

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080121-WS

In the Matter of:

APPLICATION FOR INCREASE IN WATER AND
WASTEWATER RATES IN ALACHUA, BREVARD,
DESOTO, HIGHLANDS, LAKE, LEE, MARION,
ORANGE, PALM BEACH, PASCO, POLK, PUTNAM,
SEMINOLE, SUMTER, VOLUSIA, AND WASHINGTON
COUNTIES BY AQUA UTILITIES FLORIDA, INC.



VOLUME 1

Pages 1 through 67

ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE
A CONVENIENCE COPY ONLY AND ARE NOT
THE OFFICIAL TRANSCRIPT OF THE HEARING,
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

PROCEEDINGS: HEARING

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Monday, December 8, 2008

TIME: Commenced at 9:41 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
(850) 413-6734

DOCUMENT NUMBER - DATE

1357 DEC-9 08

FPSC-COMMISSION CLERK

1 PARTICIPATING:

2 BRUCE MAY, ESQUIRE, and GIGI ROLLINI, ESQUIRE,
3 Holland & Knight Law Firm, Post Office Drawer 810, Tallahassee,
4 Florida 32302-0810, representing Aqua Utilities Florida, Inc.

5 KIMBERLY A. JOYCE, Aqua Utilities Florida, Inc., 762
6 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010-3402,
7 representing Aqua Utilities Florida, Inc.

8 J. R. KELLY, PUBLIC COUNSEL, CHARLES J. BECK,
9 ESQUIRE, and STEPHEN C. REILLY, ESQUIRE, Office of Public
10 Counsel, c/o The Florida Legislature, 111 West Madison Street,
11 Room 812, Tallahassee, Florida 32399-1400, representing the
12 Citizens of the State of Florida.

13 CECILIA BRADLEY, ESQUIRE, Office of Attorney General,
14 The Capitol - PL01, Tallahassee, FL 32399-1050, representing
15 the Office of Attorney General.

16 RALPH JAEGER, ESQUIRE, KATHERINE FLEMING, ESQUIRE,
17 ERIK SAYLER, ESQUIRE, and CAROLINE KLANCKE, ESQUIRE, FPSC
18 General Counsel's Office, 2540 Shumard Oak Boulevard,
19 Tallahassee, Florida 32399-0850, representing the Florida
20 Public Service Commission Staff.

21 MARY ANNE HELTON, ESQUIRE, 2540 Shumard Oak
22 Boulevard, Tallahassee, Florida 32399-0850, advisor to the
23 Commission.

24

25

1	I N D E X	
2	WITNESSES	
3	NAME:	PAGE NO.
4	KELLY SULLIVAN	
5	Direct Statement	9
6	Cross Examination by Mr. May	40
7	Cross Examination by Ms. Bradley	41
8	NANCY EVANS	
9	Direct Statement	44
10	DEBORAH SCHAFER	
11	Direct Statement	59
12		
13		
14	CERTIFICATE OF REPORTER	67
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

	EXHIBITS		
1			
2	NUMBER:	ID.	ADMTD.
3	1 Comprehensive Exhibit List	7	7
4	2-171 (Description of exhibits contained in Comprehensive Exhibit List)	7	
5	172 Hydrostratigraphic Relationships Aerial Map (Sullivan)	12	
6			
7	173 Petition (Sullivan)	12	
8	174 Petition (Sullivan)	13	
9	175 Photos (Sullivan)	26	
10	176 Notice to Public and 10/10/08 Letter from Chris Franklin	38	
11			
12	177 Foodandwaterwatch.org Report	54	
13	178 Culligan Water Bottle Labels	59	
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

P R O C E E D I N G S

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CHAIRMAN CARTER: Good morning. I want to welcome you all to this hearing this morning. Commissioner Argenziano, can you hear us okay?

COMMISSIONER ARGENZIANO: Yes. Good morning, Mr. Chair.

CHAIRMAN CARTER: Good morning. Good morning to you.

Commissioners, what we're going to do is just kind of FYI, a little housekeeping matter, is that because of our schedule the transcripts for this hearing will be available daily, and what we're going to try and do is we're going to have to change out court reporters twice. So help me remember that so I don't go overboard with the court reporters. We're going to probably try to break for them around 11:30 or so and then maybe kick back up around 1:00, 1:30 or something like that, give them an opportunity to change out on our court reporters so we can have things taken care of along those lines.

With that, convene the hearing. Staff, would you please read the notice.

MR. JAEGER: Yes, Chairman Carter. Pursuant to notice, this time and place has been set aside for a hearing in Docket Number 080121-WS, the application of Aqua Utilities Florida, Inc., for increased water and wastewater rates.

CHAIRMAN CARTER: Let's take appearances.

1 MR. MAY: Good morning, Mr. Chairman and
2 Commissioners. I'm Bruce May with the Law Firm of
3 Holland & Knight representing Aqua Utilities Florida.
4 To my left is Ms. Kimberly Joyce, counsel for Aqua Utilities
5 Florida, and to her left is my partner Gigi Rollini with
6 Holland & Knight as well.

7 MR. BECK: Good morning, Commissioners. J.R. Kelly,
8 Steve Reilly and Charlie Beck of the Office of Public Counsel
9 appearing on behalf of the customers of Aqua Utilities Florida.

10 MS. BRADLEY: Cecilia Bradley, Office of the Attorney
11 General, also on behalf of the customers, citizens of Florida.

12 MR. JAEGER: Ralph Jaeger. With me today are
13 Katherine Fleming, Caroline Klancke and Erik Sayler, Commission
14 staff.

15 CHAIRMAN CARTER: Thank you. Staff, any preliminary
16 matters? Oh, and Mary Anne Helton.

17 MS. HELTON: Yes, sir. Mary Anne Helton, advisor to
18 the Commission.

19 CHAIRMAN CARTER: Thank you.
20 Staff, any preliminary matters?

21 MR. JAEGER: Yes, Chairman Carter. There are
22 several, but there's only one we would like to take up now. I
23 note that several customers have signed up to speak or present
24 testimony, and staff suggests that before we go to their
25 testimony we take care of the Comprehensive Exhibit List.

1 Staff has prepared a list showing 171 exhibits either
2 from the service hearings, from the prefiled testimony, and
3 Exhibit 65 is staff's composite exhibit. And all, I think all
4 the parties have that Comprehensive Exhibit List, and so we'd
5 like to have that identified as Exhibit Number 1, it's been
6 reserved, and admitted into the record.

7 CHAIRMAN CARTER: Any objections? Without objection,
8 show it done.

9 (Exhibit 1 marked for identification and admitted
10 into the record.)

11 (Exhibits 2 through 171 marked for identification.)

12 MR. JAEGER: Okay. I have a list of several
13 customers. The first customer I have is Kelly Sullivan.

14 CHAIRMAN CARTER: Okay. Let's do this. All of our
15 witnesses -- before we do that, let's do this. Let's take it
16 in proper order. Let's back up a minute here, staff. All of
17 those that are wishing to speak and that have signed up, would
18 you -- I want to swear them in as a group. So all of, all of
19 those that have signed up to speak today, would you please
20 stand so we can sign you in -- we can swear you in as a group?

21 Okay. Mr. Jaeger, how many names do you have?

22 MR. JAEGER: I was given three names, Kelly Sullivan,
23 Deborah Schafer and Nancy Evans, and I see three people
24 standing.

25 CHAIRMAN CARTER: Okay. We still have staff outside.

1 Let's -- Ms. Sullivan, just give me one second before we do
2 that. Someone go out and check with staff and make sure that
3 we've got everyone that signed up. We want to give people an
4 opportunity to be heard.

5 MR. JAEGER: Chairman Carter, I think I said it, but
6 I wanted to make sure that we do have the 171 already
7 identified. So any, if they have any exhibits, we will start
8 with 172 and then go sequentially from there for any new
9 exhibits.

10 CHAIRMAN CARTER: We'll do that.

11 That's it? Okay. Those of you wishing to speak,
12 would you please stand and raise your right hand.

13 (Witnesses collectively sworn.)

14 Thank you. Please be seated.

15 Let me just kind of remind you -- good to see you
16 again, Ms. Sullivan -- is that as you, if you have
17 additional -- we do have the exhibits that we got from those of
18 you at the hearings that we had in Oviedo. If you have
19 additional exhibits, we'll pick those up and add them to our
20 list. So, Commissioners, we'll be starting with Exhibit Number
21 172 if we pick up from there, Number 172.

22 Good morning, Ms. Sullivan. You're recognized.

23 Whereupon,

24 KELLY SULLIVAN

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

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

2 DIRECT STATEMENT

3 MS. SULLIVAN: Good morning. Thank you. I feel
4 well-acquainted with all of you, and I appreciate this
5 opportunity to be able to speak to you.

6 What Charlie Beck is handing out right now is
7 something that I thought would be helpful to the Commissioners
8 to keep handy during the testimony this week, not just for my
9 testimony. In fact, I'm not going to talk about that first.
10 But because it is an aerial view of the Aqua Utilities service
11 area I thought it would be very helpful because in my testimony
12 I will refer to certain activities, and I can help you by
13 looking at this to know where, where that's occurring. And I
14 thought this would just be a helpful document for you and will
15 serve you well all week.

16 Just to let you know, I am not smart enough to know
17 how to put together something like this. The source of this
18 document is the St. Johns River Water Management District. I
19 have had several meetings with them over the last year and a
20 half and phone conversations and whatever, and this particular
21 document was presented to me and Commissioner, Seminole County
22 Commissioner Bob Dallari in a meeting that we had with
23 Catherine Walker and others I believe in August of 2007. It
24 was sort of in the runup of me having a better understanding of
25 the hydrogeology of Chuluota. I am not an engineer, Catherine

1 is, and, but this was a document that we got during that
2 meeting. So I thought it would be helpful for you to have an
3 aerial.

