

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: DOCKET NO. 100330-WS

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

PROCEEDINGS: PALATKA SERVICE HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO BALBIS

DATE: Tuesday, September 13, 2011

TIME: Commenced at 10:02 a.m.
Concluded at 11:10 a.m.

PLACE: City Commission Meeting Room
201 North Second Street
Palatka, Florida 32177

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

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4 32302-0810, appearing on behalf of Aqua Utilities
5 Florida, Inc.

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7 Counsel, c/o The Florida Legislature, 111 W. Madison
8 Street, Room 812, Tallahassee, Florida 32399-1400,
9 appearing on behalf of the Citizens of the State of
10 Florida.

11 RALPH JAEGER, ESQUIRE, FPSC General Counsel's
12 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida
13 32399-0850, appearing on behalf of the Florida Public
14 Service Commission Staff.

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P R O C E E D I N G S

1
2 **CHAIRMAN GRAHAM:** Good morning. Can everybody
3 hear me? Thank you. Let the record show it is Tuesday,
4 September 13th, and it's roughly 10:00 a.m., and we're
5 in Palatka, Florida. And this is Docket Number 100330,
6 which is the Aqua Utilities service hearings.

7 My name is Art Graham. I'm the Chair,
8 currently the Chair of the Public Service Commission,
9 and I want to welcome all of you here. Our goal today
10 is to take testimony from you, to put on the record
11 statements from you and how you feel about the current
12 service of Aqua Utilities, how you feel about the
13 quality of the service, the customer service, and the
14 water itself. And you may be getting some questions
15 back from the utility, from the attorneys from Aqua
16 Utilities. They may want to further probe to find out
17 specifically what you're talking about, what day it
18 happened and such as that just to make sure everything
19 is clear on the record.

20 You may also get some questions from other
21 attorneys or from myself or my colleagues on the Public
22 Service Commission. I am joined with Eduardo Balbis on
23 my right, who is a Commissioner, and Ronald Brisé on my
24 left, who is also a Commissioner on the Public Service
25 Commission.

1 I want for you to take your time. I'm going
2 to try to give everybody about five minutes or so to
3 speak. But if we can't get it all done in that time, we
4 may extend, after everybody speaks, we may give you some
5 time at the end. But we are here to hear from you.
6 That's the whole reason why we have these meetings out
7 here in the service area so you don't have to, so
8 everybody doesn't have to drive to Tallahassee to get
9 their feelings on the record. But we are glad that
10 you're here. I'm sure that everybody has got something
11 they could be doing on a Tuesday morning at 10:00 a.m.
12 So we're glad that you're here and we're glad this is
13 important to you.

14 That all being said, Staff, do we need to give
15 the notice?

16 **MR. JAEGER:** Yes, Chairman. By notice, this
17 time and place has been set for a customer service
18 hearing in Docket Number 100330-WS, application for
19 increase in water and wastewater rates in Alachua,
20 Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion,
21 Orange, Palm Beach, Pasco, Polk, Putnam, Seminole,
22 Sumter, Volusia, and Washington Counties by Aqua
23 Utilities Florida, Inc.

24 **CHAIRMAN GRAHAM:** Thank you, sir. The Staff
25 that is with me, I currently have Ralph Jaeger, Marshall

1 Willis and Andrew Maurey, who is in the back there.
2 Also joining us today is Carol Reed. Ms. Reed, could I
3 get you to stand? She's a representative -- she is
4 representing State Senator Evelyn Lynn. Ma'am, thank
5 you so very much for coming. And thank you -- thank the
6 senator for being involved in this process.

7 **MS. REED:** I can do that. Thank you.

8 **CHAIRMAN GRAHAM:** That all being said, I guess
9 we can -- are there any preliminary matters?

10 **MR. JAEGER:** None that I know of, Chairman.

11 **CHAIRMAN GRAHAM:** Okay. Let's take
12 appearances.

13 **MR. MAY:** Good morning, Commissioners and
14 customers. My name is Bruce May with the law firm of
15 Holland & Knight. I represent Aqua Utilities Florida.
16 To my right is Mr. Rick Fox. Mr. Fox is the President
17 of Aqua Utilities, Florida. And, Mr. Chair, at the
18 appropriate time, Mr. Fox would like to make some very
19 brief introductory remarks.

20 **CHAIRMAN GRAHAM:** Sure thing.

21 **MR. KELLY:** Good morning. I'm J.R. Kelly with
22 the Office of Public Counsel, and we have the pleasure
23 of representing you, the ratepayers, in this matter.
24 I'm here with Mr. Steve Reilly, who's also with our
25 office. And at the appropriate time I'd like to make

1 very brief remarks also, Mr. Chair.

2 **CHAIRMAN GRAHAM:** Okay.

3 **MR. JAEGER:** And I'm Ralph Jaeger, Staff
4 counsel on behalf of Commission Staff.

5 **CHAIRMAN GRAHAM:** Do we have any other
6 counsels of record here in the audience? Okay. Seeing
7 none, before we have opening comments, I just want to
8 let you all know that if you want to testify, there was
9 a sheet, a sign-in sheet that you should have signed up
10 on. And we'll have Public Counsel call you up one at a
11 time to give your testimony. Before that, we will have
12 everybody stand and we'll swear you in.

13 And, Mr. Jaeger, if I don't have anything
14 else, I guess we'll go with opening comments.

15 **MR. JAEGER:** I know of nothing else, sir.

16 **CHAIRMAN GRAHAM:** All right. Mr. May or
17 Mr. Fox.

18 **MR. FOX:** Thank you, sir. Is it okay if I
19 turn around?

20 **CHAIRMAN GRAHAM:** Sure.

21 **MR. FOX:** Thanks.

22 Good morning. My name is Rick Fox, and I am
23 the President of Aqua Utilities Florida. Before I
24 begin, I want to introduce some AUF employees who are
25 here with us today. They can also answer any questions

1 that you may have about your account.

2 First, Mr. Harry Householder, he's our Manager
3 of Operations statewide. Next to him is Stacey Barnes,
4 Customer Field Service Manager statewide. Tricia
5 Williams in front of them, our head Environmental
6 Engineer for the State of Florida. And lastly, Paul
7 Thompson, our Area Coordinator for this part of the
8 state. Some of these employees have computers and are
9 in the back of the room and can actually look up your
10 account if you have a question about your bill or any
11 other issues that you might have. So please feel free
12 to contact them at your convenience.

13 Commissioners, I want to thank you for the
14 opportunity to speak briefly to our customers in Putnam,
15 Volusia, and Lake Counties this morning. But more
16 importantly, thank you for giving us a chance to listen
17 to our customers and hear what they have to say.

18 At the end of the day we're a service company,
19 and we value all customer input on the services we
20 provide. We know there is never a good time to ask for
21 an increase in rates. No one wants to pay more for
22 water or electricity or for anything else for that
23 matter; yet we also know that everybody wants and needs
24 and demands safe and reliable water service. That comes
25 with a cost, and that's why we're here today.

1 I want you to understand that a rate case is
2 fundamentally driven by the cost of the improvements
3 we've made to our utility systems. I would like to take
4 just a minute and go over some of those improvements.

5 Over the past three years Aqua has spent over
6 \$11 million on capital projects to comply with
7 environmental regulations and to improve water and
8 wastewater quality, service, and reliability for our
9 customers. These projects include things such as
10 rehabilitating and replacing tanks, upgrading electrical
11 systems, and replacing pumps and meters.

