning the conversation
16 remembering that since he was a past either editor or publisher
17 of the local newspaper, that I had dealt with him on different
18 situations in the Lower Keys. He was pleased with that and he
19 expressed concern that I had concerns over the possibility of
20 Key West Resort Utilities coming to the Big Coppitt area. I
21 said I didn't have so many, so many concerns. My major concern
22 and question was this: Could I, if in fact the County
23 Commission decided to have Key West Resort Utilities come to
24 Big Coppitt to do the sewerage project, would I be able to, if
25 I had a question, come to their board meeting and express my

1 concerns? Mr. Barry at the time said, "Well, Gordon, Bill runs
2 a family business. They tend to do things within the family."
3 And if I did have concerns, I could always go to the County
4 Commission.

5 Well, unfortunately, the County Commission by that
6 point had definitely made its mark on people who did not, who
7 were either concerned or disagreed with their ideas of Key West
8 Resort Utilities. They were spoken down to, they were berated,
9 they acted -- they were looked upon as naysayers of a
10 cost-saving project. I don't react well to situations like
11 that; hence, I avoided the County Commission meetings
12 altogether.

13 But my, my question stood, could I in fact go before
14 a utility that was going to possibly be hired as my public
15 utility for wastewater and ask them questions or air my
16 grievances? The response I got back was it was a family
17 affair. I would have to go through this County Commission.
18 That, of course, was not an answer that I took well to. I
19 declined to have a meeting with them, and I just clarified that
20 he could, in fact, get back with me at any time if that
21 position changed. I just wanted to make that clear and express
22 my concern.

23 No, I am not served by the service at the moment.
24 But if it hadn't been for people like myself, hard-working
25 people that are sitting here right now who were getting nowhere

1 with the County Commission, we might not be in this position
2 right now. It's unfortunate that I have to take time away from
3 my work, and many of these people do too. You have a lot of
4 other things on your agenda too. It's unfortunate we've been
5 put in this position, but this is the position we're in now.

6 It also makes firm in my mind how important it is to
7 watch your elections and not to vote against your own best
8 interest. That's coming up again. I will tell that to
9 everyone; make sure you remember that. But it's an unfortunate
10 situation. It's hurt a lot of people. It's sad that we're in
11 this position right now. Any questions?

12 CHAIRMAN CARTER: Thank you, Mr. -- Gordon, help me
13 with your last name.

14 MR. BONDESEN: Bondesen.

15 CHAIRMAN CARTER: Say again.

16 MR. BONDESEN: Bondesen. Many people know me as
17 Ross.

18 CHAIRMAN CARTER: Do you mind if I just call you
19 Gordon?

20 MR. BONDESEN: Gordon is very easy.

21 CHAIRMAN CARTER: Is that I think that to you and to
22 all our neighbors and friends out there, let me just kind of
23 explain to you the nature of what we're doing here today.
24 That's why I want to be unequivocal about our public --

25 MR. BONDESEN: Oh, I'm, I'm --

1 CHAIRMAN CARTER: You know, I want to make sure we
2 hear from the public, because just because the company files
3 for a rate increase doesn't mean that they're going to get it.

4 MR. BONDESEN: Right.

5 CHAIRMAN CARTER: But what we're trying to do is that
6 before we even get to that, we want to make sure that we heard
7 from the public.

8 MR. BONDESEN: Exactly.

9 CHAIRMAN CARTER: A lot of times emotions run high,
10 and that's okay with us. We still want to hear from the
11 public. And then when we get into the technical portion, we
12 can let the, quote, unquote, experts fight all that part out.

13 MR. BONDESEN: Exactly.

14 CHAIRMAN CARTER: But we do want to make sure that we
15 hear from the public because every decision that we make as a
16 collegial body, every decision that we make there's a mom,
17 there's a dad, there's a sister, there's a brother, there's a
18 person at the bottom line that's making that monthly payment.

19 MR. BONDESEN: That's affected. Exactly.

20 CHAIRMAN CARTER: So we, I just want to make sure
21 that everyone understands that this company, they made a filing
22 for a rate increase. There are certain legislatively mandated
23 things that happens to the PSC when this occurs and we go
24 forward. But the most significant thing in my opinion, and my
25 colleagues agree with me, but the most significant thing that

1 we do in a rate hearing is hear from the customers.

2 MR. BONDESEN: Exactly.

3 CHAIRMAN CARTER: And so that's one thing I wanted to
4 make sure is that all of these things, as Commissioner Skop and
5 Commissioner Argenziano as well as our staff and Mr. Burgess
6 has told you, that certain things have already been brought out
7 in the pretrial. Issue 30, I think, was one of the ones that
8 we mentioned and a couple of the others. And then is that --
9 but what we're trying to do first and foremost is that we want
10 to make sure that we hear from the public. I mean, it's, it's,
11 it's --

12 MR. BONDESEN: And I --

13 CHAIRMAN CARTER: I don't know anything, I don't know
14 anything about the County Commission, but let me just express
15 to you that to us it's extremely important to hear from the
16 people that are impacted by the decisions that we make.

17 MR. BONDESEN: Exactly. And I want to make it clear
18 that, again, I do not deal with Key West Resort Utilities. But
19 my question might be put to whomever, if I, who was getting
20 ready to possibly have to deal with them, what about the people
21 who are dealing with them now, can they go to their board
22 meetings and express their concerns? It just seems to me that
23 I can go to the water company, I can go to any other, I can go
24 to the Key West Electric Company, I can go to those utilities
25 and ask them questions. So whether I'm served by them or not,

1 I almost was, I'm concerned about that fact that you cannot go
2 to a board meeting and express your concerns. Now if I was
3 misled on that -- that's just what was told to me. So I'm
4 expressing my concerns along those lines.

5 CHAIRMAN CARTER: I don't know. Ms. Helton, I don't
6 think we deal with their board meeting but we do deal with
7 their customer service.

8 MS. HELTON: I guess I'm a little bit confused. Were
9 you told that you could not give customer complaints or bring
10 customer issues, specific issues directly to the utility?

11 MR. BONDESEN: That was the impression I was given.

12 MS. HELTON: I think that may be something that we
13 need to ask the utility owner and the other utility witnesses
14 about because that --

15 MR. BONDESEN: I'll be honest, it was not a direct
16 no. The answer was -- I said, said to Mr. Barry, "I don't
17 really have a lot of questions, Bill. I have one main question
18 that I'm concerned about. If I have a concern, when the Key
19 West Resort Utility board meets, may I go to that board meeting
20 and express my concern?" The answer came back, this is not a
21 quote but I'll do the best I can, well, Gordon, they treat that
22 like a family business and more or less they make their
23 decisions within the family, but you can always go to the
24 County Commission. Keep in mind, the County Commission who had
25 continuously spoken down to anybody who questioned Key West

1 Resort Utilities working within the Keys.

2 MS. HELTON: I guess in my mind I'm not --

3 MR. BONDESEN: And maybe I'm wrong. Do I not have
4 the right to go to that --

5 MS. HELTON: That may be a PR issue that the company
6 wants to consider with respect to whether they let public
7 members come to their board meetings and to show some kind of
8 transparency for the process. That, you know, that might be
9 something they want to consider. Whether we can mandate that
10 or not, I quite frankly don't know.

11 COMMISSIONER ARGENZIANO: I think --

12 CHAIRMAN CARTER: Commissioner Argenziano.

13 COMMISSIONER ARGENZIANO: I think that what he's
14 looking for, is there any type of statutory pro, prohibition or
15 allowance, I guess, is there a way that -- if a member of the
16 public is being served by a utility, do they have a right to go
17 to a board, to a board meeting? If the county is there, is
18 there a first step to that? Do they go through the -- like
19 cable, cable is done, you go to your County Commission and
20 complain about your cable. You can't necessarily go to the
21 cable company and go to their board meeting.

22 MR. BONDESEN: Right.

23 COMMISSIONER ARGENZIANO: And I don't know that you
24 have that allowance.

25 MS. HELTON: I'm not sure that there is a requirement

1 in Chapter 367 that says that we can, we, the Florida Public
2 Service Commission -- or they, the Florida Public Service
3 Commission, can require the investor-owned utility to open up
4 its board meetings to the public. I'm not sure that the
5 Commission has the authority to do that or whether there's a
6 mandate anywhere else for a utility to do that.

7 COMMISSIONER ARGENZIANO: If I can. But there may be
8 something that says that he has the right and the County
9 Commission must take his concerns to, to the company. And
10 that -- maybe we can get your number and somebody in our staff
11 can check that out and find that out for you.

12 MR. BONDESEN: Right.

13 MS. HELTON: Let me say this, that I do believe that
14 the company should hear any customer concerns. They should not
15 be sending you away from the door or not answering your phone
16 calls. That's one of our jobs or the Commission's jobs to make
17 sure that that happens. And the Florida Public Service
18 Commission takes customer concerns very seriously. We have an
19 800 number, we have an e-mail address on our website where if
20 you have a problem interacting with the company or have a
21 problem with a company period that we regulate, the Commission
22 regulates, then please let the Commission know and we will act
23 as an intermediary.