4 When we talk about Chuluota proper, what we're
5 talking about, if you'll look at the document, and where you
6 see PW-1, which is one of the wells, that little, the area
7 where you see the patchwork of streets, that is Chuluota
8 proper. These are the original older homes in Chuluota. The
9 running size is from about 900 square feet to 1,200 square
10 feet. Many of these people are on water but have their own
11 septic tanks.

12 If you'll look further to the top of the page where
13 the red line is, which the red line represents Aqua Utilities
14 Florida service area. The area along the top edge of the red,
15 what you can't see just off the page is the Econlockhatchee
16 River, and I'll be glad to spell that for you, if you need me
17 to. You know, Chuluota, Econlockhatchee, we learn these words.
18 They're all Indian words that have special meanings to us.
19 But they're wetlands between the red area and the river that I
20 will address. But I'm sure that Deborah will probably talk a
21 little bit more, and rather than me continue to explain the
22 picture, I thought this would be helpful to you in receiving
23 your testimony this week.

24 So first I just want to say a few brief words
25 about -- I have been reading the prefiled testimony. I have

1 tried to focus on the area of the testimony that is specific to
2 Chuluota. I may have missed some. I have read a lot, but I
3 may have missed some. But one of the continuing themes not
4 only in the testimony but in some of the correspondence that
5 I've been seeing is that Aqua Utilities continues to say that
6 the customers in Chuluota are no longer calling, they must be
7 happy. Well, I want to say as strongly as I know how that we
8 are not happy. If the expectation is that 1,500 customers need
9 to call somebody every day, I can make that happen. I have
10 chosen not to take that route because in working with my local
11 state representative, my county commissioners, we have tried to
12 attack this in a productive way, and I don't think it would be
13 very productive for anyone for 1,500 people to be calling on a
14 daily basis.

15 What I have done, however, is taken advantage of your
16 online complaint mechanism. And just this past week I sent out
17 a notice via e-mail that was picked up by many other e-mail
18 listserves, as well as we distributed 1,500 fliers in the area
19 over the weekend. I expect you're going to have an uptick in
20 traffic on your online complaint. Because one of the
21 challenges to me has been when I start to relate a story from
22 someone, you know, I get pushed back, "Well, that's not you,
23 you can't testify to what somebody else said," and I can
24 appreciate that.

25 But in addition to that online uptick that I expect

1 you're going to have, I do have a few other things with me.
2 One of the things that I have to give to you to enter into
3 evidence is from, this was from the residents of Chuluota
4 proper. It's a petition that they put together, not at all at
5 my request or anything. They just wanted to make sure that I
6 had it because they had taken the time to have -- I should have
7 counted the names. There's 11 pages of names with addresses
8 and dates that they signed. But essentially this is a petition
9 that describes their feelings that water should be affordable
10 to all, that this is a necessity, not a commodity. And these
11 were signed by, mostly from the area that we refer to as
12 Chuluota proper. And so I want to -- these were sent to
13 Representative Sandy Adams. And go ahead.

14 MR. BECK: Mr. Chairman, could we mark that as an
15 exhibit for identification?

16 CHAIRMAN CARTER: That would be Exhibit Number 173.
17 We're going to mark the chart as 172, Commissioners, for your
18 records, the chart.

19 MR. JAEGER: 172 would be the hydrostratigraphic
20 relationships.

21 CHAIRMAN CARTER: That's easy for you to say.

22 MR. JAEGER: Yes. Aerial map.

23 CHAIRMAN CARTER: And the petitions will be Exhibit
24 Number 173.

25 (Exhibits 172 and 173 marked for identification.)

1 You may proceed.

2 MS. SULLIVAN: And to reiterate, these petitions were
3 presented to Representative Sandy Adams. I believe on
4 November 21st is when she received them. And she couldn't be
5 here today and so we have presented those on her behalf.

6 The other thing that I have with me to provide to you
7 with regard to customer service is another petition. This was
8 some residents who took it upon themselves, again, at no
9 prompting from me, to go door to door and collect signatures.
10 And so I'd like to have this entered as Exhibit 174. Sorry,
11 Charlie. Thank you. And it has the requisite names, addresses
12 and, you know, information about customers.

13 (Exhibit 174 marked for identification.)

14 So my point being is that in Chuluota we're extremely
15 frustrated when we continue to hear that we're satisfied
16 because we are not.

17 My daughter's visit from Washington, D.C., over
18 Thanksgiving weekend kind of sums it up. She came out of the
19 bathroom asking for bottled water to brush her teeth. She
20 said, "Mom, the water tastes like vomit." And that -- and I
21 actually asked her to go online so you would get that directly
22 from my daughter, not from me. But that exactly was her --
23 that's a quote. So we are not happy.

24 One of the -- the thing that I want to focus on,
25 because I don't want to take up an undue amount of your time

1 and I do appreciate your allowing us this time, when I read the
2 testimony of the engineer for St. Johns Water Management
3 District, Catherine Walker, I was deeply disturbed by what I
4 read. Because while if you're looking at it from a macro
5 level, I have no doubt the statements made there are true and
6 accurate, but as to Chuluota I have some specific challenges to
7 that testimony that I think are worthy of follow-up.

8 In the testimony she gave the question was asked,
9 "Does the district support the utility's request for a BFC and
10 a two-tiered inclining block gallonage charge rate?" Her
11 answer was, "Generally yes. As mentioned previously,
12 conservation-promoting rate structures generally contain three
13 or four tiers of inclining rates. The district encourages a
14 multi-tiered inclining block rate structure that progressively
15 increases the cost to the user with increasing consumption.
16 However, the district does approve one- or two-tiered
17 structures if the gallonage charge is sufficiently high
18 relative to the BFC to send a clear price signal to discourage
19 use. Furthermore, 5,000 gallons per month is a reasonable,
20 reasonably conservative quantity for essential domestic use.
21 An average household with a reasonable conservation ethic
22 should be able to keep their usage in the first usage block.
23 In this case, the tiers appear to support the district's
24 conservation goals."

25 To say I was angry is to put it mildly. I have met

1 with the Water Management District in person with my local
2 county commissioner. What will happen is there's a price point
3 at which when the price becomes too high, many of the residents
4 in Chuluota will sink irrigation wells for their irrigation.
5 Their homeowners associations require certain, you know,
6 restrictions about what kind of grass they can use, which I
7 have gotten on the board of directors of my homeowners
8 association. I'm trying to make some changes, trying to get
9 zero-scape to be much more accepted. But for the time being
10 there are at least two areas in Chuluota -- my neighborhood has
11 296 homes, the Trails has approximately a thousand homes that
12 there are some restrictions on the homeowners with respect to
13 what kind of grass and what needs to be done.

14 My husband and I took the step of installing a lake
15 irrigation pump. For me, as a lifetime member of Girl Scouts,
16 and I know that sounds hokey, but it's true, it is disturbing
17 to me to have to make this decision to put in this lake pump.
18 Now I will tell you my grass now is golf course quality. It's
19 amazing what the difference in lake water retention pond and
20 what the chemically treated Aqua water will do.

21 But what the Water Management District told us when I
22 met and when I received this document that you have, the
23 hydrostratigraphic relationships, they were horrified. They
24 said, "If you continue to put irrigation wells in, you will be
25 destroying the water source, that you are actively destroying

1 the water source." And I said, "Help me understand that."

2 Because clearly I don't want to be destroying my environment.

3 What they explained was is that because of the high
4 salinity in the area -- which, by the way, there used to be
5 five wells for Aqua. One of them has already been closed for
6 saltwater intrusion, so they have four wells remaining. What
7 happens is if you'll look to the left of the document I gave
8 you -- and I won't, I'm not an engineer, I don't pretend to be
9 a scientist, but it's pretty simple. If you look at the
10 different layers on the left and the well, these are the four
11 wells, the Aqua wells that are in here and it shows you where
12 the water tables were. Now I got this in August of 2007. I
13 can't imagine it would have changed dramatically in 2008. But
14 in effect these wells along with all of the irrigation wells
15 that are being installed take the top level of the groundwater
16 away. When that happens, the top level acts like a sponge and
17 it pulls the salt water, and I'm sure there's a scientific term
18 for that, the salinity level will rise. And so the more wells
19 you put in, the hydrogeology in Chuluota is sufficiently unique
20 that you will cause saltwater intrusion not only of these four
21 wells but for all those people who already have wells that
22 don't even live within Aqua Utilities' service area. So in
23 effect what Catherine Walker explained to me and Commissioner
24 Dallari is that sinking irrigation wells is worst-case scenario
25 because you're destroying the water source.

1 There's a certain price point at which -- I mean, for
2 my husband and me it was \$2,000 to install a lake irrigation
3 pump. I'm told that to sink an irrigation well is
4 approximately \$2,500. If these rates go into effect, doing
5 some, some calculations as best we can and trying to be
6 conservative with those calculations, we believe your return on
7 investment at the new rates will be approximately nine months.
8 So I am confident that the residents of Chuluota will begin
9 putting in irrigation wells.

10 Furthermore, we know already that The Trails, the
11 1,000-home area that I told you about, they have already taken
12 bids to put in four wells to cover their common area
13 maintenance. So this isn't just maybe, this is real. We will
14 be in effect destroying the water source from the pricing
15 points that are going into place. Not a good outcome for
16 anybody concerned.

17 COMMISSIONER ARGENZIANO: Mr. Chairman, can I, can I
18 interject something here?

19 CHAIRMAN CARTER: You're recognized.

20 COMMISSIONER ARGENZIANO: May I ask a question? And
21 pardon me if I, if I missed this. Did the Water Management
22 District also tell you that -- and this is, this is very true.
23 I mean, any time you sink more wells -- that's what happened to
24 the whole West Coast, the Tampa area, and including the, the
25 cone of influence from those wells that have been sunk, that's

1 what happened to Pasco County. But it actually happened in the
2 '30s. The more wells that went into the ground, the more --
3 it's a potentiometric -- if they take from the surface, it's a
4 potentiometric (phonetic) pressure that pulls in the salinity
5 level. And if you sink more wells, of course what you're doing
6 is drawing in more salt water from the west into the potable
7 zone and that's why the West Coast and that area lost its
8 potable zone so many years ago.