12 For the systems in Volusia, Putnam, and Lake
13 Counties we have installed valves and automatic flushing
14 points, and we have also upgraded or replaced water
15 mains. At the water plants we've upgraded pumps,
16 motors, and replaced hydropneumatic tanks. For the
17 wastewater plants in Volusia, Putnam, and Lake Counties
18 we've made upgrades to the lift stations. At our Palm
19 Port, Holiday Haven, and Jungle Den systems we completed
20 projects to reduce stormwater infiltration to the sewer
21 systems, which will improve system efficiency and reduce
22 operating and maintenance costs in the long run.

23 In Tomoka View, to address water quality, in
24 December of 2009 we installed a chloramination system,
25 and the system has been in compliance since

1 January 2010. At Tomoka View and Twin Rivers we've also
2 upgraded the storage tanks.

3 Last year in July and then again in September
4 we met with our customers in Tomoka View to discuss
5 aesthetic water quality issues. These aesthetic issues
6 have been around long before Aqua acquired the systems.
7 I'm proud to say that we have done something about these
8 aesthetic concerns. For example, we discussed that Aqua
9 installed automatic flushing valves to keep the water
10 fresh. We've also designed and implemented a
11 comprehensive directional flushing program in accordance
12 with AWWA standards. We understand that you as
13 customers expect water to be reliable, reasonably
14 priced, and provided in an environmentally sound manner.
15 I want you to know that we are committed to meeting that
16 expectation.

17 As I described at the beginning, the costs
18 that drive this rate case are directly related to these
19 infrastructure improvement projects which I have
20 described. I want you to know that our company
21 continuously monitors and aggressively takes measures to
22 control our costs; however, the cost of the system
23 improvements that we've made can no longer be absorbed
24 by our company without an increase in rates.

25 I know a lot of you want to speak, and we're

1 here to listen. So I want to thank you for coming out
2 and taking time out of your day to be here. I look
3 forward to hearing what you have to say, and I'll be
4 available to meet with you after the hearing. Thank
5 you.

6 **CHAIRMAN GRAHAM:** Thank you, sir.

7 Mr. Kelly.

8 **MR. KELLY:** Good morning. My name is
9 J.R. Kelly. As I said, I'm with the Office of Public
10 Counsel. We have the pleasure of representing you, the
11 ratepayers, in this proceeding.

12 Our office, for those of you that don't know,
13 we are independent of the PSC. We're not a part of
14 their agency. We're actually funded by the Legislature
15 specifically to represent you, the ratepayers, in
16 matters that come in front of the Public Service
17 Commission.

18 We're here today because our office appealed
19 the \$2.61 million annual rate increase that was approved
20 by the Public Service Commission about two to three
21 months ago. We feel that there's several issues that,
22 that the PSC overlooked and that we are preparing now
23 with our expert witnesses to provide evidence in support
24 of our arguments, and I wanted to share just a few of
25 those points with you.

1 First off, we do not believe that the quality
2 of service for Aqua that they're providing to you is,
3 excuse me, is satisfactory or even marginal. We think
4 it is unsatisfactory and we believe the evidence will
5 show that. As a result, we're going to argue that
6 Aqua's rate of return should be lower than what would
7 normally be granted.

8 Used and useful. That's a concept basically
9 that we're going to be arguing that you, the ratepayers,
10 should not have to pay for any assets that are purchased
11 by Aqua unless they are 100% used by and useful for you,
12 the ratepayers.

13 We believe they've overstated the, the
14 revenues that they're requesting on an annual basis due
15 to some weather conditions, billing errors, and some
16 other economic conditions. One of the big issues we are
17 arguing in this case is the affiliated costs and charges
18 that Aqua pays to its parent company up in Pennsylvania
19 we believe are grossly, grossly misstated, overstated,
20 and should be eliminated. We believe that the amount of
21 rate case expense they're asking for is not reasonable.
22 And lastly, the general affordability of the rates that
23 they're asking for to be generated by the amount of
24 revenues they're requesting we do not believe is, is
25 proper.

1 As I mentioned, we've engaged expert witnesses
2 that are currently going through the information and,
3 and documents of discovery -- of Aqua and preparing
4 their testimony.

5 But today it is so, so important for the folks
6 that are here today that the PSC hears what you have to
7 say. Your voice is very, very important to our case to
8 be able to help protest against this rate increase. We
9 need you to share your opinion with the PSC, good, bad,
10 it doesn't matter, but come up here and share your
11 feelings on the quality of service. Excuse me. Has it
12 improved? Is it better? Is it worse? Talk about the
13 impact of the rate increase to you, the affordability,
14 how it's going to affect your lifestyle. And also, if
15 you can, talk about how the rate increase affects your
16 community, the value of your homes, the value of your
17 neighbors' homes, and how would the increase affect that
18 value?

19 Most importantly, I ask you just come up here
20 and be truthful, speak from your heart and tell these,
21 these gentlemen up here exactly what you feel about this
22 rate, proposed rate increase and the quality of service
23 you receive. Again, I thank you very much for being
24 here. I look forward to hearing what you have to say.

25 **CHAIRMAN GRAHAM:** Thank you, Mr. Kelly.

1 All right. Once again, if you filled out the
2 form, the Public Counsel will be calling you up one at a
3 time to speak. At this time, those of you that want to
4 speak, I need for you to stand up and raise your right
5 hand.

6 (Witnesses collectively sworn.)

7 Thank you. When you come up, if you would
8 please give your name, spell your last name, and your
9 address. We just want to make sure that we have
10 everything clear on the record. And if anybody has to
11 get back to you, we know how to get back to you.

12 That all being said, Mr. Kelly.

13 **MR. KELLY:** The first speaker is Ms. Betsy
14 Jordan Driggers.
15 Whereupon,

16 **BETSY JORDAN DRIGGERS**

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

20 **DIRECT STATEMENT**

21 **MS. DRIGGERS:** Good morning. Betsy Jordan
22 Driggers, 102 Canal Drive, East Palatka, Florida. I'm a
23 customer of Aqua Utilities.

24 I have here, and I probably should have had a
25 later -- or a more recent bill, but I've got copies of

1 several bills going back. They're kind of a smattering
2 of over the past year. I'm looking at my bill for July
3 of this year. My usage was 2,500 gallons, and I'm on
4 the Palm Port system. My usage was 2,500 gallons. My
5 bill was around \$100 for that. That's excessive. It's
6 terribly excessive. It's, it's water and sewer. It's
7 not even great water.

8 I can tell you that I bleach my toilets out on
9 Saturday, and by Wednesday there's a dark film where the
10 water lies on the white porcelain. Sometimes you can
11 hold the water up to the light and actually see things
12 moving around in it. And I buy bottled water to drink.
13 I don't do that to cook because generally you boil it.
14 And I'm not saying that it's not fit for human
15 consumption, but I'd sure rather drink bottled water
16 than drink this all the time. And, of course, sometimes
17 I, you know, you can't help it. And of course you
18 shower in it. I can tell you it's very hard. It eats
19 right through the pipes most times. I've spent a
20 considerable amount of money putting a reverse osmosis
21 water system on my house just to stop it from eating
22 through the pipes, and that's helped.

23 My parents actually used to own this system 30
24 years ago. I've been in this subdivision for 25 years.
25 The bill used to be \$35 every other month. They sold

1 it, I want to say, back in 1986. They sold it to, I
2 think it was Florida Utilities. And it -- I mean, you
3 know, they had a few middle of the night incidences but
4 it wasn't anything big.