24 COMMISSIONER ARGENZIANO: Mr. Chairman, that's a good
25 point. Because I think what you're saying is you can't really

1 go, you feel you can't go to your County Commission because you
2 feel --

3 MR. BONDESEN: Well, that's, that's quite well
4 documented. Yes.

5 COMMISSIONER ARGENZIANO: Okay. And you feel that
6 they really don't want to hear it. But if you don't
7 necessarily have to get into a board meeting and you still want
8 to get your answers to questions or comments to that utility
9 and the County Commission is not giving you that option or
10 helping you to get there, then, as staff indicated, that this
11 Commission can make sure that your comments or questions are --

12 MR. BONDESEN: Well, I'm sure those people who are
13 currently served then are very pleased to hear that and they've
14 written all that down. But that is an important, important
15 issue to me. It's a public utility. They should be, there
16 should be public access to that or some type of oversight to
17 see that Gordon has called on Monday, December 24th, and
18 requested that this be -- and then someone to, you know, follow
19 that up to make sure that the public record shows that, yes,
20 my, my concerns were addressed and I was told back that they
21 had been delivered to them.

22 COMMISSIONER ARGENZIANO: But I would suggest -- Mr.
23 Chairman.

24 CHAIRMAN CARTER: Commissioner.

25 COMMISSIONER ARGENZIANO: And I will look at the

1 statute also and I will really look at that statute to see if
2 it is a public utility, what the, what it does specify.

3 CHAIRMAN CARTER: And also, too, as I mentioned to
4 those of you that came in earlier this morning, I kind of
5 highlighted the back page. But on Page 2 of this we've got a
6 toll free number that you can use. Also we have a contact at
7 the Florida Public Service Commission. And you don't have
8 to -- I just hate for anybody to get the runaround from
9 government or anybody else.

10 MR. BONDESEN: Right.

11 CHAIRMAN CARTER: So get to us. We do have people in
12 our Consumer Services Division that will contact the company
13 directly on your behalf, answer the questions, and you can even
14 file a complaint with us. But it's right here on Page 2 of
15 this. We've got a toll free number. We also have a toll free
16 fax number and we have a website to kind of get the information
17 in. Because I think a lot of times even with rate increases
18 coming or going or whether or not it's granted, at least if
19 people had an opportunity to be heard so they were thoroughly
20 informed in it --

21 MR. BONDESEN: Exactly.

22 CHAIRMAN CARTER: -- then I think that we can, we can
23 kind of accomplish whatever goal we set out to do. So that's
24 why I said to you it's incumbent upon us and that's why we're
25 down here with y'all today in two meetings today to listen to

1 you, to hear from the public to make sure that our decisions
2 are not made in a vacuum. Because we care about each -- we're
3 consumers too, by the way, and we want to make sure that that
4 occurs. So I just want to --

5 MR. BONDESEN: Exactly. Like I said, that, I
6 believe, is the basis of this problem where there was such a
7 long period of time of no one seeming to care and no one, no
8 opportunity, now we know these opportunities, that the tension
9 over this whole issue might not be as bad as it is today.

10 CHAIRMAN CARTER: Okay. Just before I recognize
11 Mr. Burgess, please get a few of those.

12 MR. BONDESEN: I have a few of those. I'll make
13 copies.

14 CHAIRMAN CARTER: There may be some people that don't
15 have, that couldn't get off work or that have childcare issues
16 or health issues and all like that. Please take some of these
17 to them and give them to your friends and neighbors.

18 MR. BONDESEN: I definitely will.

19 CHAIRMAN CARTER: Mr. Burgess.

20 CROSS EXAMINATION

21 BY MR. BURGESS:

22 Q I'm trying to find out a little bit more about the
23 person who told you that this was a family business and things
24 were done within the family. And the name of that person, you
25 said, was Bill Barry; is that correct?

1 A Yes. He was the spokesperson. Or from what I can
2 understand from news reports and when I heard him on the radio,
3 he said he was the spokesperson for Key West Resort Utilities.

4 Q And you say news reports plural. So in more than one
5 news report Mr. Barry was identified as a spokesperson for
6 K W --

7 A He was the person who would comment back when the
8 media asked him questions about this extremely longstanding
9 issue.

10 Q Okay. And would you mind spelling your last name to
11 make sure we have that on the record?

12 A Yes. B as in boy, O-N-D as in Dan, E-S as in Sam,
13 E-N, Bondesen.

14 MR. BURGESS: Thank you.

15 CHAIRMAN CARTER: Exactly. Bondesen, that's what I
16 said.

17 MR. BONDESEN: Yes. You get an A for that.

18 CHAIRMAN CARTER: Staff, any further questions?

19 MR. JAEGER: No questions.

20 CHAIRMAN CARTER: Let's do this. Linda, stay with
21 me. Off the record.

22 (Discussion held off the record.)

23 We're going to take about, maybe about 15 minutes for
24 the court reporter to take a break. Then we'll come back in
25 and go until -- Commissioners, I'm hoping that we can go at

1 least until maybe 1:30 or quarter to 2:00 or something like
2 that before we take a break. And by then we'll have Jane come
3 and back you up. So we're on recess until 15 after.

4 (Recess taken.)

5 Okay. We are back to order. And with that,
6 Mr. Kelly, you're recognized, sir.

7 MR. KELLY: Thank you, Mr. Chair.

8 The next speaker is Ms. Brenda Conroy.

9 CHAIRMAN CARTER: Brenda -- could you say that name
10 again, last name?

11 MR. KELLY: Conroy, C-O-N-R-O-Y.

12 CHAIRMAN CARTER: Brenda Conroy. Is there -- before
13 you speak, Brenda, is there anyone that's come in lately that's
14 going to speak that has not been sworn in?

15 Brenda, you're recognized.

16 Whereupon,

17 BRENDA CONROY

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

20 DIRECT STATEMENT

21 MS. CONROY: Thank you for letting me speak. My name
22 is Brenda Conroy. I live at 6800 Maloney Avenue, Number 31,
23 Key West, Florida, (305)294-1457. That's the telephone number.

24 What's affectionately become known as the Stock
25 Island Sewer Wars started in about 2002. If I had known back

1 in 2000 what I would be going through, I probably would have
2 paid a little bit more heed when I was an employee at the golf
3 course and I was kind of intimidated by -- they told me if we,
4 if I did not convince my 69 neighbors to sign up, that chances
5 are we would never be able to sign up and we would lose our
6 homes. I blew it off at the time because of the way the Keys
7 work.

8 When the war started in 2002 I was no longer employed
9 there. And whether it was -- and we're talking about service.
10 And whether it was the county or Key West Resort Utilities was
11 responsible, it took us four years to get service. We finally
12 got hooked up in 2006. I had already paid in 2004 my fee. I
13 paid that at the golf course. So I was all set to sign up, but
14 it took us four years, many, many litigations, and it all was
15 battled over a buffer tank. We could not get, you know,
16 satisfaction on that. I sat through more depositions, legal
17 meetings trying to figure everything out. It was really,
18 really hard to work with this company. They tried intimidation
19 and it just was a very hard battle. That's all I have to say.

20 CHAIRMAN CARTER: Thank you, Brenda. Would you just
21 stay there for a moment? First of all, let me see,
22 Commissioners? Staff?

23 MR. JAEGER: No questions, Mr. Chair.

24 CHAIRMAN CARTER: Mr. Wharton? Mr. Burgess?

25 MR. BURGESS: No, thank you, Mr. Chairman. I have no

1 questions.

2 CHAIRMAN CARTER: Thank you, Brenda.

3 Mr. Kelly.

4 MR. KELLY: The next speaker is Ms. Diana Flenard,
5 Flenard. I apologize.

6 CHAIRMAN CARTER: Can you spell it?

7 MR. KELLY: F-L-E-N-A-R-D.

8 Whereupon,

9 DIANA FLENARD MOORE

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

12 DIRECT STATEMENT

13 MS. FLENARD: Thank you. My name is Diana Flenard
14 Moore. I live at 6800 Maloney Avenue, Number 44. It's Harbor
15 Shores, Stock Island, the address is Key West. My phone number
16 is (305)296-3151.

17 I'm here today once again to wear the bull's-eye
18 T-shirt and speak to others, speak for others who may be afraid
19 to do so. Let me explain, the Keys are heavy in cronyism, and
20 many people, myself included, have been leery to speak out
21 against K W Resort Utility due to intimidation and retaliation
22 of both a political and financial nature.

23 I'm a volunteer treasurer of the Harbor Shores
24 Condominium Association where I live and a ratepayer to the
25 utility, but my full-time job is Director of the Monroe

1 Association for Retarded Citizens. And as I have always spoken
2 out for the little guy, I have been concerned that in speaking
3 on this issue the political and financial repercussions to my
4 agency would be horrendous.

5 It took Harbor Shores over five years and many
6 contracts later to get a contract for Harbor Shores that was
7 not all beneficial to K W Resort Utility and detrimental to
8 Harbor Shores. The first two contracts we received were
9 written to a Key West Resort Utilities. It's a company that
10 does not exist. So we had to hire a high-priced lawyer and
11 paid him over \$30,000 to get a reasonable contract. Then when
12 we went to sign it, I went to the pro shop of the golf course.
13 We were even told by the lawyer when I went to sign it to bring
14 our own copies just to make sure that what we had signed was
15 what had been agreed upon in the final negotiation. This is
16 just several -- this is just one example of several other
17 issues that my association had to go through.