9 But did they also tell you that the same amount of
10 water is being drawn whether it's a well that the people are
11 putting in versus the main wells that are supplying Chuluota
12 now? It may be from different areas and spreading it out a
13 little bit more, but as long as you're drawing water from the,
14 the Floridan Aquifer, you're still, in that area still taking
15 that chance of infecting the potable zone that remains in Pasco
16 with salt water. I don't know if they indicated that to you.
17 Unless you came, you know, you got water from a totally
18 different source, and, I mean, it would be outside of that
19 hydrogeologic area, you will still be drawing salt water into
20 that potable zone. And I wonder if they offered that to you.

21 MS. SULLIVAN: Thank you for that question. It so
22 happens that it's very -- the hydrogeology of any given area in
23 Florida is unique. Six miles north of us in a little town
24 called Geneva, it's a one red light town, I'm not even sure it
25 is a town, maybe it is, they have some of the purest water in

1 Florida because they're on what's called the Geneva Bubble.
2 We've checked them out. We've looked at opportunities to try
3 to -- you know, can we run pipes to Geneva? Of course, they
4 don't want us to because they know that it's limited and how
5 much they could, could use.

6 COMMISSIONER ARGENZIANO: Sure.

7 MS. SULLIVAN: But just to the west of us is Oviedo,
8 who has the capacity, if you're talking from a pure water
9 capacity, they have the capacity to service Chuluota. What
10 they don't have is a consumptive use permit that would allow
11 them to supply water to Chuluota. Their water is superior to
12 ours even though it's just, as the crow flies it's only a few
13 miles away. So the point being -- and, yes, we discussed this
14 with the folks from the Water Management District. They
15 explained to us that Chuluota is special. And, of course, we
16 know that, we know Chuluota is special. But we also know we've
17 been long suffering in this area to get quality water.

18 COMMISSIONER ARGENZIANO: Yes. I mean, that's -- I
19 have no doubt about that. I know it's been an ongoing problem
20 and a real problem for a long time.

21 I guess what my point was is that it -- and that's
22 true because of the limestone, because of the way our Floridan
23 Aquifer is made up, unless it's a separate watershed, and in
24 that area there's going to be different pockets. Like you say,
25 the Geneva Bubble and in different places there may be better

1 water in different locations of that aquifer and in different
2 caverns of that aquifer.

3 But in Chuluota if -- and this is what I guess -- the
4 wells that you are currently drinking from are Aqua's wells in
5 Chuluota; is that correct?

6 MS. SULLIVAN: Well, actually most of us don't drink
7 the water. We buy bottled water.

8 COMMISSIONER ARGENZIANO: Right.

9 MS. SULLIVAN: But the service to our homes is from
10 the Aqua -- I mean, not everyone. I think there are some
11 people -- Deborah can better speak to that. Certainly I know
12 Deborah has a well at her home. She doesn't live in the Aqua
13 Utilities service area and she's concerned about her well.

14 COMMISSIONER ARGENZIANO: Sure.

15 MS. SULLIVAN: But I'll let her speak to that.

16 The water that comes to our home in the red area in
17 the document that you can't see, Commissioner Argenziano, does
18 come from Aqua Utilities' wells.

19 COMMISSIONER ARGENZIANO: Okay. And I guess my
20 concern with the Water Management District is I wonder if they
21 had mentioned -- when they were saying that if the citizens
22 were to sink their own irrigation wells -- I think what you
23 were saying is that you were fearful or they told you that the,
24 if the irrigation wells went in, that would be a bigger draw on
25 the saline, the salt water into that potable zone. And I guess

1 my question is if it's in the same area as the Aqua wells, it's
2 coming from the same place, so it would be the same draw. And
3 now if there, if there was a different area, and I wondered if
4 they had indicated if there was a different zone within that
5 same geographical area that possibly could be used.

6 MS. SULLIVAN: No. It's all in that, it's all in the
7 zone that -- I mean, in the Aqua Utilities service area. You
8 can't see the photograph unfortunately, but what I have here
9 for the Commissioners is an aerial view.

10 The area on the top of the page where you see --
11 there's two legs and a funny looking shaped, it's not a circle,
12 but that's the Osprey Lakes subdivision. That's the
13 subdivision I live in.

14 COMMISSIONER ARGENZIANO: Okay.

15 MS. SULLIVAN: At the very top of the page there are
16 houses that run down each of the two red lines you'll notice.
17 Further to the right where it shows MW-1, that's one of their
18 wells. It looks like there were houses under construction
19 there. There are now houses all in this white area. That was
20 like a preconstruction photograph. Also near PW-5 on this
21 aerial view, to the left of that that looks like an open tract
22 of land, that's all homes now. So it's all these homes in the
23 area that's on the north end -- I don't really think that's the
24 north, that's really the west, but on the top of your page, all
25 of those homes are homes that have homeowners association

1 requirements. The oblong -- the Osprey Lakes area is where I
2 said there's 296 homes; whereas, in The Trails, which is
3 between PW-4 and, no, excuse me, MW-4 and MW-1, that's where
4 The Trails, it's all spread out and there's approximately a
5 thousand homes. Those are the areas that I would anticipate
6 irrigation wells being put in.

7 The Trails last year for their common area
8 maintenance had budgeted \$17,000 for irrigation of their common
9 area. They paid \$40,000 on last year's prices for water alone.
10 So that's why they, it's in their interest to sink these wells
11 to irrigate their common area maintenance of The Trails. So
12 this is the kind of numbers we're talking about homeowners
13 associations having to deal with. So under the new pricing you
14 could expect that to be approximately \$80,000 that they would
15 be paying. Well, that's not exactly right, and I don't mean to
16 quibble over the numbers, but it would substantially increase.

17 COMMISSIONER ARGENZIANO: Mr. Chair, excuse me one
18 second.

19 CHAIRMAN CARTER: Yes.

20 COMMISSIONER ARGENZIANO: I didn't mean to cut you
21 off. Mr. Chair, do we have anybody from DEP who can answer --
22 our visitor is testifying. I apologize. I forgot your name
23 and I've seen you several times.

24 MS. SULLIVAN: Kelly Sullivan.

25 CHAIRMAN CARTER: One second, Commissioner.

1 Mr. Jaeger, do we not --

2 MR. JAEGER: Kimberly Dodson is the supervisor, and
3 she has not been excused, of DEP over the water, and she will
4 be here -- she's going to get in town about 3:00 p.m. tomorrow
5 afternoon and see if she has to come in tomorrow afternoon.

6 COMMISSIONER ARGENZIANO: Okay.

7 CHAIRMAN CARTER: When we, Commissioner Argenziano,
8 when we get to the technical portion we could ask. At that
9 point in time we'll have someone from DEP that will be
10 participating.

11 COMMISSIONER ARGENZIANO: Okay. And for two reasons.
12 One is the point I was trying to get at here, which I'm not
13 sure has been understood.

14 And the second point is at that meeting I had asked
15 for specific testing of those wells, and I'd like to know if it
16 was done and what the outcome was independently of Aqua, if you
17 remember, Mr. Chair.

18 CHAIRMAN CARTER: I remember.

19 COMMISSIONER ARGENZIANO: And I'd like to know -- and
20 even DOH, I asked several, for several different tests and even
21 to check out the pipes of the, of the facility, and I'd like to
22 know if they followed up on that or not.

23 CHAIRMAN CARTER: I remember, Commissioner.

24 COMMISSIONER ARGENZIANO: Thank you.

25 CHAIRMAN CARTER: At the hearing you asked for that

1 information, and we'd asked staff to follow up with DEP and the
2 Department of Health on those issues.

3 COMMISSIONER ARGENZIANO: Yes. And I do want to find
4 out if they, if we followed up to make sure they did and what
5 the outcome was. But I didn't mean to interrupt, but I wanted
6 to make sure I made that point.

7 CHAIRMAN CARTER: Okay. Thank you, Commissioner.

8 MS. SULLIVAN: One final comment on this issue that I
9 would make. When we spoke to the Water Management District
10 officials, I asked the question, "Okay, if folks put in these
11 irrigation wells, how long will our water source survive?" And
12 of course she couldn't respond because it depends on -- you
13 know, she couldn't respond with any magic number and I wasn't
14 asking for a magic number. But if you assume the escalation of
15 irrigation wells, she said it was not unreasonable to expect a
16 ten-year horizon on spoiling the water source. So ten years is
17 a short time. So that's -- you know, I would welcome
18 Ms. Dodson to comment to the extent that she has information.

19 The other area I wanted to speak about on
20 Ms. Walker's testimony, she talks about the priority water
21 resource caution area or the PWRCA. Basically in short terms
22 this is a sensitive water area. It's an area that's
23 identified -- well, in fact, her answer is, you know, what
24 effect, if any, of a utility or system being located within a
25 PWRCA, you know, what effect is there? Her answer is, "Water

1 conservation is critically important in these areas in order to
2 extend the time frame within which relatively inexpensive fresh
3 groundwater supplies can be sustained before more expensive
4 alternative water sources must be developed." "Critically
5 important," these are her words.

6 So, Charlie, if you will, I have some photographs
7 that I would like to enter. I don't know if you want to do
8 them as a group. But what I want to show you is the flushing.
9 I think you will be astounded at how much water is wasted by
10 the chloramination system that's currently in place to make it
11 even reasonably potable.

12 CHAIRMAN CARTER: How many, how many photos do you
13 have?

14 MS. SULLIVAN: I have one, two, three, four, five,
15 six, seven, there's eight photographs. I have ten copies of
16 one set of the flushing. But we wanted you to -- I mean, we're
17 not scientists, I'm not trying to pretend to be a scientist.
18 But we also have a photograph showing how it's brownout of the
19 wetlands.

20 CHAIRMAN CARTER: Okay. And here's -- I was asking
21 that for a reason.

22 MS. SULLIVAN: Okay.

23 CHAIRMAN CARTER: Procedurally, Commissioners, this
24 will be composite 175, and we'll just have them all as a group.
25 It'll be composite number 175.