5 And I, I just want to say that I know what it
6 takes to run a water and sewer system. I work for the
7 City of Palatka. We own a water and sewer system. We
8 provide water and sewer to about 15,000 people. We have
9 about four, five thousand customers. We just spent
10 \$15 million upgrading our water plant, building a brand
11 new one. I'd love to take people on a tour of it.
12 We're very proud of it. We've got bottled water quality
13 water. The bill for 4,000 gallon usage, which includes
14 twice a week garbage sanitation pickup for the citizens
15 of Palatka who are on this \$15 million upgrade in just
16 the water, that's not including what we've just spent on
17 our sewer system, which, in fact, we did just do an
18 infiltration project, just completed it, doubled the
19 capacity of our sewage treatment system. And we just
20 completed Phase 4 of a reuse system, which means that
21 we've taken all of our effluent out of the St. Johns
22 River. That was -- we started that project back in, I
23 think, 1997, '98. It's been a phased project. Spent
24 probably four or five million dollars on that over the
25 years. But our base water usage, the minimum bill, you

1 can use up to 4,000 gallons with garbage pickup, \$51 a
2 month. \$51 a month.

3 Now we've just had to, you know, they've got
4 new -- and I understand FDEP regulations. I understand
5 that you have to put money back to replace your plants,
6 not only your water plant but your sewer plant, and you
7 have to build that into your rate. We just increased
8 our water and sewer rates \$2 a month for that, which is
9 going to bring the water and sewer rate plus sanitation
10 rate up for the citizens here on a state of the art
11 water system and a sewage treatment plant that's got
12 capacity to carry the citizens through probably the next
13 20 years, if not more, because we're, we're at about
14 half capacity now on a 3.5 million gallon per day plant.
15 That's going to bring the total monthly bill up to \$53.

16 I'm paying over \$100 a month for water and
17 sewer for two people. I don't dare water my grass. I
18 wouldn't dream of putting a swimming pool in because I
19 couldn't afford it. And it's a nice neighborhood, it's
20 a really nice neighborhood to live in. The quality of
21 life there is great. But when people find out what we
22 pay for water and sewer, it makes it hard to sell one of
23 our houses. It does. I mean, even the people who can
24 afford to move into this neighborhood, like I said, it's
25 one of the nicer neighborhoods in Putnam County, we're

1 really proud of it, but it's something that people have
2 to think about is what their utilities are. And most
3 months I pay more for my water bill than I do for my
4 electricity for two people, and I'm not there all day.
5 I work a full-time job, I'm here. And I have other
6 things, you know, I have, you know, extracurricular
7 things after work, so I probably get home around
8 8:00 p.m in the evening and I'm there on the weekends.
9 I guess I probably don't do more than four or five loads
10 of laundry a week, I've got a shower a day and, you
11 know, minimum water usage. Like I said, my July bill, I
12 was billed for 2,500 gallons of water. 2,500 gallons of
13 water, I paid around \$100 for that.

14 So we all feel in my neighborhood -- and I'm
15 sorry that there aren't more people here. I think we
16 got the notice about this hearing, it came in the mail
17 Thursday or Friday, and I didn't see anything about it
18 in the newspaper. I'm sorry about that. I did talk to
19 the reporter a couple of times about, you know, trying
20 to notify people that this was coming up because it's a
21 wonderful opportunity for the people in my neighborhood
22 and the people of Putnam County to come and talk to you
23 about this.

24 I just don't -- I wish someone could justify
25 to me why they need this much money. I understand that

1 you need clean water and you need some place to, to, for
2 the water to go once you flush your toilet or it drains
3 out of your washing machine, and I understand all of the
4 FDEP regulations, I understand the need for the
5 environmental stewardship. I wish somebody would
6 justify to me why they need this much money. It just
7 seems unreasonable to me. Thank you very much.

8 **CHAIRMAN GRAHAM:** Hold on, please.

9 **MS. DRIGGERS:** Do you have any --

10 **CHAIRMAN GRAHAM:** Yeah. There's going to be
11 some questions.

12 **MS. DRIGGERS:** Okay.

13 **CHAIRMAN GRAHAM:** The first question I have
14 for you, the extra \$2 that, the rate increase that
15 you're going -- are you saying that that covers the
16 \$15 million expenditure?

17 **MS. DRIGGERS:** The \$15 million expenditure, we
18 were lucky enough to get -- we have a state revolving
19 loan. Part of that was a grant. Part of that came from
20 FDEP. Part of it came from water management. There are
21 resources out there to get the money to make these
22 upgrades. You have to work to get them but they're
23 there.

24 The \$2 a day -- we just barely cover the cost
25 of production of water. We also have departments of

1 full-time employees that, you know, we're paying living
2 wage to and they've got pension plans and benefits and
3 things like that and, you know, we, we support all of
4 that.

5 **CHAIRMAN GRAHAM:** So I guess my question is is
6 any of that coming out of a general fund or is all of
7 that just being paid for out of the --

8 **MS. DRIGGERS:** That's all enterprise.

9 **CHAIRMAN GRAHAM:** Okay.

10 **MS. DRIGGERS:** Yeah. It's all enterprise. In
11 fact, the enterprise fund even makes a slight donation
12 to the general fund to cover some of the water utility
13 salaries here, yeah, that are associated with water
14 utilities.

15 **CHAIRMAN GRAHAM:** Mr. May.

16 **MR. MAY:** No questions.

17 **CHAIRMAN GRAHAM:** Ms. Driggers, thank you very
18 much for coming.

19 **MS. DRIGGERS:** Thank you. And I also wanted
20 to say that when I have talked on the phone to some of
21 the customer service people, they've all been very nice.

22 I don't understand why -- there was one
23 instance where I actually ended up getting my water shut
24 off because, you know, I work all the time and sometimes
25 I get a little busy. It took them 24 hours to come out

1 to my house. Now that's pretty -- that -- I know
2 they've got people here in town. They're sitting at
3 their house while I'm sitting at mine, you know, paying
4 their salary. And when we have an instance like that,
5 if someone comes down here and pays their bill, we've
6 got someone out there at their house in 30 minutes. The
7 response time -- and we've only got one guy that does
8 that and takes care of the entire city of Palatka, 5,000
9 customers. We've only got one guy that goes around to
10 peoples' houses and does anything like that. And he's
11 out at your house within 30 minutes to an hour after
12 you've come down here and settled things out. But Aqua
13 Utilities' customers are forced to wait 24 because
14 that's the policy, which seems a little unreasonable to
15 me. Thank you very much.

16 **CHAIRMAN GRAHAM:** Thank you, Ms. Driggers. I
17 had to smile a little when you said the entire city of
18 Palatka.

19 **MS. DRIGGERS:** The entire city of Palatka.
20 And we also have some outlying areas, too.

21 **CHAIRMAN GRAHAM:** Mr. Kelly.

22 **MR. KELLY:** Mr. John Delzell.

23 Whereupon,

24 **JOHN DELZELL**

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

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

3 **DIRECT STATEMENT**

4 **MR. DELZELL:** Thank you.

5 **CHAIRMAN GRAHAM:** Welcome, sir.

6 **MR. DELZELL:** I see some new faces on the
7 Commission since the last time you were here.

8 I was interested in the, the CEO of the
9 utility company's remarks about how much money they've
10 invested in infrastructure. I've been in business many
11 years, and all the infrastructure that I had to buy I
12 paid for as a cost of doing business, and that's what he
13 should be doing, not passing it to the customer.

14 I've been in the newspaper business for at
15 least 60 years publishing newspapers. And there's an
16 old story that goes around in the newspaper circles,
17 maybe you've heard it, that if you want a business that
18 can't fail, get one that's regulated by the Public
19 Service Commission because no matter how poorly you
20 operate your business, they will let you make a profit.
21 Think about that.

22 I'm going to surprise you. I'm not here to
23 gripe about rates as much as I am about the condition of
24 the water, the quality of service. I see here it says,
25 "The PSC found the quality to be marginal." I'll submit

1 that it's far less than marginal. My neighbor,
2 next-door neighbor came to see me about three months
3 ago, just had his shorts on, no shirt, and he was
4 covered with sludge, which he was in the shower and
5 that's what came out of the shower. And we all turned
6 our water on and we all got sludge, black, flowing
7 sludge out of our water system.