18 I also have to agree with Ms. Wigington, as I was
19 present when the K W Resort Utility lawyer, Mr. Barton Smith,
20 Mr. Smith's son, showed up at a Harbor Shores board meeting.
21 We asked him several times to give us his name and he refused.
22 When he was finally recognized, he, we asked him to leave so we
23 could speak with the rest of the association members about the
24 latest Harbor Shores agreement with K W Resort Utility. He
25 again refused. He was asked several times by our board

1 president, and at the end we had to adjourn the meeting without
2 discussing any issues with our association members. These are
3 just a few of the issues we've had to deal with in the last
4 five years in order to get hooked up to this company.

5 I thank you for your time and for listening to us.
6 It is one of the first times we felt our voices are being
7 heard.

8 CHAIRMAN CARTER: Thank you. Just wait for one
9 second, please.

10 Commissioner Skop, you're recognized, sir.

11 COMMISSIONER SKOP: Thank you, Mr. Chairman.

12 Just a quick question. I'm having a little bit of a
13 problem hearing. You mentioned at the board meeting, and,
14 again, I don't want to get off on tangents, but you mentioned
15 the attorney that was present. Can you repeat that name for
16 me, please?

17 MS. FLENARD: Mr. Barton Smith. Mr. Barton Smith.

18 COMMISSIONER SKOP: Barton Smith?

19 MS. FLENARD: Yes.

20 COMMISSIONER SKOP: Thank you.

21 CHAIRMAN CARTER: Commissioners, anything further?
22 Staff?

23 MR. JAEGER: Just one question.

24 CROSS EXAMINATION

25

1 BY MR. JAEGER:

2 Q Mr. Barton Smith was not a part of the homeowners
3 association; is that correct?

4 A That's correct.

5 CHAIRMAN CARTER: Mr. Wharton?

6 MR. WHARTON: No questions.

7 CHAIRMAN CARTER: Mr. Burgess?

8 MR. BURGESS: No questions. Thank you.

9 CHAIRMAN CARTER: Thank you so very kindly,
10 Ms. Flenard.

11 MS. FLENARD: Thank you.

12 CHAIRMAN CARTER: Mr. Kelly.

13 MR. KELLY: Mr. John Jones.

14 Whereupon,

15 JOHN JONES

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

18 DIRECT STATEMENT

19 MR. JONES: Good afternoon. I don't think I have to
20 spell my name. I think it's pretty self-explanatory. As my
21 cardiologist says, there's five John Jones here, and they put
22 down on my thing "the fisherman."

23 We've had trouble with Key West Resorts right from
24 the beginning. And thank the other three ladies, Kim and Diane
25 and Brenda, they covered a lot of things. I'm not that good

1 with knowing all the numbers. But originally we supposedly
2 needed a buffer tank. We didn't have a buffer tank, so we were
3 to get one from Oceanside, so we took theirs. And the next
4 thing you know, before that got installed that disappeared and
5 I'm not sure if it ended up at the Hickory House or not.

6 We had an attorney. Again, he was very good and
7 unfortunately very high priced. And the figures, which I did
8 not know which Diane repeated there, which were what they were.
9 We basically wanted to put from our septic tank or I should say
10 our system a pipe to the street, and Key West Resort Utilities
11 at one time wanted to put the small vacuum pits in the park and
12 we'd have, they'd have to, we'd have to pay maintenance on
13 them. They wanted a percentage of what we paid an engineer,
14 which no one has ever been able to figure that out, and things
15 went on and on and on, as they reiterated, many, many years
16 before we could get this thing done.

17 A few of us were fortunate enough to be able to get a
18 grant of the \$2,700. Well, that came to be a point where we
19 still had a contract -- and incidentally our attorney did a
20 wonderful job because we finally ended up just putting a pipe
21 to a double buffer tank. But we had, we also had problems
22 during this long period of time with our system and we had to
23 make emergency repairs, we had to hire people on the weekend at
24 full rate because the contractor that was going to do it was
25 very busy, and I think that cost us around \$15,000. And if we

1 would have been able to hook up in a reasonable time, that
2 would have been, not had to have been done.

3 And also about two or three weeks ago as I was
4 walking, and this is just being redundant of what Kim said, I
5 stopped the gentleman that was at this Elmar Park who either
6 runs it or takes care of it and I said, "Are you hooked up?"
7 And he said, "No." I said, "Well, you have the pipes there."
8 "But the utility said we don't have the facilities to hook you
9 up." So that's hearsay from him to me, and I'm just repeating
10 that Kim also knew about it.

11 We also, I believe, paid a year in advance. We have
12 to collect through the park because there's no way if people
13 did not pay that -- I don't know what would happen if somebody
14 didn't pay their monthly fee, then not accusing that the Key
15 West Resorts could, they'd have to close us down period, the
16 whole place, because we're a unit of 70 condominiums where we
17 own our own property.

18 In the early stages, the Commissioners, a few of
19 them, Mr. Neugent not included, tried to say that -- I'm losing
20 my train of thought -- that we were a Harbor Shores trailer
21 park. And we would say, "No. We are Harbor Shores Condominium
22 Association and we own our land, so these are private
23 residences."

24 And during the testing when they were testing the
25 manholes, in other words, they would block two ends of the pipe

1 and fill them up to make sure that there was no leakage into
2 the ground. And the gentleman that did it, who cost us a lot
3 of money, said that he never had, of all the testing that he
4 had did, they were so stringent on us that if this thing would
5 seep down a fraction of an inch, then we'd have to take
6 everything down and reseal the thing. So he was really harsh
7 on us that way.

8 I don't think I gave my phone number. It's
9 (305)296-3217. And that's about all I can say. Kim and a few
10 of the others and Diane spent years, and I mean years and hours
11 and hours a day, to get this thing done. It was, it was
12 horrible. I'm on the board there and I spent a lot of time
13 watching it get done. And like I say, we were under the gun to
14 get it done or we would have lost our, our grant. We actually
15 had to pay the grant ahead of time, give a check, and they
16 would hold it so that this time, there was a time limit, the
17 thing would expire and we would lose that, and that was very
18 helpful to us people that work for a living. Thank you very
19 much.

20 CHAIRMAN CARTER: Thank you, Mr. Jones. Mr. Jones,
21 wait for one second. Commissioners? Staff?

22 MR. JAEGER: No questions.

23 CHAIRMAN CARTER: Mr. Wharton?

24 CROSS EXAMINATION

25

1 BY MR. WHARTON:

2 Q Sir, I apologize if you already said this. Will you
3 give me your address?

4 A 6800 Maloney Avenue, Lot Number 46.

5 Q Thank you, sir.

6 A And I've been there since 19, 1980.

7 CHAIRMAN CARTER: Mr. Burgess?

8 MR. BURGESS: No questions.

9 CHAIRMAN CARTER: Nothing further. Thank you so very
10 kindly.

11 Mr. Kelly.

12 MR. KELLY: The next speaker is Mr. Steve Wigington.

13 Whereupon,

14 STEVE WIGINGTON

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 MR. WIGINGTON: Good morning. First of all, my name
19 is Steve Wigington. I live at 6800 Maloney Avenue, Stock
20 Island. And I'd like to first of all thank the members of the
21 Office of Public Counsel for their diligence and their
22 thoroughness in presenting the facts as they really are to the
23 Commission. And I'd like to thank the Commission especially
24 for your oversight and your concern for the protection of the
25 people. Those today who came to speak before you, I know we

1 all appreciate it.

2 Excessive charges, duplicate charges, unnecessary
3 costly legal defense against unfounded code enforcement charges
4 of noncompliance, it's for these and other, in my opinion, less
5 than professional actions that I ask that you deny any rate
6 increase request as any rate increase approval would only serve
7 to validate as well as enable this utility to continue with its
8 inappropriate behavior.

9 I also respectfully ask that you rule in favor of a
10 refund for the ratepayers who have been taken advantage of by
11 this utility. I appreciate your attention and I look forward
12 anxiously to your, to your help.

13 CHAIRMAN CARTER: Thank you, Steve. Can you hang on
14 one second, please?

15 Commissioner Argenziano.

16 COMMISSIONER ARGENZIANO: Yes. Could you tell me
17 what excessive charges or duplicate charges you're speaking of?

18 MR. WIGINGTON: As earlier, previously mentioned,
19 people were led to believe that they would pay a flat fee, a
20 certain amount would get them a package. You pay this amount,
21 you are hooked into a new wastewater system. Everybody
22 thought, well, that sounds reasonable. That's what the prudent
23 person would expect. However, as again people have mentioned,
24 extra charges other than this upfront charge began to occur to
25 family members for oversight for more testing for things that

1 did not seem appropriate or necessary to the average person who
2 was led to believe initially that this was just a one-shot deal
3 and you'll be hooked to a central sewer. It should be simple
4 and easy, this is the way it's done. And, again, we all agreed
5 and thought that was very correct.

6 COMMISSIONER ARGENZIANO: Thank you.

7 MR. WIGINGTON: Yes, ma'am.

8 CHAIRMAN CARTER: Staff?

9 MR. JAEGER: No questions.

10 CHAIRMAN CARTER: Mr. Wharton? Mr. Burgess?

11 MR. BURGESS: No, sir.

12 CHAIRMAN CARTER: Thank you.

13 MR. WIGINGTON: Thank you.

14 CHAIRMAN CARTER: Mr. Kelly.

15 MR. KELLY: The last speaker I have, and I'll
16 double-check, the last one is Mr. Daniel Calabro.

17 CHAIRMAN CARTER: Daniel, help us with the
18 pronunciation of your last name.

19 MR. CALABRO: It's Calabro and it's C-A-L-A-B-R-O.

20 CHAIRMAN CARTER: You may proceed.

21 Whereupon,

22 DANIEL CALABRO

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

25 DIRECT STATEMENT

1 MR. CALABRO: I originally came here basically
2 because I wasn't objective about the \$8 increase mainly because
3 I really would like to see people hooked up to the plant and I
4 realize there are people that aren't. I was the third speaker
5 here and I asked to be the last because as people were speaking
6 I found inconsistency with different things, and even for my
7 own clarifications I'd just like to get some things clarified.