1 (Exhibit 175 marked for identification.)

2 COMMISSIONER ARGENZIANO: Mr. Chair?

3 CHAIRMAN CARTER: You're recognized, Commissioner
4 Argenziano.

5 COMMISSIONER ARGENZIANO: A question to you and to
6 staff, I guess. What I'm hearing is -- and I realize, trust
7 me, that Chuluota is very problematic. What I'm hearing is,
8 and I guess my question is is Aqua allowed -- I think what
9 we're hearing is that the service area is going to be enlarged.
10 And is that -- I mean, is there a prohibition against doing
11 that if there are detrimental effects upon the water source?
12 Is that part of what we can look at? Because that's what I
13 think I'm hearing. I think I'm hearing is that, you know,
14 there's a community that's going to build out here and they
15 want to use the same water source, which, of course, anybody's
16 wells in the way the State of Florida is could be affected by
17 more people on them. But I just don't know -- I guess I'm
18 trying to figure that out is if we have -- can we be the, the
19 entity that says either for environmental reasons, and I think
20 we have something in our statute that gives us environmental
21 concerns that we can look at, but can we be the ones that say
22 that you can't build out or have they already had the
23 permission to enlarge the service area or is that what was
24 being brought before us now?

25 MS. SULLIVAN: Can I clarify?

1 CHAIRMAN CARTER: One second. Hang on a second.
2 Staff, respond to that. We'll come back to you.

3 MR. JAEGER: If we're talking about a consumptive use
4 permit, it's the Water Management District that is the --

5 COMMISSIONER ARGENZIANO: Yes. That I know.

6 CHAIRMAN CARTER: Okay. She's talking about the
7 expansion of the --

8 COMMISSIONER ARGENZIANO: What I think -- right.
9 What she's testifying to is saying is that there's a, I'm
10 sorry, but there's a part of the community that hasn't built
11 out yet. Is that part of their, their already agreed upon
12 service territory, do they have the right to do that? I'm sure
13 when it comes to expanding the CUPs they have to do that
14 through the Water Management District.

15 But what I'm hearing is a case by this consumer
16 saying that, look, you're going to affect our water supply if
17 you build out these other homes here. And I'm wondering if
18 that's what we -- if we can even look at that, or they have
19 already been granted, are they allowed to build in those areas
20 now even if it means -- because she's trying to make a
21 scientific point that, you know, more, more wells or more, more
22 people on that system are going to adversely affect --

23 CHAIRMAN CARTER: Hang on a second. Hang on a
24 second, Commissioner Argenziano.

25 Ms. Sullivan.

1 MS. SULLIVAN: Yeah. If I could just clarify.

2 COMMISSIONER ARGENZIANO: Sure.

3 MS. SULLIVAN: It is not my position that there's
4 going to be further build out. There will be some. There was
5 a church that was just added recently. In fact, on your aerial
6 photograph, if you want to look in the, sort of in the left
7 quadrant, there's this open area that used to be a horse farm
8 that is now a church. So it looks like there's an open area
9 within the red boundary line sort of, I don't know how to
10 describe it from here, I'd have to show you, but where the road
11 curves, that is Snow Hill Road, and just after the curve of the
12 road there's an open area that's now a church.

13 But the Seminole County engineers looked at this and
14 they anticipated approximately 35 new customers a year. So the
15 build out of homes is not really my main concern. My main --

16 COMMISSIONER ARGENZIANO: Well, is it -- I'm sorry.
17 Is it the fact that you're saying that if people sink their own
18 irrigation wells? I'm not sure what, what point you're getting
19 at, whether there's more homes coming on or the fact -- because
20 you talked about salinity levels rushing in and --

21 MS. SULLIVAN: Okay. I have, I have changed
22 subjects. So what I want to address now is the fact that this
23 whole area of Chuluota is in a priority water resource caution
24 area.

25 COMMISSIONER ARGENZIANO: Yes. Yes. And that's part

1 of what I'm asking. But I'm going back to the subject that you
2 started on because I want, I just want clarification on it.

3 When you talked about the salinity coming in, what
4 were you referring to?

5 MS. SULLIVAN: What I was referring to is the Water
6 Management District when we met in person with them said to us
7 that over time eventually this water source will be spoiled if
8 you don't add a single well. But when the pricing point gets
9 to a certain level, a consumer will -- if they know that within
10 nine months they can get a return on their investment by
11 sinking an irrigation well for irrigation purposes, for those
12 who in this economy can scrape up the money or have the credit
13 to spend the \$2,500, within nine months they would have paid
14 off the well and not have to continue to pay the high prices to
15 Aqua Utilities.

16 COMMISSIONER ARGENZIANO: Okay. So what you're
17 saying then is not, is the fact -- now I think I understand
18 what you're saying. Because they would sink an irrigation well
19 they wouldn't be as cautious and they would use more than they
20 would when they have to pay for it. That's the only way it
21 could impact the aquifer in that manner because it's still from
22 the same source. Do you understand what I'm saying? You're
23 saying they would use it much more readily and easily because
24 they're not being charged for it and therefore then would be
25 taking more water out and of course would eventually affect the

1 aquifer if Mother Nature did not replenish it in a timely
2 manner. Is that correct?

3 MS. SULLIVAN: With the increase of the irrigation
4 wells you will eventually spoil it and you will spoil it at a
5 much more rapid pace.

6 COMMISSIONER ARGENZIANO: Right. And the only reason
7 for that, ma'am, is -- it's not that because there's irrigation
8 wells because they're coming from the same place, the water is
9 being drawn. If the person in House B has sunk an irrigation
10 well and they were using the same amount they were using from
11 Aqua, that would be the same impact. If they are using the
12 irrigation well and using more, then you would get a bigger
13 impact because they're using more obviously because they're not
14 paying for it. So that's the point, that's what I was trying
15 to get at. Now I understand what you were told.

16 MS. SULLIVAN: Okay.

17 COMMISSIONER ARGENZIANO: But it wouldn't
18 necessarily, Mr. Chairman, be because they sunk an irrigation
19 well. It's because they'd be more free to use it because
20 they're not being charged, thus using more water, thus causing
21 more adverse harm. That's the -- I couldn't understand how the
22 Water Management District would tell you that because you're
23 sinking a well in the same place that Aqua takes the water from
24 would have more of an impact. The only reason for that is
25 because they would use more. And I understand that now.

1 CHAIRMAN CARTER: There's definitely a finite amount
2 of water.

3 COMMISSIONER ARGENZIANO: Well, it's, Mr. Chair, the
4 Floridan Aquifer is like, we're like, in that area we're like
5 an island and we're totally dependent upon rainfall. So if you
6 take water out, whether it's an Aqua well or your own well, you
7 will adversely impact the Floridan Aquifer, which we're doing
8 in the State of Florida every day, except if Mother Nature puts
9 it back in in a timely manner.

10 And I hope it hasn't gotten lost. My point was that
11 just because you're sinking an irrigation well doesn't mean
12 you'll have more of an impact if you're taking it from that
13 irrigation well or Aqua's well, Aqua's wells unless you're
14 using more. And that's what I think the Water Management
15 District was telling Ms. Sullivan; more likely that if you are
16 not paying for the water, you will use more, thus impact at a
17 greater level.

18 MS. SULLIVAN: I don't think that's entirely accurate
19 because when we spoke --

20 COMMISSIONER ARGENZIANO: I think it is.

21 MS. SULLIVAN: When we spoke to the Water Management
22 District, one of the issues also was the fact that the
23 distribution of the wells would take up a larger, you know,
24 like space.

25 COMMISSIONER ARGENZIANO: Yeah. But, ma'am, let me

1 tell you one thing. One thing I know about is water in the
2 State of Florida. And when you, when you distribute --
3 actually there's an argument against that. Because when you
4 have the wells in separate areas, you're causing less harm to
5 one area. It's called -- they spread it out and there's a term
6 for it. And they do that now with rotating wells so they don't
7 hurt one area at one time.

8 But the point is in this area, we're talking the
9 wells are all pretty much in the same place and the place is in
10 a caution area to begin with now. And I truly believe if we
11 had -- the Water Management District and DEP will be here
12 later, that you'll find that the main reason that the Water
13 Management District is telling you that is because those people
14 will then use the water more freely because they're not paying
15 for it. Because you can't --

16 MS. SULLIVAN: Well, let me just make this --

17 COMMISSIONER ARGENZIANO: I'm sorry. Go ahead.

18 MS. SULLIVAN: If I could make this one final
19 comment. The comparison in our conversation I had with them
20 that day, I am pretty familiar with the St. Johns County area,
21 and we talked about the difference in distribution of
22 irrigation wells across the county in St. Johns County versus
23 the distribution of wells in Seminole County. And their
24 response was in St. Johns County this would be a helpful thing
25 because you would have wells sunk all over the county and it

1 somehow, and I don't quite understand, helps with this
2 distribution. It sounds like what you're describing.

3 What they described to us, because Chuluota is the
4 highest point of elevation of Seminole County, that if you
5 distribute these irrigation wells throughout these, it's
6 unfortunate you can't see the map that I've provided the other
7 Commissioners, but where I'm talking for your benefit here in
8 the room is this area at the top of the page. It's all of
9 these, the new housing areas that will be sinking the
10 irrigation wells. And what I understood, if I understood
11 correctly from Catherine Walker, by distributing irrigation
12 wells which will all be just as deep as what Aqua Utilities'
13 wells are, by the way, because they can't -- they can only -- I
14 think theirs are like 100 feet deep or less and these
15 irrigation wells will be somewhere between 50, 75, 100 feet,
16 what I understood the Water Management District to say is that
17 the distribution across the geographic area also has an adverse
18 impact.

19 And I would welcome -- I'm not an engineer, I'm not a
20 scientist. I would welcome you all to ask the people that can
21 validate or refute that information. But that is how I
22 understood in my conversation with the Water Management
23 District.

24 COMMISSIONER ARGENZIANO: Thank you for that, and I
25 will be asking them how they, how they've come to that

1 determination. Thank you.