8 After a while -- the facility is just down the
9 street from me. I saw a truck down there and went down
10 to see what was wrong. And he said that the valve stuck
11 and they pumped all the water out of the tank, and what
12 was pumping out now was the sludge that was collected on
13 the bottom. There shouldn't be any sludge on the bottom
14 of that tank. If they've got a problem with that, they
15 better fix it or get a new tank.

16 The -- they sent me a report here on May the
17 5th that said that the level of trihalomethanes was,
18 drinking water standard was 80, and theirs was 84.
19 Their running annual average was 86.4. Now I don't know
20 what trihalomethanes are, but it must be something
21 that's not good for you or the EPA would not be
22 regulating it. And it says down here, the customers who
23 are concerned about exposure of these things can choose
24 alternative sources of water. In other words, we go out
25 and buy drinking water instead of using that.

1 Now three months later I get this report from
2 the utility company on August the 16th, and on the first
3 one it says they were implementing a flushing program
4 and a rigorous distribution system monitoring program,
5 and the results have improved. On the next one three
6 months later the trihalomethanes were up to 118. And so
7 they sure didn't improve it. And, again, they suggested
8 if we weren't happy with that, to go buy some water,
9 drinking water.

10 So I'm submitting that their quality of
11 service and their quality of water is, is not up to
12 standards, and I'm more concerned about my health and
13 the children's health and the health of all of River
14 Grove subdivision than I am about the rates.

15 I understand that all businesses want to make
16 a profit. I think that 20.87 percent that they got in
17 1911 -- I mean, 2011 was extraordinarily high, but I'll
18 pay that if the water is any good. And it's not.

19 **CHAIRMAN GRAHAM:** Hold on just a second, sir.
20 I've got a question. Actually my first question is can
21 we get copies of those reports that you have?

22 **MR. DELZELL:** I'm sorry?

23 **CHAIRMAN GRAHAM:** Can we get copies of those
24 reports that you have?

25 **MR. DELZELL:** Just notes that I've made on --

1 you can have it all, if you want it.

2 **CHAIRMAN GRAHAM:** Well, just those two notices
3 that you referenced. The two notices that you
4 referenced.

5 **MR. DELZELL:** The company, you should have
6 seen those. Here they are. Would you like to have
7 them?

8 **CHAIRMAN GRAHAM:** Yes, sir.

9 **MR. DELZELL:** Okay. Any other questions?

10 **CHAIRMAN GRAHAM:** Oh, the dates. Do you
11 have -- do you know the day or at least the month that
12 you had the problem with the sludge?

13 **MR. DELZELL:** It was about three months ago.
14 Three months ago. I didn't keep the date. But we
15 had -- we couldn't use the water for two or three days.
16 And then after -- they, they gave us no official notice
17 when we could start using it again. But everybody after
18 three or four days ran the water enough, it looked
19 clean, so they used it. And a lot of people still won't
20 use it to drink. Okay?

21 **CHAIRMAN GRAHAM:** Hold on just a second.

22 Mr. May, do you have any questions?

23 **MR. MAY:** No, Mr. Chairman. We have no
24 questions.

25 **MR. DELZELL:** Thank you.

1 **MR. JAEGER:** Mr. Chairman, I have --

2 **CHAIRMAN GRAHAM:** Mr. Delzell, one more
3 question for you.

4 **EXAMINATION**

5 **BY MR. JAEGER:**

6 Q Up here, sir.

7 A Okay. I don't hear well.

8 Q I was just wanting to make sure we had which
9 systems you're on, the address and the --

10 A That's River Grove in East Palatka.

11 Q Thank you.

12 **CHAIRMAN GRAHAM:** Thank you very much, sir.
13 Thank you for coming out today.

14 **MR. KELLY:** The next speaker is Mr. John
15 Poitevent. And if you could spell your last name for
16 the court reporter.

17 Whereupon,

18 **JOHN POITEVENT**

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

22 **DIRECT STATEMENT**

23 **MR. POITEVENT:** Yes. P-O-I-T, event,
24 E-V-E-N-T. I'm John Poitevent. I live in River Grove,
25 across the street from Mr. Delzell and Mr. Buck, who got

1 caught in the shower with the sludge. We're all kind of
2 in this together because, you know, I'm glad to see some
3 new faces here. Perhaps we can, we can get at last, at
4 long last some action about this matter because our
5 quality of water is a serious issue.

6 The trihalomethanes that Mr. Delzell was
7 talking about are clearly a problem. The sludge is
8 clearly a problem. Our dishwasher is destroying our,
9 our, our glasses and our, and our flatware. There's a
10 coat of some, I don't know what it is, it's a coat of
11 something on them whenever we wash them. They come out
12 nasty. And we, we even run an extra rinse and they
13 still come out, come out nasty. So we've got, we've got
14 a serious situation down here, and we said this two
15 years ago when I believe you came before us with your
16 last request. And we tried to point that out at that
17 time and apparently nothing has been done since then.

18 And I, I have a question. If, if rate
19 increases are driven by improvements, why aren't we
20 getting any improvements for our rate increases? You
21 know, we need improvements too just as well as, you
22 know, New Smyrna Beach or wherever you're making the
23 improvements. We need them too. So I think you'd find
24 less opposition to your rate increases if you'd give us
25 some increase in value. So far that, that hasn't

1 happened.

2 I have a couple of questions in general.
3 First of all, why, why are we meeting at 10:00 on a
4 Tuesday morning instead of like at 4:00 or 5:00 in the
5 afternoon when more people could attend? Is there some
6 reason for this?

7 **CHAIRMAN GRAHAM:** For the most part, and this
8 is just my understanding from Staff, that they, they try
9 to move it around because some places -- they try moving
10 it around because not all seniors can drive at night. A
11 lot of people can't get, a lot of people can't get here
12 during the day, so some of the meetings are in the
13 morning, some of the meetings are in the evening. And
14 we try to, as we go to different areas around the state,
15 we try to fluctuate it. We'll be down in Eustis today
16 at 6:00. So it tends to move.

17 **MR. POITEVENT:** Uh-huh. I see.

18 **CHAIRMAN GRAHAM:** We just can, we can't have
19 them all at 6:00 because -- and this was something, you
20 know, that was pointed out to me that there's a lot of
21 seniors that just can't drive at night.

22 **MR. POITEVENT:** Yeah. Well, of course, it
23 doesn't get dark until well past 6:00 these days. But
24 we'd appreciate it if you could make them later in the
25 day for our community at least because a lot of us work.

1 Some of us are retired.

2 And I also have another question. Are we
3 allowed to disconnect from this service and get another
4 service or dig a well or something like that?

5 **MR. WILLIS:** I'll try and answer that
6 question. That's totally up to the county. The county
7 has the ability to say yes or no for you to get off of
8 the system within the county itself.

9 **MR. POITEVENT:** So county officials are making
10 that decision? Our county commissioners are making the
11 decision, is that what you're telling me, sir?

12 **MR. WILLIS:** Yes. They have the ability to
13 say whether you can dig a well or not. It's all up to
14 the county ordinance whether or not you can dig a well
15 or whether you can use that for your own potable needs
16 and get off of the public supply water system.

17 **MR. POITEVENT:** Uh-huh. Well, you're not
18 talking about permitting, you're talking about -- or are
19 you talking about permitting?

20 **MR. WILLIS:** No. I'm talking about actually
21 your being able to get off the public supply water
22 system and dig a private well.

23 **MR. POITEVENT:** Is your understanding, is your
24 understanding of this particular situation in River
25 Grove that if we disconnect, we would still have to

1 continue to pay them a minimum amount or, or not?