8 As far as the service of the sheriff, it is \$20. I
9 have, I have lost people and renters because sheriffs could not
10 get there before 8:00. So I don't know who would show up at
11 7:00. I wish I could get them to show up at 7:00. And I've
12 actually hired them on many occasions. They will not start
13 before 8:00. That's what I'm told from the same company that
14 was told that people were woken up at 7:00. So I would like to
15 clarify my experiences.

16 The other experience, I did have the opportunity to
17 call Mr. Carter yesterday to see who was hooked up and who was
18 not, and he indicated there was a lot of people that were not
19 hooked up. And I told him that I wanted to come to speak today
20 really because I want these people to get hooked up. And his
21 answer was, "That would be very helpful. We could use any help
22 in that direction." But yet I hear people speak that it's
23 impossible and they're refusing to hook up. I doubt highly if
24 the company would ask me, say, yeah, reflect on that if they
25 were refusing people. So I'm confused about that.

1 The other experience I had was I was probably the
2 first one to hook up in my block area mainly because I believe
3 in it. I have been in the cesspool business years ago. Here
4 we call it cesspits. And I'd rather them call it a pool
5 because it is a pool of water contained that usually leaches
6 into the ground. We don't have the ground for it to leach. So
7 like two nights ago it was high tide; whatever you flushed down
8 the toilet was floating in the street. It's almost impossible
9 not to be. And people have to understand the mechanics of that
10 and the importance of hooking up.

11 I kind of, kind of thought it was a little funny
12 about the cell phone incident. It happened to me once. I have
13 a company where my wife added my children to my plan simply
14 because it was cheaper and we could get the GPS coverage, find
15 out where they were if they were missing. Unbeknownst to me,
16 it looked like I was gouging my own company. That was one
17 experience. Possibly that's what happened. I have no idea,
18 but it is possible something like that could happen.

19 COMMISSIONER ARGENZIANO: Of course.

20 MR. CALABRO: In respect to the bills, I first hooked
21 up, and I take an aggressive approach because I wanted it
22 hooked up, but there was some billing problems right in the
23 very beginning. That's how I met Mr. Carter. I went to his
24 office, he explained the billing problems. We realized there
25 was a glitch in the system. It was new in the game. My impact

1 fee was only \$2,700. I do not have a living space. I have
2 commercial buildings I rent. That was corrected. Since the
3 day forward I've had nothing but good service. I do not have a
4 living establishment where I live. I would never have a
5 condominium because I have yet to know anyone who has a
6 condominium that's happy with any bills. All you hear is
7 badmouthing bills. So anyone who has a space with multiple
8 people living on one property, you're going to have impact fees
9 of many kinds that are not, you're not happy with. I've yet to
10 hear anybody say, oh, gee, I got a great bill in the mail in my
11 condo association. It just doesn't happen. That is why I
12 asked to remain and speak and see more what was going on to
13 hear. More than likely you get people complaining. But my, my
14 incidences, I've had nothing but good service. When a tenant
15 hasn't paid their impact fee, I've gotten calls from them
16 saying, "We don't want, we don't want to cost you to undo a
17 hookup. You know, can you take care of it?" And I did. I
18 mean, I can tell you experiences from Key West itself where I
19 get a phone call to put a sewer line in for \$8,000. I've had
20 Key West test me improperly, almost handed me a \$10,000 or
21 \$8,000 situation. So it's everywhere you go you're going to
22 have these glitches.

23 But I'm really here to say that I am maybe unusual,
24 but I'm happy with the service. I've had my hookup fee, I
25 chose my own plumber to hook up. I did not have any weird

1 experiences. I picked my own plumber. I didn't get gouged.

2 I will say this in defense of other people, it was
3 explained to me right in the beginning that your hookup areas
4 were going to be user friendly and unuser friendly. It was
5 just the way it was going to be. If you were close to a hookup
6 box, it's going to be easy. If you're not, it's not. What was
7 the first thing I did? I happened to have an easy hookup. The
8 box was near my building. I will say that in defense of other
9 people who had to spend money to get to the hookup boxes.

10 As far as the Hurricane Hole, when you ran the pipe
11 to the Hurricane Hole, I'm sure you serviced the rest of that
12 block as well. Weren't they closer to a hookup area? Wouldn't
13 that be correct? I mean, it was indicated there was some
14 special thing that Hurricane Hole got. I think about eight
15 buildings probably were brought closer to that hookup box as
16 well. That's the way I see it. I don't know. Can anyone
17 answer that question?

18 MR. WHARTON: I made one assumption today about the
19 use of the deputies and I was wrong, so I hesitate to do that
20 again. I'm sure there's someone who could definitely answer
21 that question.

22 MR. CALABRO: Basically what it boils down to in my
23 mind was I had a good experience, and I'm sure there are
24 experiences that are unhappy. But I did take the initiative to
25 go to the company, go meet who was in charge, deal with my

1 problems, and I've been treated fairly ever since. But I do
2 not live in a residential area. I have commercial buildings.
3 And I thought I needed to speak my piece.

4 CHAIRMAN CARTER: Thank you so kindly, Mr. Calabro.
5 Am I close? Calabro.

6 MR. CALABRO: Calabro.

7 CHAIRMAN CARTER: Calabro. Am I close?

8 MR. CALABRO: Yes. You're right on.

9 CHAIRMAN CARTER: That gives me something to hold on
10 to.

11 Commissioners, anything further? Staff?

12 MR. JAEGER: No questions.

13 CHAIRMAN CARTER: Mr. Wharton?

14 MR. WHARTON: No.

15 CHAIRMAN CARTER: Mr. Burgess, you're recognized.

16 MR. BURGESS: Yes.

17 CROSS EXAMINATION

18 BY MR. BURGESS:

19 Q And then now let me understand. As I understood, you
20 started by -- you were concerned because you thought you heard
21 some inconsistencies of some people that spoke earlier.

22 A Well, I was here early and I got online early. And
23 my main thing today was to come and say, look, if we can get
24 people hooked up and it's \$8 more, I'd rather this event
25 happen. It's not a killer and it's a good service.

1 Now when, when the light company adds on to your
2 electric bill, does that light bulb burn any better? No. But
3 is this plan going to efficiently function better with more
4 money? Yes. That's why I came. There is a difference. And
5 people that are mechanically inclined, I happen to be a
6 mechanically inclined person that understands the system and
7 knows the needs, and I felt that I should come.

8 Q And I appreciate that and I appreciate your
9 testimony. I'm just trying to understand it a little bit
10 better. And I'm trying to understand the inconsistencies, and
11 the first one I thought you had indicated was that when you had
12 used sheriff deputies to disseminate information --

13 A That's correct.

14 Q -- they never would get there at 7:00.

15 A I've tried to get them there. The earliest I could
16 get a sheriff to respond -- and, like I said, I've had renters
17 skip because they couldn't get there before 8:00. I mean, so,
18 you know, I believe that this process happened. It is \$20. I
19 can verify that. That's what I pay every time. But I cannot
20 get the sheriff's company to come any earlier than 8:00.

21 Q But do you have any reason other than that to believe
22 that the people that said, the person that said the sheriff's
23 deputy was at her house at 7:00 was incorrect?

24 A My point to you is when someone speaks and there's
25 something that I see blatantly impossible, I doubt everything.

1 And I'm telling you point blank I cannot get a sheriff to come
2 before 8:00. This woman said that she had the sheriff at
3 7:00 at her door. And point in fact, how many sheriffs can
4 show up at 7:00? The next one is going to be 8:00 anyway. I
5 mean, to me it's like getting a little bit petty on the thing.
6 You're forced to do it. I've had people tell me, "I'm not
7 hooking up. Force me to hook up." I mean, think of the other
8 side of this. When we first started this program most of my
9 friends were like "I'm not going to pay that. Let them force
10 me." Figure the frustration on the other end as well. Maybe
11 you need a sheriff, sadly enough, to be at the door. I have no
12 idea. But, you know, getting a registered receipt in the
13 mail -- it's not going to bother me to see a sheriff at the
14 door. I have nothing to hide.

15 Q Did you hear the testimony that this particular
16 individual had signed and received the registered letter that
17 was sent subsequent to the --

18 A Uh-huh. And the first thing that comes to mind to me
19 is there are other political avenues that are forcing these
20 things to happen, more pressure to really mandate, to hook up,
21 deadlines. I have no idea what forces them to go the next
22 step. But if they have to go the next step, it's pretty sad,
23 especially to think that these things are overflowing in the
24 streets and people aren't hooked up.

25 On the other side, if they're not allowed to hook up,

1 that's a different story. But, like I said, I talked to
2 Mr. Carter and he said, "That would be very helpful. We need
3 these people to hook up." Now there's a company manager -- how
4 could they be having people that couldn't hook up? I don't get
5 that part. To me, I want to be face value. I was told, "Yes,
6 speak because we need people to hook up."