2 MS. SULLIVAN: Okay. So the point of these
3 photographs that I have put out for you is that here we are in
4 a priority water resource caution area, in a crisis area, and,
5 in fact, in Central Florida we're already talking about maybe
6 pulling water from the St. Johns River. We're in a crisis
7 area, but yet the, the only method that apparently Aqua
8 Utilities could come up with to drop the trihalomethane level
9 to EPA standards is by this flushing of these, in the water of
10 the photographs that you see.

11 I stood yesterday -- there's one of those photographs
12 that shows a pipe where water is just spewing out. That area I
13 counted, we, I had several people with me, we think
14 approximately 200 gallons per minute was being flushed into the
15 wetlands.

16 Just to give you an idea on the map that you have, at
17 the very top of the page where the red line is at an angle and
18 you see that streak, that is Gray Owl Run. This pipe was at
19 the end of Gray Owl Run, and it was, the water was being
20 flushed out into what's a wooded area on the photograph. As I
21 mentioned before, just beyond this is the Econlockhatchee
22 River.

23 The other photographs, and I'm not sure we separated
24 them out, but the other, some of those photographs are from
25 Lake Lenelle. If you're looking at the aerial, and the curved

1 road is Snow Hill Road, the first, actually the second left --
2 the first left is Willingham Road, the second left is Lake
3 Lenelle. At the end of that street there are also flushing
4 that's occurring.

5 And the one photograph that I have, the sole
6 photograph by itself, yes, that is a photograph that shows you
7 that this water being flushed into this area is causing
8 brownout of the wetlands. This is all very, as, as Catherine
9 Walker stated, it is in a priority water resource caution area.
10 It's in crisis. And she says it's critically important that
11 these areas, to conserve the water, yet this flushing is going
12 on on a regular basis.

13 We have a gentleman from Lake Lenelle that will
14 submit online to you to tell you that he sees this running
15 every other day for approximately four to five hours.
16 200 gallons a minute. It's, for us it's unfathomable that this
17 amount of flushing in order to balance this chemistry
18 experiment that goes on with the chloramination.

19 The other thing that I will say about the Water
20 Management District, the consumptive use permit for Aqua
21 Utilities expired on April the 12th, 2007. They submitted an
22 application on that day of expiration where they were asking
23 for a 20-year CUP. The response from the Water Management
24 District was to say that it was woefully inadequate, that they
25 didn't even fill in all the spaces. Essentially all they did

1 was send a letter in as a placeholder to make that time frame.
2 They were under a Consent Order in 2007, they're under another
3 Consent Order now as of January 28th, '08, and the permit is
4 still in process. They still do not have a consumptive use
5 permit.

6 Naturally from a non, as a layperson, if you will, in
7 these matters, one of the questions that I have asked is, you
8 know, if, if you're having all these problems with the
9 consumptive use permit, this is the opportune time to transfer
10 this CUP to the City of Oviedo who has the capacity from a
11 water perspective but not from a CUP perspective to supply us.
12 So my point is that Aqua Utilities in my view is constantly and
13 consistently mis, presents misleading information or to the
14 point of being in my, in our view false.

15 By way of example, the most recent notice to the
16 public that they sent out, they put in here that they received
17 a permit from the DEP on April 25th, 2007, to modify the
18 disinfection process, when in reality that went out March 12th,
19 2007. And it was supposed to be completed within 60 days,
20 which would have been June the 10th. They claimed they didn't
21 receive it and so the Water -- the DEP allowed them additional
22 time. Even with that additional time they didn't meet the
23 timelines. But the e-mail address that was supplied on the
24 application, the DEP sent the notice not only to the correct
25 e-mail address that was supplied but copied their engineering

1 firm and copied a host of people. So for them to claim they
2 didn't receive it is beyond belief in my view. But yet they
3 tell the public that they got their permit on April 25th
4 instead of March the 12th, as, as is accurate.

5 Furthermore, they tell the public that they, the new
6 process went online April the 7th. That's a true statement.
7 But what you need to know is it failed. And I don't know the
8 date it finally came on, online. What I do know is shortly
9 after this April 7th date they found coliform bacteria in our
10 water. Of course, the people that are on renal dialysis and
11 the people that are immunosuppressive were, you know, if they
12 were using this water instead of bottled water, they were
13 obviously in peril by doing so. But so the point is even this
14 public notice in my view is misleading. It gives dates that
15 are not accurate. Furthermore on this notice, they don't give
16 a toll free number for consumers to call and challenge them.

17 The final thing that I'll talk about and move on,
18 because I know there's others to speak --

19 CHAIRMAN CARTER: We do -- I was going to ask you
20 because you've, we've been about 37 minutes, and I do want to
21 proceed further. So if you do have other exhibits, let's go
22 ahead on and mark those. And, I mean, I wanted to give you
23 great leverage, but I do want you to -- the things that you
24 didn't already present, let's deal with that and we can move
25 forward. And that way we can give people an opportunity to be

1 heard.

2 MS. SULLIVAN: Okay. The final thing that I'll
3 submit as an exhibit is the customer service letter that Aqua
4 sent out -- actually I'll put the notice to the public along
5 with the letter from Chris Franklin dated October 10th, 2008,
6 because they did come together in the mail.

7 Essentially this letter gives the citizens of
8 Chuluota some hope that the City of Oviedo, that they are in
9 negotiations with the City of Oviedo to buy this system. When
10 I, when we spoke --

11 CHAIRMAN CARTER: It will be 176, Commissioners.

12 (Exhibit 176 marked for identification.)

13 MS. SULLIVAN: When we spoke to the mayor and the
14 deputy mayor for the City of Oviedo, their response to us is
15 that, yes, they've talked. Yes, they've exchanged
16 correspondence. But clearly the prices that had been discussed
17 and the deal, if you will, that had been suggested to the City
18 of Oviedo was well beyond their ability to even entertain.

19 We have also worked with the Florida Governmental
20 Utilities Association and tried to persuade them to meet with
21 Aqua Utilities in a way so that we could hopefully bring the
22 control of the water to local control. And what they report
23 back to us is that the negotiations are essentially, they're
24 just a shell game. It's just a -- they're postponing the
25 inevitable rather than being a serious negotiation. They are,

1 they are sort of going through the motions instead of making
2 progress, as the FGUA has had in the past with other serious
3 customers.

4 So in closing, I'll just say there are 690 sewer
5 customers. And if that number is not exact, I apologize.
6 Perhaps there's 700. But the sewer capacity for the new sewer
7 system that was built over the last four years and I think in
8 the last two years, rather than address some of these water
9 quality issues that were well known to Aqua -- I have provided
10 the Office of Public Counsel with documents as far back as
11 September 24th, 2004, a letter to Aqua America that describes
12 all of the same problems that are ongoing today, and they will
13 present that information to you.

14 But instead of focusing on the quality, Aqua America
15 instead decided to increase their capacity from 100,000 gallons
16 a day to 400,000 gallons a day on their sewer capacity. The
17 engineers at Seminole County tell me this is approximately
18 10,000 homes when there's only 1,500 customers. And so it's an
19 outrage for us that they would expect to pass that cost on to
20 the citizens of Chuluota and expect us to pay for that when it
21 well exceeds the capacity for the area and then pass that, and
22 then sell those services to the City of Oviedo or the City of
23 Winter Springs who need sewer systems, and in our view in
24 effect that's double-dipping. They want us to pay for it and
25 then they make all the profit. They have paid dividends for

1 the last 64 years. In the last 17 years they have exceeded
2 their projected targets for paying dividends. And in this
3 current economy to expect the citizens of Chuluota to pay the
4 rates that are proposed I think is unconscionable. Thank you
5 for your time.

6 CHAIRMAN CARTER: Thank you, Ms. Sullivan.

7 Any questions from any of the parties?

8 MR. MAY: Mr. Chairman, Bruce May with --

9 COMMISSIONER ARGENZIANO: Mr. Chair.

10 CHAIRMAN CARTER: Commissioner Argenziano.

11 COMMISSIONER ARGENZIANO: Yes. Just one thing to
12 staff. If they could jot down as a question to DEP also, and
13 hopefully I'll be able to ask it too, but I'd like to know if
14 they are permitted to flush into the wetlands and what they're
15 actually flushing out in there.

16 CHAIRMAN CARTER: Okay. Thank you, Commissioner
17 Argenziano.

18 COMMISSIONER ARGENZIANO: Thank you.

19 MR. MAY: Mr. Chairman, I just had one question for
20 the witness.

21 CROSS EXAMINATION

22 BY MR. MAY:

23 Q Is there a way, Ms. Sullivan, that we would be able
24 to get copies of the exhibit that you just provided to the
25 Commission? We have not been able to see anything but the

1 first exhibit that you provided.

2 CHAIRMAN CARTER: We will -- at the, when we take the
3 break, we'll be able to make copies and get those to the
4 parties.

5 MS. SULLIVAN: As to the photographs, I brought ten
6 copies of all but one of the photographs. We didn't have the
7 opportunity to get it copied, but --

8 CHAIRMAN CARTER: Okay.

9 MR. MAY: And to move this along, Mr. Chairman, I
10 think it's been the practice of the Commission to give the
11 company an opportunity to file a late-filed exhibit responding
12 to, to these exhibits and we would ask that opportunity.

13 CHAIRMAN CARTER: It will be done. Yes, we will give
14 you ample opportunity to review and respond.

15 Mr. Beck.

16 MR. BECK: No questions.

17 CHAIRMAN CARTER: Ms. Bradley.

18 CROSS EXAMINATION

19 BY MS. BRADLEY:

20 Q Just one quick question. And, Ms. Sullivan, I
21 apologize. I've been getting a lot of e-mails from different
22 people and I can't remember whether you have mentioned this or
23 not, but someone told me that they were having a problem with
24 sewage in the street. Was that you?

25 A Actually it probably was me. Last September our

1 sewage started backing up in the streets. And around the
2 clock, 24 hours a day for I want to say about two weeks there
3 were Aqua Utilities trucks all in the neighborhood and, you
4 know, solving the sewage problem. I don't know the details of
5 what the sewage problem was.