2 MR. WILLIS: That I'd have to go back and
3 research.

4 MR. POITEVENT: I believe that's the case. I
5 think we're, I think we're pretty much prisoners to Aqua
6 Utilities. I think we would have to pay. Perhaps,
7 perhaps you gentlemen could shed some light on that.
8 I'm thinking that we're, we're required to pay you
9 whether we use your water or not. Is that, is that the
10 case?

11 CHAIRMAN GRAHAM: Well, Mr. Poitevent, if you
12 have a -- do you have an e-mail address?

13 MR. POITEVENT: Yes. It's on the -- I put it
14 on the sheet.

15 CHAIRMAN GRAHAM: We'll make sure that someone
16 gets back to you and gives you a specific answer to that
17 question.

18 MR. POITEVENT: That would be great. Thank
19 you very much, sir.

20 At any rate, I appreciate your time. I
21 appreciate your listening. I appreciate your comments
22 very much so. And if there's anything that I can do to
23 assist either the company or the county or River Grove,
24 I'm happy to do it. I've got time to do it. I'm happy
25 to do it. So just let me know.

1 **CHAIRMAN GRAHAM:** Hold on just a second.

2 Mr. May.

3 **EXAMINATION**

4 **BY MR. MAY:**

5 Q Mr. Poitevent, thank you for coming this
6 morning. Mr. Fox, as he indicated earlier, he'll be
7 available to discuss anything you'd like to talk about
8 after, after the hearing this morning.

9 A All right.

10 **CHAIRMAN GRAHAM:** Sir, if you have time
11 afterwards, maybe he can answer some of your specific
12 questions.

13 **MR. POITEVENT:** Sure. I'll take time.

14 **CHAIRMAN GRAHAM:** Okay. Thank you.

15 **MR. KELLY:** The next speaker is Ms. Sandra
16 Raburn.

17 Whereupon,

18 **SANDRA RABURN**

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

22 **DIRECT STATEMENT**

23 **MS. RABURN:** Good morning. My name is Sandra
24 Raburn, R-A-B-U-R-N. I live at 116 River Drive, and I'm
25 serviced by the River Grove subdivision water system.

1 Just really a couple of comments. I'm not
2 particularly here about the rates either, except for I
3 would like to say when I purchased my home in 1993, I
4 was a single mother with two small children. I now live
5 alone and my water bill is double what it was then and
6 my usage is much, much less. I'm very fortunate. I
7 don't, I don't feel the impact that some of our seniors
8 do that are on very fixed and limited incomes.

9 Customer service, they have been responsive to
10 my needs. I will say this, I didn't receive a water
11 bill for almost a year. I didn't realize it until I was
12 actually talking to a neighbor about how much the rates
13 have went up, and I said, you know, "Mine comes
14 automatically out of my checking account. I have no
15 idea what my rates are." And so I checked. Several
16 months had not received any withdrawal from my checking
17 account, so I did call them. And it was just an
18 oversight, it was an error. They were billing my
19 neighbor at 116 River Terrace for my water bill for that
20 entire time and he had been paying it. So we
21 straightened that out and I did pay back what I owed.
22 It wasn't a problem.

23 In January of this year my water consumption
24 was, I don't remember the exact gallons, but triple,
25 almost triple what it normally is. I called and said,

1 "I live alone. I haven't had any company. I don't
2 understand how this can be an issue. Can you have
3 somebody check it?" And she said, "Well, you know, it's
4 been read, this is what it is, and we'll send you a
5 water leakage kit." That's what I got. I never used
6 the kit they sent me, but the next month my bill went
7 back to normal and it's been the same ever since. So
8 what the issue was I don't know, or it just took a phone
9 call prompting them to check something. I'm not really
10 sure.

11 But what I would like to particularly address
12 is the quality of the water. Since I have lived there
13 in '93 I've gone through two dishwashers, about five
14 icemakers, and three hot water heaters. And it's
15 exactly right, it leaves a little white, I don't even
16 know what it -- a film. And almost if it gets thick
17 enough, you can feel it like it's sand or something like
18 that.

19 A few years ago I invested in a water system,
20 a Culligan system, whatever they call them, and I have
21 not had an issue since then. I can now wash most of my
22 clothes instead of dry-clean them because I had to
23 dry-clean most of my clothing. But it definitely -- the
24 water quality is an issue. I would not drink it.

25 Again, I received the same notices that

1 Mr. Delzell did. In May of '11, whatever that is -- I'm
2 an accountant. I'm not a chemist. I have no idea what
3 this means. But it was way out of whack; they advised
4 us not to drink the water. I use bottled water. So we
5 did not realize the issue had not been corrected until
6 we received this notice in July that instead of 84, it's
7 now 118. So it's multiplying. So it's really a
8 communication thing, I think. It's we're not kept
9 informed when there are issues. We may come home and
10 there will be a boil water notice on your door for the
11 next three days. And that's fine, that happens. It's a
12 mechanism. Things like that are going to happen. But
13 like this right here, we have no idea, had no idea there
14 was still an outstanding issue. Our assumption was it
15 had been corrected or we would have been notified again.
16 So it really is just the water quality.

17 I see the guys in the neighborhood, they drive
18 through with their trucks, so I know they're there. I
19 work every day. I'm not there that often. Personally I
20 have not had to have a lot of interaction with them, so
21 I really don't have any complaints. It is just water
22 quality to me.

23 **CHAIRMAN GRAHAM:** Thank you, Ms. Raburn.

24 **MS. RABURN:** Uh-huh.

25 **CHAIRMAN GRAHAM:** Mr. May.

1 **MR. MAY:** No questions.

2 **CHAIRMAN GRAHAM:** Go ahead.

3 **EXAMINATION**

4 **BY MR. KELLY:**

5 **Q** I just had a quick -- you said since 1996
6 you've gone through two dishwashers?

7 **A** Since 1993.

8 **Q** '93.

9 **A** I've gone through two dishwashers, three
10 icemakers, and about three hot water heaters.

11 **Q** Thank you, ma'am.

12 **COMMISSIONER BALBIS:** Ma'am, what system are
13 you in?

14 **MS. RABURN:** River Groves.

15 **COMMISSIONER BALBIS:** River Groves? Thank
16 you.

17 **MS. RABURN:** Uh-huh.

18 **CHAIRMAN GRAHAM:** Ms. Raburn, thank you very
19 much for coming out today. Thank you for your time.

20 **MR. KELLY:** The next speaker -- excuse me.
21 The next speaker is Ms. Dona Holt.

22 **CHAIRMAN GRAHAM:** Ms. Holt, welcome.

23 Whereupon,

24 **DONA HOLT**

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

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

3 **DIRECT STATEMENT**

4 **MS. HOLT:** Thank you. Dona, D-O-N-A, Holt,
5 H-O-L-T. I live in River Groves also, 109 River
6 Terrace.

7 I'm going to expound on what Jodi started --
8 I'm sorry, Mr. Delzell started. July we received
9 notification that the TTHMs were 118. In April they
10 were 84. In January they were 96. Last November they
11 were 91.91. This is not something that is a recent
12 problem. I have four reports going back almost a year.
13 It is getting worse, not better.

14 The notification down here, since I didn't --
15 I'm not a chemist either and I didn't know what TTHMs
16 were. It says, "Some people who drink water containing
17 the TTHMs in excess of the MCL over many years may
18 experience problems with their livers, kidney, or
19 central nervous system, and may have an increased risk
20 of getting cancer."

21 About seven years ago I redid my kitchen. I
22 bought a new dishwasher that had a stainless steel
23 interior. Five months later the stainless steel
24 interior had pits, and I was told it was from the hard
25 water. This was five months. They told me that the

1 dishwasher probably would not last for the year and that
2 I would have to buy another dishwasher.