7 Q And so the reason that you questioned that there is
8 some impossibility for some of these people to hook up is
9 because Mr. Carter urged you --

10 A Didn't urge, didn't urge me.

11 Q -- to come here and speak?

12 A Did not urge me. Let's correct that. I went to him
13 because I've always gone to him when I have any problems. I
14 wanted to make sure the meeting was on, this and that, I wanted
15 to speak. And I didn't say I was going to speak in behalf.
16 And I asked him specifically, "How many people have not hooked
17 up?" And he said, "There's a lot and we need to get them
18 hooked up." I said, "Well, I am going to touch on that base
19 because I want them to hook up. Do you have a problem with
20 that?" He said, "Absolutely not. We need people to hook up."
21 He didn't ask me to do anything. My point is he's in agreement
22 that, yes, we need help to hook up. But then I hear people
23 saying it's impossible to hook up. So somewhere in between
24 there is some difference.

25 Q One of the two of them is wrong.

1 A Yeah. And I kind of believe that people are not
2 hooking up on their own. They don't want to pay the fees and
3 all that.

4 COMMISSIONER ARGENZIANO: Well, Mr. Chair.

5 CHAIRMAN CARTER: Commissioner Argenziano.

6 COMMISSIONER ARGENZIANO: Now I have to ask some
7 questions or make some comments because let's go back to your
8 cell phone comment about it is, it is possible that sometimes
9 you get a plan or something like that, and in this case -- and
10 I understand that and I agree with you. It's not allowable.
11 But it also is possible, and I'm not saying it's this company,
12 that companies can try to put charges on a consumer where they
13 are not to do that. So that's a legitimate concern for someone
14 to ask.

15 MR. CALABRO: It's a total legitimate concern. Okay.

16 COMMISSIONER ARGENZIANO: And then wait a minute.
17 Hang on a second. And then the other thing is that you, it's
18 only speculation on your part what time a deputy can get
19 anywhere.

20 MR. CALABRO: No, it's not.

21 COMMISSIONER ARGENZIANO: It's only your, it's only
22 your experience. You don't know that every deputy cannot get
23 there at that time. So I have to disagree with that.

24 And, and, again, I understand and I appreciate your,
25 your experience with that, but you can't, you don't know for

1 sure that a deputy did not get there at a different time. So I
2 don't know where that, that stands in this whole discussion.
3 But understanding that your experience has been differently,
4 I'll admit that.

5 And the only other thing I could say, and this is
6 not, I'm not prejudging the company in any way, I don't know,
7 I'm going to be looking at it definitely and I'm listening to
8 what the, what the people say, and I think most people want a
9 clean environment. Most people understand the pristine nature
10 of the Keys and how everything we do as humans impacts it. You
11 living here impacts on the Keys. Everybody living here,
12 everybody visiting here impacts the Keys and its surrounding
13 areas, and the beneficial results of trying to get hooked up
14 for good treatment so that does not occur, or occurs very
15 minimally. But it also is a concern and I understand that, you
16 know, there's mandates and ordinances and laws, but I can
17 understand people, people saying that if I have to hook up so
18 far away and I can't afford it, I lose my house. That's
19 something, that could be something that would irritate people.
20 I know it would me. And I find it in America that's hard to
21 believe that you could. So I think their concerns about maybe
22 being able to have to hook up so far away is a real concern. I
23 don't fluff it off, and I hope you understand that. Maybe you
24 can keep your property. But if you lost your property because
25 you couldn't hook up to something that was very far away, I

1 think your attitude would be a little different. And,
2 respectfully, I'm not, not --

3 MR. CALABRO: Say what's on your mind. That's what
4 I'm here for.

5 COMMISSIONER ARGENZIANO: I'm just telling you I see
6 both sides of that and that's what we're here to look at is
7 both sides. So just maybe to help you understand why you're
8 hearing some other sounds out there -- and there may be some
9 people who just don't want to hook up, like you say, and that's
10 true. There probably are. But I think it's our job to
11 determine whether it is, you know, they are having, some people
12 may really truly be having a problem hooking up because it's
13 too far away, and that's what I'm trying to express to you.

14 MR. CALABRO: I agree with some things. But I think
15 you should tomorrow morning call the sheriff's department and
16 ask the soonest you can get somebody to serve anything and
17 you'll see who's telling the truth, number one. There's no
18 speculation. I try plenty.

19 Number two is when did this company actually start
20 hooking up to the sewer plant? Do you have an actual date,
21 what year even?

22 CHAIRMAN CARTER: Staff?

23 COMMISSIONER ARGENZIANO: I'm sure they do. And
24 that -- can I just ask you another question?

25 MR. CALABRO: Sure.

1 COMMISSIONER ARGENZIANO: Were you ever at any of
2 these people's houses when the sheriff came or the deputy came?

3 MR. CALABRO: No. But we're going far from our
4 point. My point is the sheriff comes -- I can't get them any
5 earlier than 8:00.

6 COMMISSIONER ARGENZIANO: Maybe you, maybe, there are
7 maybe circumstances. That's all I'm telling you is you
8 can't -- you're giving me your opinion, and I appreciate that,
9 and your experience, but I can't sit here and say just because
10 he's never come there for you, then he hasn't come for anybody
11 else.

12 MR. CALABRO: Granted. But I'm here because I hire
13 them to do a service, unlike anyone else that's been in here.
14 This company has hired them to do a service obviously. I
15 didn't see it anywhere, but it seems to be. I've hired them,
16 I'm kicking my part in, it is a \$20 fee, and they will not show
17 up any earlier than 8:00 I've been told several times.

18 CHAIRMAN CARTER: Let's hear from staff.

19 MR. JAEGER: I believe the agreement was in 2002 and
20 that the hookups started in 2003, but I'm not really --

21 CHAIRMAN CARTER: Mr. Wharton, is that about right?

22 MR. WHARTON: I believe that's right.

23 MR. CALABRO: Okay. So that leads me to my next
24 question. When I, when this all came about and I got my
25 original paperwork -- and I will add this, too. As far as

1 service, we had this thing in the beginning about service, my
2 service notice for what was going on was already sent to me and
3 my accountant called me and notified me. So to answer your
4 question, are people getting service right as far as their
5 information, I think it's pretty good if my accountant called
6 me from New York and said, "There's a hearing here. They're
7 going up \$6 to \$8. Do you want to, you know, go see what's
8 going on?" I think that's pretty good. Mail being forwarded
9 and all, I do live here, but my bills are paid out of New York,
10 to answer that question.

11 But my other point was when I first went into this
12 whole episode, I, this is how I operate, I go right to where it
13 begins because I want to get something done. I don't want to
14 end up here at a meeting, and I'm sad that it does come to
15 this. I was told right off the bat that my building might not
16 be near a service box and it would be a lot more money to hook
17 up. I'm sure everyone was told in 2003 to 2004 that. What are
18 we doing here in 2008 talking about a problem that we can't
19 hook up to a service box? This should have been long ago
20 reflected by people. It should have been like what's going on
21 here? We better call our senator, we better call somebody.
22 This is unfair. How, how is it taking four years to get to a
23 point that I knew the first week I got my letter?

24 COMMISSIONER ARGENZIANO: Well, Mr. Chair. And just
25 sitting here and listening to all sides, and hopefully in the

1 technical portion we will answer a lot of these questions, what
2 I hear you saying is that what your experience should be is
3 everybody's and that's it. Because you had a good experience
4 and --

5 MR. CALABRO: No. That's --

6 COMMISSIONER ARGENZIANO: Wait a minute. Let me
7 finish what I've got to say, because I'm here trying to be
8 impartial. I'm listening to your experience, but I hear a tone
9 that you think because this is the way it happened for you it
10 happened for everybody. And what I'm trying to tell you is,
11 and trying to be impartial sitting here, I have to listen to
12 them just as much as I have to listen to you. And I think what
13 I heard is you had a good -- and I'm glad that you said that
14 because that, that helps me determine there's somebody here who
15 had a good experience and had no problems at all. And then on
16 the other hand, I hear somebody that says that just the
17 opposite, that from the beginning we heard something different.
18 We heard that we were going to have a different kind of hookup.
19 So I've got two things that I have to determine.

20 MR. CALABRO: That's why, that's why I'm here and
21 that's why I stayed, because I see a consistency that's
22 different. You need to know that someone did have a good
23 experience as well as people had a bad experience. And I'm not
24 calling anyone a liar. They might have had a bad experience
25 and maybe the government needs to help in and make this money

1 hookup to these boxes possibly. But those people need to be
2 happy. We need to get hooked up and it all has to go away so
3 we're not leaching all into our water and our situation.
4 That's the real problem here. If there is bad experiences,
5 then you have -- this is what the board is for. You can look
6 up all my history and records, you'll find good experiences.
7 Maybe I'm one out of a million, I don't know. But I'm here to
8 tell you that happened to me, this is what happened, I have no
9 complaints with the service. And if it's \$8 more to keep it
10 going and better, I'm all for it. And if there's people that
11 have problems, I hope they get addressed and we get hooked up.
12 That's the big issue here.