6 What I can tell you is that we discovered that their
7 sewage lift station meter for power was being billed to the
8 homeowners association. And the only way the homeowners
9 association figured this out is because we had a remarkable
10 increase in our power bill. And when we went to Florida Power
11 to figure out why is our power bill so high, it's because we've
12 been paying the power bills for Aqua Utilities presumably ever
13 since it was turned over to the homeowners association.

14 So, yes, we had sewage backup in the streets. And I
15 don't know what the problem was, it got solved, but it at least
16 helped us to discover that we had been paying their power bills
17 as well.

18 CHAIRMAN CARTER: Thank you. And, Commissioners, at
19 the appropriate time we'll allow staff an opportunity to
20 have -- I have the exhibits myself, and we will allow staff an
21 opportunity to get those and share those with the parties and
22 get back to us at that time.

23 Thank you, Ms. Sullivan.

24 MS. SULLIVAN: Thank you very much.

25 MR. JAEGER: Chairman Carter, I had just two things.

1 CHAIRMAN CARTER: Yes.

2 MR. JAEGER: Did we want to, Mr. May's request, did
3 we want to go ahead and identify that as Exhibit 177, it would
4 be response of Aqua to customer testimony, or wait until the
5 other two witnesses testify?

6 CHAIRMAN CARTER: Let's, let's wait. Let's wait.
7 Let's wait.

8 MR. JAEGER: Okay. And I just wanted to confirm that
9 Ms. Sullivan's address was 570 Osprey Lake Circle, Chuluota.

10 MS. SULLIVAN: Chuluota. That's correct.

11 MR. JAEGER: Okay.

12 CHAIRMAN CARTER: Thank you.

13 MS. SULLIVAN: Thank you.

14 CHAIRMAN CARTER: Our next, next person, public, next
15 member of the public.

16 MR. JAEGER: Deborah Schafer, 1740 Brimley Road,
17 Chuluota.

18 CHAIRMAN CARTER: Deborah Schafer.

19 MS. SULLIVAN: Actually Nancy Evans was going to
20 testify next, if that's --

21 CHAIRMAN CARTER: We have a list. It goes based on
22 the --

23 MR. JAEGER: Okay. It doesn't matter. I had Nancy
24 Evans third, but it doesn't matter.

25 CHAIRMAN CARTER: Okay. They usually just follow how

1 people sign up on that time, but that's okay. Who's, who's the
2 next person? Let's be clear for the record, for the court
3 reporter now.

4 MR. JAEGER: Nancy Evans, 319 Velveteen Place,
5 Chuluota. Is that correct?

6 MS. EVANS: Yes, that is.

7 CHAIRMAN CARTER: Good morning, Ms. Evans.

8 Whereupon,

9 NANCY EVANS

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. EVANS: Good morning. I want to say thank you
14 again for letting us speak this morning.

15 I just wanted to reiterate the current situation
16 since it seems that Aqua's version is that we're happy in
17 Chuluota and things have been fixed. And we couldn't be
18 further from that. In fact, it seems to be getting worse by
19 the day.

20 Along on that petition we submitted, many of those
21 people have made phone calls they cannot get returned. And,
22 again, just going over the current situation, Oviedo cannot do
23 anything to help us at this point. We have talked with the
24 head of the Public Works Department who Mayor Andrews put us in
25 touch with. In his own words, he says basically they're

1 stalling for time to get through this rate increase, that
2 there's nothing that they can do to really help them at this
3 point. They would have to file for their own permit. Also,
4 Walker Elementary School cannot do anything to keep the TTHMs
5 out of the water for the children. They would too also have to
6 file for their own operating permit or their own consumptive
7 use permit. It's left the school board in a disarray and
8 they're not sure how to respond at this moment. But they are
9 checking public records and they're starting to track the
10 absences of the children based on the positive coliform tests
11 at different times as long as -- and as well as the high doses
12 of chlorine when they also get valves clogged, as what happened
13 in my home.

14 Another situation that's occurred that's left us a
15 little bit more in a disarray is the service reps are leaving
16 our area. They have been displaced by Aqua, put into other
17 areas in the service reps' words themselves "to keep them
18 quiet."

19 Brian Heath, the Area Manager for Aqua, left the
20 company right after this hearing in July. He can no longer
21 speak to anything that's going on with the company. The person
22 who reported to him was transferred out of the area two weeks
23 ago. That person who was transferred out two weeks ago is the
24 one who kept our community safe. He tried to be the best loyal
25 employee that he could to Aqua. He had a huge conscience. But

1 at the same time he was the one flushing those lines every
2 morning. He got Walker Elementary ready every Monday for
3 water. You could find him on the clock 8:00 to 5:00 out there
4 in Chuluota taking care of our water lines, making sure we were
5 being handled appropriately. He's the one that we could know
6 if the analyzers are working or not, if they're broken, what
7 chemicals are we using today, what's the bacteria count, are
8 they gathering the samples off of people's doorsteps again or
9 are they taking them off the side of the house? Again, we've
10 been left without representation even by our best employees who
11 knew the Chuluota area well for so many years. With them gone
12 we are definitely at a loss.

13 As you know, Florida's Child School, where my
14 business also services clients and children, we are forced to
15 give them Culligan water. And Aqua has agreed, even with the
16 service reps being gone and the area manager being gone, that
17 they would continue to serve the Culligan water until they can
18 fix the lines, which they apparently said they are going to
19 start fixing. But from what we hear, that's not really, really
20 happening. That was per Kim Dodson at the DEP, that can't
21 start for quite a while.

22 But the current situation in Florida's Child, ice
23 cubes were used the other day in a soda. They're never used
24 unless they're in a plastic bag for a child that maybe gets
25 hurt. Other than that, no water is used. They usually make

1 their ice out of the Culligan water. Well, they were out. The
2 owner and a teacher put ice in their cups at two different
3 times during the day. They had the same experience: Their
4 lips tingled, their tongues burned. They knew something was
5 wrong with it and they were basically in shock that this could
6 still be happening.

7 I asked the owner of the school if she had received
8 the reports that were promised to her from the hearing in July.
9 She never received any reports to date from Aqua Utilities.
10 And I, I remember those being mandated to her at that time,
11 that she has not received them to this day. In fact, they've
12 taken away her service person who made sure that school was
13 functioning.

14 As far as it affects my children that I teach there,
15 my ethics are now being questioned on whether it's a safe place
16 for me to do business. I teach gymnastics. We are very
17 concerned about bacterias and cleanliness and our equipment and
18 mats and children and saliva and anything else. If there's a
19 cut or a bruise, we are very cautious. I am trained through my
20 safety certification with U.S. Gymnastics to train for that, to
21 make sure that that's what we cover 24/7. I cannot send a
22 child to the bathroom at Florida's Child with a cut for fear
23 that the coliform will enter their system and not being able to
24 trust whether we have high chlorine levels that day, whether
25 the chemicals were mixed properly or whether there's nothing,

1 there's just bad water in the lines.

2 As far as being able to send them for fluids during
3 exercise: Example, last week a little girl ran to the water
4 fountain really thirsty, sweating after a lot of exercise. The
5 school owner had to stop her, even though the water fountain
6 was turned off, she had to remind her, "Don't, don't go there,"
7 as the water fountain sits with stains in a brand new school,
8 mind you. It's only been there a couple of years. That's what
9 we live with on a regular basis just to function, not to
10 mention the smells when you flush the toilet and the brown
11 stains that you've all seen pictures of.

12 As far as this affects The Trails development and the
13 Murano Homes, you've heard the quotes on the water bills. It's
14 \$40,000 this year. We do not have a big common area. We have
15 just a few hundred square feet that really maintain needing
16 watering and the \$40,000 is outrageous. They will have to sink
17 wells. And, of course, then they're going to waste more money
18 when that happens.

19 The other thing that's going to happen is if this
20 rate increase goes through, there's already a depression that's
21 setting out in Chuluota. If these customers have to start
22 paying these bills, you're going to see the rate of
23 foreclosures go up in that area. There's no doubt about it.
24 These people can't afford to pay that type of price for water,
25 especially when they know four years ago their water bills were

1 fine and they had just been granted an increase to redo, redo
2 it at that time before Aqua took it. So I don't know why
3 another increase would be justified at this point until the
4 work is done. I mean, we can just sit here and give increases
5 for decades and never have any work done. I don't understand.
6 When does the profit margin be enough to actually do the work?

7 There's -- as far as my personal property goes, it
8 has been permanently devalued. It's now on the market for less
9 than I bought it for before the bubble in 2003, less than the
10 builder went in there to start prices at.

11 I do have the black goo seeping out of my sinks. I
12 can't do anything with it. I no longer have water onto my
13 house. Aqua Utilities did disconnect my water due to
14 nonpayment for the \$900 that we owe them that for some reason
15 out of the thousands of people they seemed to swoon out of the
16 rooms during hearings and credit a thousand dollars at a time,
17 after three years I still can't get that credit. So they've
18 disconnected our water.

19 I asked Kim Dodson at the DEP to test the residue,
20 the black goo. We want to know what it is. Here at the
21 hearing in July you guys took samples of pipes, wanted to know
22 what was in them. We never heard about those. I'm being told
23 by the DEP they will not sample the inside of my pipe. They
24 will sample a water sample, but they will not take that residue
25 out and tell me what left it behind.

1 My neighbor across the street at 318 Velveteen, his
2 clogs in his pipes have happened twice now. The builder has
3 been out two times right after they fixed them and they opened
4 up his walls, as they did ours, to clean out the sediment and
5 the black goo. Chemical reaction is all we can figure that it
6 is. I've been told by a company that does private inspections
7 that what that black goo is, it's where the chemicals melted
8 the stainless steel into a WD-40 substance. And my neighbor
9 across the street has had that happen twice now. He's tried to
10 talk to Aqua numerous times about it. Aqua has told him it's
11 his problem, it's within the house and they can't help him.