3 I put a reverse osmosis system in and that has
4 taken care of the problem, but that system is now seven
5 years old. It costs me 5,000, over \$5,000 seven years
6 ago. I don't know how much it would cost to replace it
7 when it goes out. I'm assuming they don't last forever.
8 I'm retired. I really don't want to spend probably
9 seven, eight, nine thousand dollars on another system.
10 I don't really have that kind of money.

11 The -- when I, when I first moved there, the
12 water running the dishwasher ruined my silverware and
13 all of my glass glasses because there was a film on them
14 that would never come off. I mean, I took, I took Comet
15 to them and tried to get it off and it wouldn't come off
16 after washing them in this water for a year.

17 The water is not improving. I mean, I've
18 lived there since 2002. It has not, it has not improved
19 at all since then. I don't mind paying for water. I
20 don't mind what people are charging if we were getting
21 decent water. But we can't use this water. The only
22 thing you can, that this water is fit for is watering
23 your grass. And I thank you for your time.

24 **CHAIRMAN GRAHAM:** Ms. Holt, thank you very
25 much. Hold on just a second.

EXAMINATION

1
2 **BY MR. MAY:**

3 **Q** Ms. Holt, thanks for coming. And Mr. Fox will
4 be around after the meeting to talk about some of the
5 issues in the River Groves system and what the company
6 plans to do to address those.

7 **A** Okay. Well, you know, we talked about this a
8 couple of years ago and nothing has been done. You
9 know, I don't have -- I don't hold out much hope that
10 it's going to be done now.

11 **Q** He's available to talk after the hearing.

12 **CHAIRMAN GRAHAM:** Ms. Holt, thank you.

13 **MS. HOLT:** Thank you.

14 **CHAIRMAN GRAHAM:** Thank you very much for
15 coming down.

16 Before we move on, I'm going to enter these
17 two. We'll put them down as Exhibit Numbers -- I guess
18 we're at 17 now, Mr. Jaeger?

19 **MR. JAEGER:** The Delzell reports were 17, yes.

20 **MS. HOLT:** Do you want the two older ones that
21 Jodi didn't have?

22 **CHAIRMAN GRAHAM:** Sure.

23 **MR. KELLY:** I'm sorry. This is 17?

24 **MR. JAEGER:** 17.

25 **CHAIRMAN GRAHAM:** We'll put this down as

1 Composite/Mr. Delzell, and that will be the two we got
2 from Delzell and the two we got from Ms. Holt.

3 (Exhibit 17 marked for identification.)

4 **MR. KELLY:** Oh, I'm sorry.

5 **CHAIRMAN GRAHAM:** You're fine.

6 **MR. KELLY:** Mr. Dave Bussey.

7 Whereupon,

8 **DAVE BUSSEY**

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

12 **DIRECT STATEMENT**

13 **MR. BUSSEY:** Everyone else hopefully has
14 spoken.

15 **MR. KELLY:** Yes, sir.

16 **MR. BUSSEY:** Commissioners, Mr. Kelly,
17 Mr. Willis, Mr. Bruce May, it's good to see you folks
18 again.

19 I have a letter that I have written to Senator
20 Lynn dated September the 8th, 2011. I'd like to put it
21 in the record and provide each of you with a copy of it.

22 **CHAIRMAN GRAHAM:** Sure.

23 **MR. BUSSEY:** Okay? And I'd like to speak from
24 it. And you cut me off when I, when I'm supposed to
25 quit.

1 Before I start that, I do have one question
2 that I don't believe was answered at a previous customer
3 hearing that Chairman Edgar was in charge of a few weeks
4 ago. I'd asked the question is there anything in the
5 law that guides the PSC with regard to whether or not
6 you are required by law to authorize a certificate to a
7 utility when they bring it to you? Mr. Willis fielded
8 the question without a definite yes or no. Commissioner
9 Edgar tried to do better. I don't recall her giving me
10 a yes or no. If you could provide me at some point in
11 time an answer to that question, I would certainly
12 appreciate it. The question again is do you have the
13 authority to say no to an IOU when it comes before you
14 and offers you a certificate for approval? Do you have
15 the right to say no under the law or are you required to
16 give them a certificate?

17 **CHAIRMAN GRAHAM:** Let me see if I understand
18 the question. Are you talking about an IOU purchasing a
19 system that's a current system?

20 **MR. BUSSEY:** Not purchasing. After they've
21 purchased it. Coming to you and asking you if they can
22 have a certificate to provide the service. I think it
23 would be inappropriate to tell them they can't buy
24 something in the State of Florida. It's, it's after
25 that, it's whether or not the PSC has any authority in

1 saying, no, we are not going to give you a certificate
2 for that.

3 **MR. JAEGER:** Chairman?

4 **CHAIRMAN GRAHAM:** Sure.

5 **MR. JAEGER:** The way I, the way I see it --
6 this is Ralph Jaeger from legal. You know, there's
7 three ways they get certificates: There's grandfather
8 certificates where they are in business and we take
9 control of the county and they come in for a
10 certificate. Then there's the original certificate
11 where they apply for a certificate because they're going
12 to have a utility. And then there's through transfers
13 we, we have the duty to approve any transfers.

14 And so in all of those, before they can begin
15 supplying service or have control -- there is a way
16 they, they buy and then come to us for an after-the-fact
17 approval of the transfer, but it's subject to what they
18 call rewind for some reason.

19 So basically any time a utility serves in a
20 county that's under our jurisdiction, they have to have
21 a certificate from us and they have to apply for that
22 certificate.

23 **MR. BUSSEY:** And you're required by law to
24 give it to them, yes or no?

25 **MR. JAEGER:** No. If we try to deny a

1 transfer, it's under dispute, they have a hearing.
2 There's one where they applied for a transfer --
3 Marshall, what system was that? Harbor Hills?

4 **MR. WILLIS:** Harbor Hills.

5 **MR. JAEGER:** Harbor Hills is in dispute right
6 now where they applied for a transfer. And that's -- I
7 think that's being set for hearing. I'm not sure.

8 **MR. BUSSEY:** Okay. So it would -- if you
9 did -- you do have the authority to say no, but it would
10 probably end up in a district court, is that what I'm
11 hearing you say, or --

12 **MR. JAEGER:** Well, it would at least go to --
13 it might go to a formal hearing for --

14 **MR. BUSSEY:** Okay. I just, I just wanted to
15 know if you really have the ability to say no.

16 **CHAIRMAN GRAHAM:** The answer to the question
17 sounds like yes.

18 **MR. BUSSEY:** Okay. Thank you. I hope that
19 didn't eat up all my time.

20 **CHAIRMAN GRAHAM:** No. Go ahead, sir. You've
21 got five minutes.

22 **MR. BUSSEY:** Okay. I'm going to read from
23 this letter I sent to the senator.

24 To the Honorable Senator Lynn, the Florida
25 Public Service Commission is holding a formal customer

1 hearing in your district on September the 13th, 2011, at
2 10:00 a.m. at the City Commission meeting building," da,
3 da, da, da.

4 As you know, issues have been raised to a
5 significant level to warrant your interest regarding the
6 problems thousands of ratepayers are dealing with, some
7 of which are your constituents, with this IOU, the FPSC,
8 and the Florida Legislature.

9 The following is a brief overview of the
10 problem: Aqua Utilities is a subsidiary of Aqua
11 America, which does business in 13 states. Aqua has
12 approximately 23,000 customers in many counties in the
13 State of Florida. Some of their service areas are
14 self-sustaining, while many are high-cost systems.
15 These high-cost systems are the bread and butter to Aqua
16 America's business plan.