13 CHAIRMAN CARTER: Thank you, Mr. Calabro. I'll get
14 it. Calabro.

15 MR. CALABRO: Calabro.

16 CHAIRMAN CARTER: Calabro. Yeah. I was there.
17 Okay. Thank you very kindly.

18 Mr. Kelly.

19 MR. KELLY: Yes, sir. We did have one gentleman who
20 just signed up to speak.

21 CHAIRMAN CARTER: Has he been sworn?

22 MR. KELLY: Have you been sworn? He was not.

23 MR. BLAZEVIC: I was here but I wasn't sworn. I
24 didn't expect to speak.

25 CHAIRMAN CARTER: Whoa. Whoa. Whoa. Hold the

1 phone. You don't get to say anything until after you're sworn.

2 MR. BLAZEVIC: All right.

3 CHAIRMAN CARTER: Let Mr. Kelly finish. He's going
4 to give us your name and we'll put it on our list and then
5 we'll go from there. All right?

6 MR. KELLY: Mr. R. L., Mr. R. L. Blazevic.

7 MR. BLAZEVIC: B-L-A-Z-E-V as in Victor, I-C,
8 Blazevic.

9 CHAIRMAN CARTER: Spell that again. B-L-A --

10 MR. BLAZEVIC: B-L-A-Z-E-V as in Victor, I-C. It's
11 Blazevic.

12 CHAIRMAN CARTER: Would you please raise your right
13 hand.

14 (Witness sworn.)

15 You may proceed.

16 Whereupon,

17 R. L. BLAZEVIC

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

20 DIRECT STATEMENT

21 MR. BLAZEVIC: You know, as a 50-year resident I
22 watched all this go. And I'm a believer, just like we've got
23 one aqueduct, that eventually we're going to have to go to one
24 sewer system through the whole Keys and use gray water. But it
25 just amazes me about North Stock Island. And South Stock

1 Island is in the county and North Stock Island is in the city,
2 and yet the Stock Island sewer plant is operating a collection
3 system in the city and these come under different laws, the
4 utility laws that cover Key West and cover the county.

5 And I think one of the things that amazes me is the
6 Stock Island plant wanted to take a pipeline all the way from
7 Big Coppitt, something like eight miles. And yet every time we
8 asked the city why they just can't go over the Stock Island
9 Bridge, we have a better sewage plant, we have deep water, deep
10 well injection, and one of our city engineers quit because he
11 proved that if the city had collected the sewage from North
12 Stock Island, that we would make money, plus our sewage plant
13 would work better because we had less salt water in it. But
14 I've never gotten a good answer as to why the county sewage
15 system is operating in the city, including using -- and I'm all
16 for using gray water, but advanced treatment really doesn't
17 take out all of the nitrogen and phosphorus and all these
18 things that contribute to what we see as deteriorating the
19 reef, and yet this porous limestone allows an advanced
20 treatment that's not complete treatment. There's a lot of
21 things that still go out into the adjoining waters through the
22 porous lime rock and that continues. I'm for the fact we're
23 going to have to go to gray water. But I just never had any
24 answers to why the city never went over a little bridge to
25 collect the wastewater and why the other system is inside,

1 which is a county system, is inside the city.

2 CHAIRMAN CARTER: Thank you for your comments. And
3 this is probably not a place where we can get you an answer to
4 that question.

5 Commissioner.

6 MR. BLAZEVIC: I realize. I just --

7 CHAIRMAN CARTER: But we do have it on the record.
8 We do have it on the record.

9 MR. BLAZEVIC: I've just watched this sewer episode
10 go on in both the city and the county and then Stock Island and
11 it just amazes me.

12 CHAIRMAN CARTER: Thank you.

13 Mr. Burgess, any questions?

14 MR. BURGESS: No, sir. Thank you.

15 CHAIRMAN CARTER: Mr. Wharton?

16 MR. WHARTON: No questions.

17 CHAIRMAN CARTER: Staff?

18 MR. JAEGER: No questions.

19 CHAIRMAN CARTER: Thank you. Staff, just FYI, this
20 man obviously is not within the confines of our jurisdiction,
21 but as a courtesy let's pass that on to the city and county.
22 Can you do that? Commissioners, is that fine? Do you approve?

23 Mr. Kelly.

24 MR. KELLY: That's it.

25 CHAIRMAN CARTER: Okay. Anyone, is there anyone here

1 who wanted to speak that did not get an opportunity to speak
2 this morning, you changed your mind and would like to do so?
3 As they say at the weddings, speak now or forever hold your
4 piece. Remember that part? No, we don't do that part anymore.
5 That would cause a lot of problems.

6 Let's do this. Let's have -- we will adjourn this
7 hearing, and at that point in time -- we, we do have another
8 hearing scheduled for this evening. But we'll adjourn and I'll
9 make some comments off the record about what we're going to do
10 in terms of when we get back. We're adjourned.

11 (Adjourned at 12:51 p.m.)

12 * * * * *

13 (6:00 p.m. Service Hearing as follows:)

14 **CHAIRMAN CARTER:** First of all, call our public
15 hearing to order.

16 And with that, Staff, would you please read the
17 notice.

18 **MR. JAEGER:** Yes, Chairman Carter.

19 Pursuant to notice, this time and place was set for a
20 customer service hearing in Docket Number 070293-SU,
21 application for an increase in wastewater rates in Monroe
22 County by K W Resort Utilities Corp.

23 **CHAIRMAN CARTER:** Okay. Let's take appearances of
24 the parties.

25 **MR. WHARTON:** John Wharton and Marty Deterding, Rose,

1 Sundstrom & Bentley, Tallahassee, on behalf of K W Utilities.

2 **MR. BURGESS:** Mr. Chairman, Steve Burgess. And here
3 with me is J.R. Kelly, the Public Counsel, here on behalf of
4 the Citizens of the State of Florida.

5 **MR. JAEGER:** Ralph Jaeger on behalf of the Commission
6 Staff.

7 **MS. HELTON:** Mary Anne Helton, advisor to the
8 Commission.

9 **CHAIRMAN CARTER:** Thank you so kindly.

10 Let me say to those of you that have come to
11 participate in our public hearing, we have come down here
12 because we want to hear from you, the customers. We will
13 have -- in a minute I will swear you in as a group and give you
14 an opportunity to be heard.

15 And as you come up, would you come up to this podium
16 to my right. Mr. Kelly will be calling your name. Come up to
17 this podium to my right and give us your name, address, and
18 phone number. It's important to us that we hear from you,
19 because it's important for us to understand, as we make
20 deliberations and decisions, there is a person at the end of
21 the line. We want to do that.

22 We were in the technical portion when you came, so
23 there is two parts to this case. One is a part where we take
24 testimony from the public to understand the concerns that the
25 public may have, then there is a technical portion where we

1 have the lawyers and experts that deal with this, more of a
2 legal proceeding. And with that, let me just say we will forgo
3 opening statements on the public hearing.

4 Any objections on that?

5 **MR. WHARTON:** Not at all.

6 **CHAIRMAN CARTER:** Mr. Deterding?

7 **MR. DETERDING:** No.

8 **CHAIRMAN CARTER:** Staff, any objection to that?

9 **MR. JAEGER:** No objection.

10 **CHAIRMAN CARTER:** Okay, then. No preliminary
11 matters, right?

12 **MR. JAEGER:** No preliminary matters.

13 **CHAIRMAN CARTER:** For those of you that have come in
14 for our 6:00 o'clock session that would like to be heard, would
15 you please stand and raise your right hand. Because this is
16 being transcribed by a court reporter here, and she is going to
17 take down everything that you say and it will be entered into
18 the record as we go forward.

19 So with that, would you please raise your right hand.

20 (Witnesses sworn collectively.)

21 **CHAIRMAN CARTER:** Thank you. You may be seated.

22 Mr. Kelly, you're recognized.

23 **MR. KELLY:** Thank you, Mr. Chair.

24 The first speaker is Ms. Nancy Hillman.

25 NANCY HILLMAN

1 appeared as a witness and, swearing to tell the truth,
2 testified as follows:

3 DIRECT STATEMENT

4 **MS. HILLMAN:** My name Nancy Hillman. I live at
5 H-31 Miriam Street. The phone number is (305)294-8815.

6 I first moved to Key West, Florida, in 1984 to a
7 place known as Lincoln Gardens. Key West Resort Utilities was,
8 at that time, taking care of us. I believe at that time the
9 rate was somewhere around \$11 a month, and within a month's
10 time they raised our rates to \$50.

11 And if Tallahassee would look back into their
12 records, they would find this to be so, because Tallahassee
13 hurried down. And we had a meeting at Key West High School
14 over it. And I was home-schooling my children at the time, and
15 I told them I wanted to take them to a good old-fashioned town
16 meeting. And it sure was a good old-fashioned town meeting.
17 And to make a long story short, Key West Resort Utilities was
18 not allowed to make that kind of a rate hike.

19 But over the years, every August I could be assured
20 that I would get a letter in the mail and they would ask for 50
21 cents, 50 cents. So I told my husband they were going to
22 nickel and dime us until they finally got their \$50 rate, which
23 is what they are asking for now. Numerous complaints about
24 this company, especially when we moved there with their, you
25 know, there was feces, and there were a lot of things, but they

1 did clean up a lot of their act.

2 And I want to say it was about 1998 that I actually
3 took a tour of the plant site. And that was because the
4 Commissioners were going to -- or Key West Resort Utilities was
5 asking the Commissioners if they could service all of Stock
6 Island. And so I just wanted to see what the plant was like.
7 And although it was an adequate plant at one time to service
8 Lincoln Gardens, and it was probably a good plant, it also was
9 an antiquated plant.