12 If the DEP can't come test it due to interagency
13 agreements, and that's what Kim Dodson's words were to me, if
14 they can't test it, Aqua can't enter the house and test it,
15 what are we to do with these brand new homes that are falling
16 apart and permanently devalued and sitting there like a ghost
17 town? If the rate increase goes and we have no hope for clean
18 water, it's just going to excel in that area.

19 I would also like to say that my experience being in
20 collections with Aqua has been quite an experience. I've
21 gotten to know the customer service center that they hired to
22 do their national collections very well. The customer service
23 center had a lot of information about Aqua in relation to other
24 companies they collect for. In fact, when they said that they
25 see Aqua's name come up on the screen, they go, "Oh, no. Here

1 we go again." They know what they're in for on the
2 collections. 70 percent of their collections they stated were
3 in dispute with Aqua, 70 percent of what they get. And they
4 know before they pick up the phone to make the call it's going
5 to be a big argument for them.

6 Aqua also -- as far as being told by the DEP I
7 couldn't do anything, the credit collections company can't do
8 anything. I called Aqua again, last resort. I've called them
9 twice now. My calls have not been returned. I called the
10 hotline number for the disinfection notice for worries about
11 family that we still, and friends that we still have on that
12 water line and I couldn't get a call back. I am still a
13 customer. I was receiving bills. I still receive collection
14 accounts. I have to turn that water back on when our house
15 finally sells, if it does. So far nobody wants to replumb the
16 entire house though.

17. If I can't get Aqua to return my calls at this stage
18 and I need water that's turned back on and I can't get them to
19 come inside my house, I just have a question on where we're to
20 go from here. I can't imagine.

21 And one analogy was, and you'll see this e-mail that
22 came last night from a police officer that lives on Velveteen,
23 if she goes into Burger King and she gets a rancid Happy Meal
24 and it's full of bacteria and she goes back up to the counter
25 and says, you know, this is, this is not good, they don't

1 charge her three times more and then give her back another
2 rancid Happy Meal. It just doesn't happen.

3 I feel like we're in the middle of a Saturday Night
4 Live skit. I do not understand how more and more money can be
5 accessed out of our pockets and out of the State of Florida
6 when there is pure profit there and ready. We were a system
7 that enabled them to make a profit. We were an investment for
8 them. We're no longer an investment. We're one of the ones
9 they want to prune. They know how this works too. They plan
10 on going back to communities and making the politicians save
11 the people and have to buy back systems. They know about how
12 many years it's going to take for enough people to stand up and
13 rise against that before their profit margin runs out and they
14 can no longer get away with this. This was done before. We've
15 done this 100 years ago. This is history repeating itself, yet
16 here we are in this day and age, again, like a skit off of TV.
17 We're in shock out there that this is happening.

18 I will have to say that the flushing of the chemicals
19 into the streets has been overwhelming. My son's own second
20 grade teacher who's on a well right across the street from
21 Aqua's, by the way, she has her own well but it's next to
22 Aqua's tanks and where they're flushing. She herself has
23 called Aqua numerous times in the last month, cannot get a call
24 back. Now she's not a customer but she needs to know why that
25 water is running into her, her yard into her groundwater and

1 contaminating her well. Again, no call back.

2 I myself am curious to know why the need to flush so
3 many chemicals to balance the system. It's a waste of water.
4 I've watched it run off into everybody's common areas, into the
5 streets in Chuluota, and we can't get a response on that.

6 Of course, our experiences, we have left our home.
7 Our health is improving continuously. It's a little bit
8 shocking. My son missed 28 days of school when he lived there
9 and went to school. He's not missed a day in a year and a
10 half. Now we lost our dog to renal kidney failure. My
11 husband, a year later, I sat before here and couldn't believe
12 that that was happening again. There are 15 people on my half
13 of Velveteen with kidney and liver problems and cancer. That's
14 only 15 out of 45 houses. My question was I may be getting
15 better, but we have got a lot of people in that community that
16 are suffering. When is the health study going to be started or
17 completed, the one that was ordered this summer? This is
18 critical to us at this point. We cannot justify a 300 percent
19 increase and more money for contaminated lines, contaminated
20 tanks, contaminated sources.

21 The money they have already spent to fight this, the
22 amount of attorneys sitting in this room, the amount of people
23 that are coming along with this parade now would have paid for
24 my water line. It's insane. I don't understand why they don't
25 want to be the knight in shining armor on the white horse to

1 change the world, to be the bigger people. This is an
2 opportunity in this country, not just the 13 states they're
3 operating in, but this is huge. They could really make a
4 difference. But I don't see where justification is that
5 they've done that yet.

6 I do want to say, and I'll, I'll enter this,
7 though I know you've received it from Washington, D.C.,
8 foodandwaterwatch.org has focused on Chuluota even without our
9 knowledge. And part of flushing these chemicals into rivers
10 and streams and natural lands, this is common practice for
11 Aqua. This is what we have found to be true through our
12 research through other entities, and I'd like to submit this
13 report as it pertains to Chuluota.

14 And then I have one other item I'd like to submit.

15 CHAIRMAN CARTER: Commissioners, that will be Exhibit
16 177. Thank you.

17 (Exhibit 177 marked for identification.)

18 MS. EVANS: If I could present these and I'll leave
19 them for you. This Culligan water where is says "Better water.
20 Pure and simple," this is what Aqua would prefer the people to
21 drink where they're worried about liability. These came
22 straight from the school they shipped the water to. I fed
23 those to the children I teach. The school has no choice but to
24 use that water day in and day out for everything. This was
25 shipped, as we all know, by Aqua. They're continuing to do it.

1 And, of course, in Aqua's version I guess "Better water. Pure
2 and simple," that's it. And it's cheaper than Aqua's water.
3 And that's all I wanted to say. I don't think the rate
4 increase is justified in any means.

5 CHAIRMAN CARTER: Thank you, Ms. Evans.

6 Commissioners, any questions?

7 COMMISSIONER ARGENZIANO: Yes, Mr. Chair.

8 CHAIRMAN CARTER: You're recognized.

9 COMMISSIONER ARGENZIANO: Again, I would like to find
10 out, because I'm quite concerned about hearing that Aqua is
11 just flushing water, I think I heard before in a wetland and
12 now in the streets, and I'd like to know if -- I think if they
13 are doing this and they are permitted to do this, well, that's,
14 we need to find out if that's the case. And then, of course, I
15 will find out why they're permitted, I guess. But I would like
16 staff to maybe start working on that and see if we can get an
17 answer. Because if they are permitted to do that, then we need
18 to know that and by whom they're permitted to do that. And
19 then, you know, if, if they're permitted to do that, I'd still
20 be curious as to why and how, but would like an answer, if we
21 can get one now. Because after all, what we're getting is
22 statements that this company is just flushing water all over
23 the place and I'd like to know if they are permitted to do
24 that.

25 CHAIRMAN CARTER: Okay. Commissioner, we'll do,

1 we'll get that -- during the, during the technical phase maybe
2 we can have one of the witnesses respond to that.

3 MR. MAY: Mr. Chairman, just for the record.

4 CHAIRMAN CARTER: Mr. May.

5 MR. MAY: Commissioner Argenziano, a witness, the
6 Chief Environmental Compliance Officer for Aqua, Mr. Preston
7 Luitweiler, will be a witness here and will be prepared to
8 respond to the issues with respect to flushing and other
9 testing issues.

10 COMMISSIONER ARGENZIANO: Okay. And my point I guess
11 is trying to find out if they're permitted and then we can ask
12 questions later would be that if people are testifying to this
13 now, it could be addressed right now that, okay, they're
14 permitted and then we'll go on and find out why. And I thought
15 maybe that would, would be a proper time to find out if they
16 have the -- I guess -- hello?

17 CHAIRMAN CARTER: We hear you.

18 COMMISSIONER ARGENZIANO: I'm sorry. I thought I got
19 hung -- I thought we got disconnected. We could wait for the,
20 for the testimony to, I mean the witnesses to finish and then
21 hear from the companies or the agencies. I just thought if
22 there were more people coming up to talk about the flushing and
23 they knew that this was permitted, then we could approach that
24 from a different point later on as to, okay, if it's permitted,
25 can you tell me why it's permitted and how it's allowed to be

1 permitted, and that may answer a lot of questions. And it may
2 not, they may not be permitted to do it at all. So whatever
3 you want to do, Mr. Chairman, is fine with me. I just want to
4 make sure.

5 CHAIRMAN CARTER: What I wanted to do, Commissioner,
6 is because we had some people that wanted to be heard from the
7 public, we decided we'd defer the evidentiary hearing until we
8 heard from the public, and then we'll go full-bore with the
9 technical portion of the hearing and we can pull that out at
10 that time.

11 COMMISSIONER ARGENZIANO: Okay.

12 CHAIRMAN CARTER: But I've seen staff taking notes
13 and they'll, when we get to that witness --

14 COMMISSIONER ARGENZIANO: Okay.

15 CHAIRMAN CARTER: -- we'll be able to --

16 COMMISSIONER ARGENZIANO: I just want to make sure,
17 Mr. Chairman, that these people who came here get those
18 answers.

19 CHAIRMAN CARTER: Absolutely. We certainly want to
20 do that.

21 COMMISSIONER ARGENZIANO: Okay.

22 CHAIRMAN CARTER: And also we want to ensure and
23 inform that both, we should be live on, on the webcast as well
24 as on our Internet broadcast. I'll get with Chris to make
25 sure. We are. We are. We are. Thank you.

1 COMMISSIONER ARGENZIANO: Great. Thank you,
2 Mr. Chair.

3 Mr. May, any questions of this witness?

4 MR. MAY: No, sir.

5 CHAIRMAN CARTER: Mr. Beck? Mr. Reilly?
6 Ms. Bradley?

7 I didn't ask staff the last time. Staff, do you have
8 any questions?

9 MR. JAEGER: No questions, Chairman. She had an
10 exhibit, a report on Chuluota, and then -- and I have no
11 problem with that and we can identify --

12 CHAIRMAN CARTER: It's 177 is that report.

13 MR. JAEGER: Okay. And then she has four bottles. I
14 think what we need to do is, instead of putting that into the
15 record because we can't send that over to the 1st DCA as a part
16 of the record and then the water starts changing --

17 CHAIRMAN CARTER: We'll just make a note of the
18 bottles or make a -- we'll just come up with some verbiage on
19 that because we obviously cannot ship that over.