17 AUF's customer service track record speaks for
18 itself. Approximately 50% of all investor-owned utility
19 customer complaints filed with the PSC belong to AUF
20 year after year after year. Thousands of AUF ratepayers
21 are in small service areas and are paying too much for
22 what they are getting in return. Unfortunately, many of
23 them have given up on expecting any help. They're on
24 fixed incomes and just can't afford to pay these
25 excessively high rates, not to mention the overall poor

1 quality of service.

2 That being said, in June of '09 -- and then I
3 talked about my how my rates were raised 336% overnight.
4 And I end this paragraph by saying, and every time they
5 acquire another high-cost system, they will be back
6 asking for even more.

7 FPSC's mission statement in part says that,
8 and I'll paraphrase this, that you're supposed to
9 provide the utilities in an affordable manner to the
10 ratepayers. The term affordable does not in any way
11 apply to AUF ratepayers. That is an undisputable fact
12 in my opinion.

13 Section 367.081 of the law, which I quoted
14 yesterday, which governs the rates says that the
15 Commission shall fix the rates, and those rates which
16 are just -- they will fix rates which are just,
17 reasonable, compensatory, and not unfairly
18 discriminatory. And I said to the senator, none of
19 these terms are defined in the statute. And I'll prove
20 that tonight at our next meeting. So the Florida Public
21 Service Commission has chosen to give precedence to the
22 needs of the IOU at the expense of the ratepayers.

23 Page 3 of the FPSC's 2010 Annual Report states
24 that the FPSC has a long track record of providing fair
25 rates. This is not the case, and never will be, until

1 the legislation, some legislation has been put into
2 action.

3 The bottom line, every time AUF adds another
4 high-cost system to its unsustainable business model,
5 the rates go up, and for many of us, they go up a lot.
6 At what point will the Legislature step in to help? At
7 \$80 a month? \$90 a month? \$120, \$200 a month?

8 In addition, some high-cost systems can be
9 better served by local municipalities, but the Florida
10 Public Service Commission cannot address this issue
11 because of the way the current statutes are written.

12 The FPSC has been asking for legislative help
13 for quite some time, and the ratepayers have now joined
14 them in seeking some relief.

15 Legislation is being drafted at this time.
16 Senator Hays and Representative Brodeur will be the
17 sponsors. If you have any questions, I'm sure their
18 offices will be glad to help.

19 Thank you for taking the time to read this
20 message. Your support is greatly appreciated.
21 Sincerely, Dave Bussey.

22 I forgot to give you my information.

23 **CHAIRMAN GRAHAM:** We got it.

24 **MR. BUSSEY:** Okay. I'm also a board of
25 director at the park I live in. Okay? I didn't tell

1 you that yesterday. And if -- I'll leave the other one
2 for tonight. Thank you for your time.

3 **CHAIRMAN GRAHAM:** Thank you, sir.

4 Mr. May.

5 **EXAMINATION**

6 **BY MR. MAY:**

7 Q Mr. Bussey, thank you for coming this morning.
8 You testified at the Sebring customer service hearing as
9 well?

10 A Yeah.

11 Q I think you said your last bill was, what?

12 A My last bill, I think -- they vary a little
13 bit, but I'm going to say, just somewhere close to 65,
14 maybe a couple under, a couple over.

15 Q What portion of that bill was your water bill?

16 A What portion of it?

17 Q Yes. That was water and wastewater. So give
18 me the water component of that water and wastewater
19 bill.

20 A Oh, I can tell you what the combined base
21 facility charge is whether I use it or not. That's
22 \$52 a month. The other would be -- I don't, I don't
23 have those numbers in front of me.

24 Q That's fine.

25 A You probably have those numbers, but I don't.

1 But I can tell you the base facility charge whether I
2 ever use the water or sewer is 52 a month.

3 Q Thank you. No further questions.

4 **CHAIRMAN GRAHAM:** Thank you, Mr. Bussey.

5 **MR. BUSSEY:** Thank you.

6 **CHAIRMAN GRAHAM:** Is that all the takers?

7 **MR. KELLY:** Yes, sir. I have no further
8 names.

9 **MR. BUSSEY:** Ms. Driggers has an additional
10 comment she'd like to make.

11 **CHAIRMAN GRAHAM:** Sure. Come on up.

12 If there's anybody else that's got any
13 additional comments or hadn't filled out a speaker card,
14 just come up here to the front row and we'll pull you up
15 next.

16 Whereupon,

17 **BETSY JORDAN DRIGGERS**

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

21 **DIRECT STATEMENT**

22 **MS. DRIGGERS:** Thank you. Betsy Driggers. I
23 was up once before.

24 I just wanted to, I wanted to say that I was
25 interested in listening to all the River Groves people.

1 And I grew up in River Groves. I'm familiar with the
2 system. And I do, can tell you, I think that it's water
3 only; right? You are water only. They have drain
4 fields and septic tanks there, so they're not water and
5 sewer. Sewer is generally three times more than what
6 your water bill is. That's pretty much the case here I
7 think also looking at the amounts. It costs three times
8 as much to take the water out as it did to deliver the
9 water in. So if you guys were getting sewer along with
10 your water, you'd be really concerned. Because I'm
11 paying about \$100 a month for 3,000 gallons of water
12 usage. And I just wanted to kind of clear that up.
13 They may not be concerned about the -- because, because
14 one is as bad as the other, the water quality and the
15 price, but they're only getting water. So they're
16 probably -- I would imagine most of their bills are
17 under 50, you know, depending on -- you can probably
18 water away and fill your pool. And like I said, I don't
19 dare put in a pool, I don't dare water the grass, and I
20 only pressure wash my house once a year because of how
21 the bill goes up. It's really bad.

22 And I also wanted to say about the TTHMs that
23 you guys were getting, I do know that the FDEP kind of
24 changed the game on that in midstream. All of the
25 sudden they lowered the tolerance rate on that. I think

1 it's trihalomethanes; right? And so they did do that to
2 a lot of systems. They did it to us. And we had a well
3 that was getting pinged about every other month, and so
4 we had to send those notices out too. And it's required
5 that you put that little piece in there about over a
6 long period of time the usage may affect your health.
7 And basically, you know, I don't know that it's, that
8 it's a problem, you know, what the levels are or
9 anything. I'm -- I wish my water treatment plant
10 superintendent, he was here earlier this morning, could
11 be here. He could give you some quick, quick down and
12 dirty on that.

13 But I do know that the FDEP kind of changed
14 the game on that, and they didn't give anybody a chance
15 to upgrade their systems or the way that they collect to
16 adjust for that, and so that's why all the notices kept
17 going out. We don't get those notices anymore because
18 we did this upgrade. And we had started on that just
19 before FDEP kind of changed the game plan on everybody.
20 So I just wanted to kind of clear that up too. But
21 thank you.

22 **CHAIRMAN GRAHAM:** Thank you, Ms. Driggers.

23 All right. We've got this yellow letter.
24 We'll call it the, we'll call it the Bussey Palatka --
25 the Bussey Palatka letter. We'll give that Exhibit

1 Number 18.

2 (Exhibit 18 marked for identification.)

3 Mr. Mays, do we have anything before we
4 conclude here today?

5 **MR. MAY:** Mr. Chairman, only that again
6 Mr. Fox will be available to talk with any of the
7 customers after the meeting, after the hearing.

8 **CHAIRMAN GRAHAM:** Thank you.

9 Commissioner Balbis.

10 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

11 I have a question to you, Mr. May or Mr. Fox.
12 There's been a lot of discussion about the TTHM issue.
13 And can you explain to me and to everyone that's here
14 what, other than the flushing program, what other
15 actions Aqua is taking to address this issue in this
16 system?

17 **MR. MAY:** I'll give it, I'll give it a shot,
18 Commissioner Balbis. And, again, Ms. Williams, our
19 Environmental Engineer, will be around after the meeting
20 and will be filing testimony to explain precisely what
21 options are being looked at and what has been done thus
22 far for the River Grove system when we file our rebuttal
23 testimony and our testimony on November the 3rd. So
24 we'll have sworn testimony on this.