10 And I told the Commissioners, and Dixie Spehar was
11 the one that was really pushing for it, I told them at a
12 meeting that there was no way that I could see that Key West
13 Resort Utilities could take on the responsibility of all of
14 Stock Island. And it has been a complete nightmare. And over
15 the years, 20-plus years of this utility, I have lived in
16 various places in the United States, and I have never had the
17 problems with any utility that I've had with them, especially
18 when it comes to billing.

19 One time they told my husband, we owned two trailers
20 at that time, and they told my husband that he hadn't paid a
21 bill. And he looked back and found the receipt, and we
22 rectified that. And there were several other discrepancies.
23 And they used to have a office on Front Street, I tried to get
24 ahold of them, they were never there, then they moved their
25 office to the golf course, which is the -- I really feel that

1 Key West Resort Utilities exists primarily for the golf course.

2 They are both a monopoly on Stock Island. The golf
3 course is very blessed to have our wastewater to keep its
4 greens clean. Another thing they did one time when they wanted
5 to get our attention, they wanted to -- I forget what it was
6 about, but instead of sending us a letter directly, they went
7 around and they put their newsletter in the mailbox, which
8 everybody knows that that is illegal to use a mailbox just to
9 put something in. That is how they run their business. It is
10 very haphazard.

11 And at one time when -- I think when Mr. Smith took
12 over, I called them about something, and I got somebody on the
13 phone that gave me a long dissertation about they had a new
14 person working for them, and they knew all about wastewater,
15 and they were going to correct this, and this, and this, and
16 this. And I don't see any improvement. I certainly don't see
17 any improvement to warrant us having to pay \$51 a month.

18 Thank you very much.

19 **CHAIRMAN CARTER:** One second, please.

20 Ms. Hillman, would you just remain for a second.

21 Commissioner Skop, you're recognized.

22 **COMMISSIONER SKOP:** Thank you, Mr. Chairman. And
23 thank you for your comments. Your comments are very important
24 to us.

25 With respect to the incremental charge you said like

1 50 cents here and 50 cents there, I just wanted to ask staff,
2 you know, there is an annual provision, and I'm not sure
3 whether it was used in this case, where they can get like an
4 index each year without going through a rate case. And I just
5 wanted to ask staff if that might be an explanation for why the
6 bill increased slightly.

7 **MR. JAEGER:** When I was taking notes I just said
8 price index/pass-through, question mark. I don't know for a
9 fact, but they do have that procedure for trying to keep your
10 rate abreast of inflation so they don't all of a sudden come in
11 for a humongous rate increase. And they do nickel and dime you
12 so it keeps them abreast of inflation. It could be
13 pass-throughs or a price index.

14 **COMMISSIONER SKOP:** That was the question I had,
15 because that is a concern, and I just wanted to see if there
16 was a reasonable explanation for it. Thank you.

17 **CHAIRMAN CARTER:** One moment. Any questions from any
18 of the parties?

19 **MR. BURGESS:** None.

20 **CHAIRMAN CARTER:** Thank you so kindly, Ms. Hillman.
21 Mr. Kelly.

22 **MR. KELLY:** The next speaker is Mr. Al Hillman.

23 **CHAIRMAN CARTER:** Good evening, Mr. Hillman.

24 **MR. HILLMAN:** Good evening.

25 AL HILLMAN

1 appeared as a witness and, swearing to tell the truth,
2 testified as follows:

3 DIRECT STATEMENT

4 **MR. HILLMAN:** Good evening. My name is Al Hillman.
5 I live at H-31 Miriam Street over on Stock Island. The phone
6 number is (305)294-8815. I'm here basically to back up and
7 agree with my wife's little dissertation there.

8 Our biggest problem has been with the billing
9 situation, and the other problem when we had the two trailers
10 and they came and wanted to charge me a hook-up fee. We live
11 on the water. I told them -- they were going to cut me off if
12 I wasn't going to pay a hook-up fee. I've been paying sewer
13 for 20 years, I don't know why I would have a hook-up fee at
14 this point. But if you want to block it, you block it, and I
15 will run it in the water out of the backyard. But, anyway,
16 they finally went away. But there has been some problems.
17 Primarily it has been billing problems and kind of threatening
18 to do things that they can't really do.

19 I play golf a lot. I know these guys. I like the
20 green golf course and all of that from the water they get, but
21 I don't think it's worth the rate increase they are asking for,
22 for what they are doing. Every rain the lift stations always
23 are clogged up. Our streets flood frequently from the
24 manholes. We still have a gravity system. We get a lot of
25 water that backs up and comes up on the street yet, you know,

1 they haven't put in force mains and a lot of infrastructure
2 that I feel is necessary to run a proper plant.

3 **CHAIRMAN CARTER:** Thank you.

4 Commissioner Argenziano.

5 **COMMISSIONER ARGENZIANO:** Mr. Hillman, first of all,
6 that just brings another question, maybe two that I have. Did
7 you just say that the lift stations back up when it rains?

8 **MR. HILLMAN:** Oh, yes.

9 **COMMISSIONER ARGENZIANO:** And to the utility later,
10 or somebody, Staff, find out if there are generators there to
11 prohibit that or stop that.

12 The other question, in regards to billing, did you
13 just have one problem with billing or was it --

14 **MR. HILLMAN:** Oh, no, I had numerous problems. It
15 has gotten a little bit better, but, you know, it's hard to
16 deal with them. When we were having the problems, I would get
17 misbilled, and double-billed, and things like that. That's
18 very irritating.

19 **COMMISSIONER ARGENZIANO:** And you would call the
20 utility directly and try to get some remedy to the billing
21 problems?

22 **MR. HILLMAN:** Yes, I did.

23 **COMMISSIONER ARGENZIANO:** And it still was on-going?

24 **MR. HILLMAN:** Well, I had to take a lot of receipts
25 and canceled checks and, you know, I was guilty of not doing

1 something until I could -- fortunately, I save a lot of crap,
2 and I can take it over there.

3 **COMMISSIONER ARGENZIANO:** And the last question I
4 have, and forgive me if I didn't get this right. Are you
5 saying that you've been hooked up to the utility all these
6 years and now they tried to charge you a hook-up fee again?

7 **MR. HILLMAN:** Well, a few years ago they tried to
8 charge me a hook-up fee. I had two properties right next door
9 to each other, both trailers that I had for years.

10 **COMMISSIONER ARGENZIANO:** Okay. So was one hooked up
11 and not the other?

12 **MR. HILLMAN:** No, they were both hooked up. They
13 were both hooked up since '83 when I got them. They just
14 wanted me to pay a hook-up fee for whatever reason. I have no
15 idea.

16 **COMMISSIONER ARGENZIANO:** You were already an
17 existing customer?

18 **MR. HILLMAN:** Oh, yes. We had been paying them for
19 years. But, you know, little things like that are very
20 irritating. I mean, I never had to pay it. I never really had
21 a big thing about it, other than they said I would have to pay
22 a hook-up fee or they would cut it off. I said go ahead and
23 cut me off, I'll shoot it out the backyard.

24 **COMMISSIONER ARGENZIANO:** Mr. Hillman, that was a few
25 year ago or recently?

1 **MR. HILLMAN:** Well, it has been a few years ago.

2 **COMMISSIONER ARGENZIANO:** That's been resolved, then?

3 **MR. HILLMAN:** Oh, yes.

4 **COMMISSIONER ARGENZIANO:** Thank you.

5 **CHAIRMAN CARTER:** Thank you, Mr. Hillman.

6 Mr. Burgess, any questions?

7 **MR. BURGESS:** No, sir. Thank you.

8 **CHAIRMAN CARTER:** Parties? Staff, any questions?

9 **MR. JAEGER:** No questions.

10 **CHAIRMAN CARTER:** Thank you.

11 Mr. Kelly.

12 **MR. KELLY:** The next speaker is Christopher Bridger.

13 CHRISTOPHER BRIDGER

14 appeared as a witness and, swearing to tell the truth,

15 testified as follows:

16 DIRECT STATEMENT

17 **CHAIRMAN CARTER:** Chris, help us by spelling your

18 last name.

19 **MR. BRIDGER:** My name is Christopher Bridger,

20 B-R-I-D-G-E-R. I live at 5030 5th Avenue, Number 73, on Stock

21 Island.

22 In the time that I've been here in Key West, I've

23 lived both on the island, itself, and now on Stock Island, and

24 I've had no problems whatsoever with the Key West Resort

25 Utilities. From what I've seen, the service has been good. I

1 believe that we are getting the proper treatment of our water
2 and the environment is being protected the way it should be. I
3 see no problems with the Key West Resort Utility and see no
4 reason for them to discontinue treating Stock Island.

5 Like most people, I saw the words rate increase and
6 my initial knee jerk reaction was to say absolutely not. You
7 know, with the economy the way it is, times the way they are,
8 everything seems to cost more, and one more person asking for
9 more money out of my pocket was the last thing I wanted.
10 However, prior to coming today, I looked through on the
11 Internet and found various rates for the Aqueduct Authority,
12 for various parts of the Keys, compared those to the proposed
13 rate increases, and actually found Key West Resort Utility to
14 come in below the rates currently in effect for most of the
15 Keys.

16 I think this is an issue of us being penny wise and
17 pound foolish, and I think to not allow Key West Resort
18 Utilities to continue servicing Stock Island would eventually
19 lead to higher costs. I think that paying a few extra pennies
20 today to save a few dollars down the road is a wise move, and I
21 believe the rate increases should be given and Key West Resort
22 Utilities should continue to service Stock Island as they have
23 been.