20 MS. EVANS: We can take the labels off and staple
21 them to the file.

22 MR. JAEGER: Okay.

23 CHAIRMAN CARTER: That will be Exhibit 178. We'll
24 leave a placeholder for you. And maybe we can give her some
25 help with that because sometimes they're not easy to peel off.

1 MR. JAEGER: And I can't see the bottles from here.
2 Is there like differences in the water, what's in there?

3 MS. EVANS: No. I just thought there would need to
4 be more labels than one to go around.

5 CHAIRMAN CARTER: That would be great. That would be
6 great. Thank you.

7 MR. JAEGER: And that was Exhibit 178, the labels.

8 CHAIRMAN CARTER: 178.

9 (Exhibit 178 marked for identification.)

10 Thank you, Ms. Evans.

11 Call the next witness, please.

12 MR. JAEGER: Deborah Schafer, 1740 Brimley Road,
13 Chuluota.

14 CHAIRMAN CARTER: Deborah Schafer.
15 Whereupon,

16 DEBORAH SCHAFFER

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

19 DIRECT STATEMENT

20 MS. SCHAFFER: Good morning. I'm a resident of
21 Chuluota not serviced by Aqua Utilities, affected by them
22 though. I'm the vice president of the Chuluota Community
23 Association and I've been an activist in Chuluota for over 15
24 years. I'm also an elected official with Seminole Soil and
25 Water Board.

1 Chuluota has an urban/rural boundary, so there's a
2 large rural community within Chuluota on wells. I care for a
3 93-year-old friend who lives in Chuluota proper in the older
4 section. Her home is a small one. She now pays about \$70 a
5 month for water. If the increase happens, she'll pay about
6 \$167 for water. She can't afford to live and pay for water and
7 food if there is an increase. At 92 she should not have to
8 worry about the cost of water or whether she can eat. Her
9 92-year-old neighbor came to me the other day and said for two
10 months he's struggled with Aqua Utilities on a problem with a
11 \$400 bill that he has no idea why he's paying that.

12 Now let's talked about bottled water. Bottled water
13 for these folks that are older -- I buy her two big containers
14 of water every week. Bottled water and the environmental
15 impact to the people who can't afford to buy bottled water,
16 then they throw these plastic bottles away in our landfills,
17 and it doesn't really reflect the true cost of what water is
18 because people aren't drinking this tap water. They're buying
19 water.

20 The residents of Chuluota have been dealing with this
21 water issue for years. I have newspaper clippings back to 1968
22 that show many of the same problems. When the development
23 known as The Trails in Osprey Lakes were coming to the county
24 for permits, we asked, "What about the water?" When Walker
25 Elementary was proposed, we asked, "What about the water?"

1 When all of those projects were okayed and passed by the
2 county, I went to the Department of Community Affairs and
3 asked, "What about the water? What about St. Johns? What
4 about DEP? What about the county? What about the state? Is
5 someone going to ask what about the water?"

6 And here we stand today still fighting the same
7 issue. Why hasn't anybody helped us? Why hasn't anybody
8 asked our -- answered our questions? They say if this was a
9 congressman's water issue or a senator, I'm sure the problem
10 would be solved. They talk about everyone's possible -- they
11 talk about everyone going to these hearings and listening to
12 our voices and listening to our concerns for years now, but we
13 still sit here. Do you hear our cries? Do you care?

14 The pictures that Kelly handed out showing Aqua
15 Utilities flushing the system, this system flushes in Lake
16 Lenelle and Gray Owl and a couple of other locations like on
17 H Avenue. Look at the potable water being flushed. We've
18 talked about this. But I sit on a water board; we're in a
19 crisis in the State of Florida. Potable water in Florida and
20 all over the world is precious. There's countries that don't
21 even have potable water and we're flushing millions of gallons
22 into a wetland.

23 I am told by experts in this field that a properly
24 designed installed system almost never needs to be flushed.
25 The most wasteful systems are the ones that are designed to

1 accommodate future expansion, have oversized pipes and dead-end
2 pipes. These require frequent flushing to remedy the quality
3 of water. Does this sound like Aqua? Wasting potable drinking
4 water in a crisis that St. Johns says by 2013 we're out of
5 water, we have to go to other sources. We're all going to pay
6 for water dearly at some point, but that will be clean drinking
7 water, I would hope.

8 Residents have to drill wells or take water from
9 ponds for their irrigation as they can't afford to irrigate
10 with water utilities. So how many wells have we dug? Who
11 knows. How much pond water is being taken out? Who knows. We
12 are destroying the Chuluota groundwater. I'm on a well. I
13 live in the rural area. Myself and many of the people, Geneva,
14 Black Hammock and Chuluota, there is a large rural boundary in
15 Seminole County. We are on wells. What about our wells? I'm
16 having problems with my well. I had St. Johns come out and
17 talk to me about it. They said, "You're probably not too far
18 off from salt intrusion."

19 Now let's talk about the daycare with the babies, the
20 elementary schools with our young children drinking this water.
21 Let's think about what it's doing to them. Michelle, the owner
22 of the daycare, as we just heard, has Aqua Utilities delivering
23 water to them as they didn't want them drinking their water.
24 DEP should independently test this water with absolutely no
25 notification. They're a government agency who is supposed to

1 be protecting us. This has been going on in Chuluota too long.

2 We as citizens take time off work, hours away from
3 our family to try to make a difference on these issues. We are
4 tired and we need your help. This is not a Third World
5 country. This is the United States of America. We deserve
6 better than this. We deserve clean, healthy drinking water at
7 reasonable rates. So I stand before you today asking you, help
8 the citizens of Chuluota, please. Thank you for your time.

9 CHAIRMAN CARTER: Thank you. One second, please.
10 Let me see. Commissioners, any questions for Ms. Schafer?
11 From the parties?

12 MR. MAY: No. No, sir.

13 CHAIRMAN CARTER: Thank you, Ms. Schafer.

14 Commissioners, let's do this. Staff, do we have any,
15 anyone else that's signed up?

16 MR. JAEGER: I have no additional customers, Mr.
17 Chairman.

18 CHAIRMAN CARTER: Is there anyone that's in the
19 audience that didn't sign up this morning that wanted to speak
20 that did not get an opportunity to speak?

21 Okay. Hearing none, Commissioners, here's what --
22 let me just suggest what we need to do now. We've got a number
23 of documents and the photographs that have been given to us.
24 I'm going to need to give an opportunity for staff to take
25 these and put them in order so they can be sequenced in within

1 the, the exhibit list that we have here. Also, we will give an
2 opportunity for the parties to review those. Let's do this,
3 staff, what, what do you say? About 20 minutes, would that
4 give you enough time to --

5 MR. JAEGER: 20 minutes should be sufficient.

6 CHAIRMAN CARTER: So, Commissioners, we're going to
7 give staff about 20 minutes to take these documents, because I
8 don't really want to be responsible for all of them myself,
9 give these documents to staff to get them in some kind of
10 sequential order.

11 COMMISSIONER ARGENZIANO: And, Mr. Chair?

12 CHAIRMAN CARTER: Commissioner Argenziano, you're
13 recognized.

14 COMMISSIONER ARGENZIANO: Yes. And I hate to, to
15 belabor a point, but when, when, when DEP comes up, and this is
16 kind of, kind of advanced notice of what I hope they come
17 prepared to talk about and if they're listening or the Water
18 Management District or our staff, there are some very real
19 issues that the consumers have, have presented, and water
20 quality is, is definitely to me my top priority. But there are
21 also some issues that if are not explained, people will not
22 understand. You know, not that they won't understand. I mean,
23 the people, they need an explanation to some of the things
24 they've asked. Some of the things, if they're not addressed,
25 will go unexplained.

1 In some cases, I know for a fact, and I'm not saying
2 it's here, but in some cases water is allowed to be put in a
3 wetland to recharge depending on what the DEP establishes as
4 far as chemicals and so on and so on. I'm not saying it's a
5 good thing, it's a bad thing. I'm just saying that's part of
6 what's practiced in the State of Florida all over. And some
7 things that have been addressed are development issues. You
8 know, we're talking about losing potable water. Of course, we
9 are. We keep building out the State of Florida. That may not
10 be solely due to Aqua's fault, although they have plenty of
11 fault on the issue of Chuluota as far as water quality. So I
12 would hope that DEP when they come up can address some of those
13 issues and make sure that the issues of real concern to these
14 consumers who are expressing from their experience, years of
15 experience get answered. And those other questions that have
16 nothing to do with Chuluota that are allowed or disallowed or
17 part of just another problem that we're facing in Florida,
18 development or, or too many people, be addressed also. And I
19 hope that they are prepared to do that. And when DEP does come
20 up, know that I'm going to ask many of those questions. And
21 thank you, Mr. Chair, for allowing me to give advanced notice
22 of that.

23 CHAIRMAN CARTER: Thank you, Commissioner. And staff
24 also is taking notes to where, you know, sometimes if you have
25 one of my over 50 moments, you may forget it. They're going to

1 be asking those questions as well as kind of memory jogs to do
2 that. I think those are legitimate issues that need to be
3 brought to bear and we'll do that.

4 Let me do this, Commissioners. I'm looking at a
5 different clock than you guys. But the clock that I'm looking
6 at says 11:03, so we'll come back at -- well, you know, being a
7 product of the South Georgia school system, I must have been
8 absent the day they taught mathematics, so let me try some
9 arithmetic. We'll come back at 11:23. We're on recess.

10 (Recess taken.)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
2 COUNTY OF LEON)

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 9th day of December,

2008.

Linda Boles
LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
(850) 413-6734