25 But the company has undertaken a concerted

1 effort to install a comprehensive flushing program. It
2 is also looking at possible interconnections with
3 adjoining utilities to address the TTHM issues.

4 **COMMISSIONER BALBIS:** And I understand that
5 you're going to be filing testimony and I appreciate
6 that. I think the customers here, I don't know if
7 they're going to be reading that testimony. I just
8 think it would be a quick answer. Other than the
9 interconnections from a system standpoint, are you
10 planning any improvements, are you studying it now?
11 Because obviously you're exceeding the limit.

12 **MR. MAY:** Sure. Could I take a couple minute
13 break to consult with our engineer precisely on what's
14 going on because --

15 **COMMISSIONER BALBIS:** Sure. Absolutely. I
16 mean, it's up to the Chairman. I just want to --

17 **MR. MAY:** Absolutely.

18 **CHAIRMAN GRAHAM:** Ms. Reed, do you have
19 anything to add for the senator?

20 **MS. REED:** No, I don't.

21 **CHAIRMAN GRAHAM:** I do appreciate you being
22 here.

23 **MS. REED:** Thank you.

24 (Recess taken.)

25 **MR. MAY:** Mr. Chair, may I respond to

1 Commissioner Balbis?

2 **CHAIRMAN GRAHAM:** Yes.

3 **MR. MAY:** Commissioner Balbis, as is normally
4 the case with me, I've been advised by our engineer that
5 I left some information out and did not give you a
6 complete answer. And my apologies. I will kind of give
7 you a complete rundown of what's being done to address
8 the TTHM issues at the River Groves system.

9 The first action item that the company has
10 undertaken, it's lowered the tank levels. Second, it's
11 performed directional flushing. The third, it's lowered
12 the chlorine levels in the treatment system. And
13 fourth, more recently it's initiated automatic, excuse
14 me, automatic flushing of the system.

15 The company has met with Putnam County to
16 discuss interconnection. The company has also been in
17 constant communication with the Florida Department of
18 Environmental Protection. The company has also, in
19 addition to interconnection is looking at a new
20 treatment system using chloramines. All of that
21 information will be provided to the Commission and to
22 the customers in further detail under sworn testimony in
23 our filing on November 3rd.

24 **COMMISSIONER BALBIS:** Okay. Thank you.

25 **CHAIRMAN GRAHAM:** Once again, I want to thank

1 everybody for coming and giving up your time this
2 morning. If there's anything that, that you did not say
3 today that you remember later on that you want to add to
4 the record, you can always send that in in a written
5 form and we'll make sure that it gets entered into the
6 record. If there's nothing else, Mr. Kelly.

7 **MR. KELLY:** No, sir.

8 **CHAIRMAN GRAHAM:** Yes, sir.

9 **MR. POITEVENT:** May I ask one question, sir?

10 **CHAIRMAN GRAHAM:** Come to the mike. Sir, you
11 have to be up to the mike.

12 Whereupon,

13 **JOHN POITEVENT**

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

17 **DIRECT STATEMENT**

18 **MR. POITEVENT:** Once again, I'm John
19 Poitevent. I live on River Drive.

20 When we hold these public hearings and we're,
21 and we're permitted to ask questions, why is it okay for
22 us to get the answer that we'll tell you the answer to
23 your question later on as opposed to now in the public
24 setting? Why is that okay?

25 **CHAIRMAN GRAHAM:** Well, actually these

1 meetings are more for you to get your thoughts and your
2 concerns and your statements on the record. This is
3 really not a forum for you to be asking questions. And
4 that's why -- because a lot of people here don't have
5 questions. This is not a technical hearing. This is
6 just a service hearing. And that's why I asked for your
7 email address because I want to make sure that you got
8 the answers to the questions you wanted.

9 **MR. POITEVENT:** But, see, there's a difference
10 between privately answering a question and publicly
11 answering a question. And so I don't like this format
12 is what I'm saying. And I don't know if you have the
13 ability to change that, Mr. Graham, or not. But it
14 would be helpful, I think, if everybody listens to the
15 answers to the questions that are answered here. And
16 if, if we can't ask questions here, when can we ask
17 them? Where can we ask them? Who can we go to?

18 **CHAIRMAN GRAHAM:** It's one of those things,
19 and for lack of any other term, unless Marshall tells me
20 different, it's more of a budgetary thing than anything
21 else. I mean, we could bring 15 experts with us and in
22 case any specific question is asked. And but we try to
23 come with the bare minimum. You know, we come with the
24 Commissioners that are going to listen to what you're
25 saying, we come with the Public Counsel, and we come

1 with our staff that sets up the mikes, and we have an
2 attorney. But the attorney we have doesn't
3 necessarily -- he's not a master of all. And, and some
4 of the other staff, they're not masters of all. We
5 don't have all of the answers to all of the questions
6 here. But this, this is set up to hear -- what we're
7 trying to hear, as you heard Public Counsel say, we want
8 to hear what your feeling is about how the system is.
9 We want to hear what your feeling is on how the customer
10 service is. We want to hear how they're treating you,
11 you know, as far as you getting your water in a timely
12 manner and getting your bill in a timely manner and that
13 it's clean. That's pretty much what this meeting and
14 this hearing is set up for.

15 **MR. POITEVENT:** All right. Well, I think the
16 people are here that can answer the questions. I just
17 think they prefer not to answer them in a public
18 setting. I think they prefer to do it later on. You
19 know, I'll be here to talk to you later after -- come up
20 after class and we'll give you the answer, you know.

21 **CHAIRMAN GRAHAM:** I mean, is there something,
22 a specific concern that you think that somebody is
23 trying to hide something and not trying to go public
24 with it? I don't have a problem putting anything on the
25 record right now. I just --

1 **MR. POITEVENT:** Well, you know, the question,
2 the question was don't I still -- if I drill a well and
3 drink my own water and use my water, do I still have to
4 pay them a minimum charge? And I think I know the
5 answer. And I don't think it's up to the county. I
6 think it's, I think it's up to you at the Public Service
7 Commission level. And I think the answer is I do have
8 to pay them a minimum amount.

9 **CHAIRMAN GRAHAM:** I do not believe that's the
10 case. I believe what it comes down to is the county
11 will give you permission to drill a well or not, but you
12 decide if you want to be a customer of Aqua Utilities or
13 not. You can't go get it from, you can't get it from
14 the county or you can't get it from one of the
15 municipals. You either get it from Aqua Utilities or
16 you drill your own well. If you choose not to be their
17 customer, you do not have to pay a bare minimum charge.

18 **MR. POITEVENT:** Okay. That's the answer then.
19 Thank you.

20 **CHAIRMAN GRAHAM:** Okay. That all being said,
21 unless I said something wrong.

22 **MR. JAEGER:** No.

23 **CHAIRMAN GRAHAM:** We're adjourned.

24 (Proceeding adjourned at 11:10 a.m.)

25

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

3
 4 I, LINDA BOLES, RPR, CRR, Official Commission
 Reporter, do hereby certify that the foregoing
 5 proceeding was heard at the time and place herein
 stated.

6
 7 IT IS FURTHER CERTIFIED that I
 stenographically reported the said proceedings; that the
 same has been transcribed under my direct supervision;
 8 and that this transcript constitutes a true
 transcription of my notes of said proceedings.

9
 10 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'
 11 attorneys or counsel connected with the action, nor am I
 financially interested in the action.

12 DATED THIS 27th day of September,
 13 2011.

14
 15 Linda Boles
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 16 FPSC Official Commission Reporter
 (850) 413-6734