24 **CHAIRMAN CARTER:** Thank you. One moment.

25 Commissioners, anything? Parties, any questions?

1 **MR. BURGESS:** None.

2 **CHAIRMAN CARTER:** Staff.

3 **MR. JAEGER:** None.

4 **CHAIRMAN CARTER:** Thank you very kindly, Mr. Bridger.
5 Mr. Kelly.

6 **MR. KELLY:** The next speaker is Mr. Harry Goode.

7 HARRY GOODE

8 appeared as a witness and, swearing to tell the truth,
9 testified as follows:

10 DIRECT STATEMENT

11 **MR. GOODE:** Harry Goode. First of all, I apologize.
12 I have a deep cold, so if I drown you out, or myself, I concur
13 with what Mrs. Hillman had to say.

14 Some years back, well, a few years back, maybe, not
15 too many, the sewage company, you never seen them or heard of
16 them unless you had an overflow. Then to call it an overflow
17 was just something repetitious. There may be something done
18 about it, and it may not be. So as far as that goes, that was
19 pretty well cut and dry.

20 In the beginning they had a very poor admin section,
21 which was evident to anybody that had any dealings with the
22 sewage people. And it was just almost impossible to get it
23 straightened out unless you went to higher authority.

24 Now, I don't know where the idea came that they
25 haven't raised the pay since 1982. Whoever came up with that

1 is a real comedian, because I have been paying on five
2 different places for the last 20-something years, maybe 30.

3 Then they come around with little packets that they
4 were giving out for everybody that wasn't hooked up to the
5 system. Evidently that was when somebody else took it over or
6 the people that were running it might have been getting some
7 static from higher headquarters and had to do something about
8 it that they could show them. Well, I happened to notice the
9 little packages, and, there again, I have been paying sewage on
10 it, at least I thought I was, I was making the payment on
11 sewage when the idea came up that I wasn't on there.

12 And they gave me, I think it was 30 days to come up
13 with X number of dollars and get back on the sewage. But I had
14 five units, and all five units were on the sewage, like I said,
15 for years. So I just took a packet over and I showed it to
16 them and told them what the story was. And they said, well,
17 we'll get back to you. And, of course, they didn't, and
18 nothing happened because I was still hooked up and I had always
19 been hooked up.

20 Any raise -- to me, any raise should be acknowledged
21 by the cost of living wages like they do nationwide. There
22 should never be anybody charging the public with that big a
23 denomination in excess of five or six percent at the most. But
24 I think it should be equal to the cost of living that we get,
25 particularly in Key West. Everything goes up here except the

1 wages, and that's something that's hard to figure out. Any
2 people that would down here for any length of time, if they
3 have a family, they have to have at least both of them working
4 to survive. Not to live good, but to survive. So every penny
5 means a lot to them. It may not mean so much to me as it would
6 to them, but it does to them.

7 So, I think -- well, then, again, I wonder how I
8 would benefit if Aqueduct took over the sewage. And I don't
9 understand what the gentleman thinking the idea was they want
10 to take that over, because that was discussed, not to a
11 takeover of any sort, among other people for a good number of
12 years. Nothing ever materialized on it. So I would like to
13 know what I would benefit if they took that over.

14 Today, when I started the sewage business, I think I
15 paid around 11, 12, 13 dollars at the most. Well, I know that
16 if you have maintenance, which I never did see, or never did
17 have, there would be a minor cost. I acknowledge that. And I
18 appreciate good service, and I'm willing to pay for it, but I
19 want -- if I have to pay the money, I want the service, and so
20 does everybody else.

21 So all in all, today I pay \$47-and-something for each
22 unit. That has raised up from 13 and so up to 47. That's not
23 a lot of money, maybe, for some people, but for what reason?
24 If we were getting good services, okay, no problem. I want to
25 pay for the service I get, but I want to get the service if I

1 have to shell out some money.

2 So, really, I don't see any particular reason that we
3 should have a different unit to take over. I just think
4 pressure should be put on the people that's operating it now,
5 wherever their headquarters is responsible for them to check
6 and make sure they're doing what they're supposed to be doing.
7 Apparently we have people going around now that's doing a
8 little work pumping out the stations and so forth which you
9 didn't see before. Within the last six months they have been
10 around, prior to that I never seen or heard of them. Didn't
11 know who they were. So we need to get to work, too. If you're
12 going to do something that reflects our pay or whatever, you
13 know, they're responsible to you. You should have a way to
14 notify us, but not just come along and put a flier in the
15 mailbox at my place. That might last an hour, I don't know.
16 Somebody might get it and not read and just stick it in the
17 trash can.

18 So to make a long story short, like I said, I'm
19 willing to pay for good service, and I want good service, but
20 it has got to be within the means of the other people that
21 don't make as much money as I do, and I'm not rich or getting
22 rich.

23 So, I apologize. I thank each and every one of you
24 for coming down to represent us. We surely appreciate it, and
25 we do need your help. And I think with a little effort from

1 the higher headquarters down to the lower echelons, and that
2 they understand what you want, and you're demanding what they
3 are supposed to give you, I believe we can all have better
4 lives in the Keys.

5 Thank you very much.

6 **CHAIRMAN CARTER:** Thank you very much, Mr. Goode.
7 Commissioners, any questions? Any questions from the
8 parties? Staff?

9 **MR. JAEGER:** None.

10 **CHAIRMAN CARTER:** Thank you very kindly.
11 Mr. Kelly.

12 **MR. KELLY:** The last speaker is Mr. Jeff Allen.

13 **MR. JAEGER:** Chairman Carter.

14 **CHAIRMAN CARTER:** Yes.

15 **MR. JAEGER:** Again, I only saw four people stand up.
16 Was he sworn?

17 **CHAIRMAN CARTER:** Have you been sworn in?

18 **MR. ALLEN:** No.

19 **CHAIRMAN CARTER:** Okay. Good. Just stay where you
20 are, look at me, raise your right hand and smile.

21 (Witness sworn.)

22 **CHAIRMAN CARTER:** Thank you so kindly.
23 You're recognized.

24 JEFF ALLEN

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 **MR. ALLEN:** Just to draw on what the last gentleman
4 was saying --

5 **CHAIRMAN CARTER:** Jeff, you've got to work with me
6 here. You've got to stay close to the microphone, because --

7 **MR. ALLEN:** I'm not a great public speaker. I'll do
8 my best.

9 **CHAIRMAN CARTER:** If you'll give us your name,
10 address, and phone number.

11 **MR. ALLEN:** My name is Jeff Allen. I'm currently a
12 resident in Key West proper. I was formerly a resident on
13 Stock Island. I do own two properties in Stock Island that are
14 hooked up to that sewer system.

15 To expand on what the last gentleman was saying about
16 service, as far as sewer goes, if you don't see them or don't
17 hear from them, that's probably a good thing, in my mind. I,
18 in my two properties there, I have never had any problems as
19 far as service goes. I know it's a big area and there could be
20 other areas of concern.

21 As far as the rate increase, which is why we are
22 here, I've lived in both Key West and Key Haven, and the rates
23 on Stock Island are significantly cheaper. Again, the service
24 for me is just as good. So I personally don't have a problem
25 with the rate increase. I understand that the cost of

1 everything for everybody is going up. It's not good times for
2 anyone. I'm sure their costs are increasing. I'm sure if the
3 Aqueduct or another company took it over, the rates would be
4 significantly more.

5 You know, I lived in Harbor Shores when the whole
6 hook-up thing was going on. It wasn't a pleasant situation. I
7 know it wasn't for any of the parties. There were some
8 injustices, in my mind, which I was personally affected by, but
9 I don't have a problem with the rate increase. I think the \$47
10 is very reasonable at this rate, and for a few dollars more
11 it's really not a big deal as opposed to having another company
12 come in and run it. That's really about all I have to say.

13 **CHAIRMAN CARTER:** Thank you, Mr. Allen.

14 An questions, Commissioners?

15 Mr. Burgess.

16 **MR. BURGESS:** Mr. Allen, do you have any business
17 relationship or anything with Mr. Smith or any of Mr. Smith's
18 family members?

19 **MR. ALLEN:** Mr. Johnson and I own a unit together on
20 Stock Island.

21 **MR. BURGESS:** Thank you very much.

22 MR. ALLEN: Sure.

23 **CHAIRMAN CARTER:** Anything further?

24 Thank you very kindly.

25 Mr. Kelly.

1 **MR. KELLY:** Nothing further.

2 **CHAIRMAN CARTER:** We have had five people come and
3 give us -- is there anyone that came in at our 6:00 o'clock
4 public hearing that wanted to be heard that did not get a
5 chance to be heard or would like to speak? Okay.

6 Hearing none, Commissioners, Staff, and parties,
7 let's do this -- let's go off the record.

8 (Service Hearing concluded.)

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

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WE, LINDA BOLES, RPR, CRR, and JANE FAUROT, RPR, Official Commission Reporters, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that we stenographically reported the said proceedings; that the same has been transcribed under our direct supervision; and that this transcript constitutes a true transcription of our notes of said proceedings.

WE FURTHER CERTIFY that we are not a relative, employee, attorney or counsel of any of the parties, nor are we a relative or employee of any of the parties' attorneys or counsel connected with the action, nor are we financially interested in the action.

DATED THIS 13th day of October, 2008.

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