

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: LAKELAND SERVICE HEARING

COMMISSIONERS
PARTICIPATING: COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Wednesday, October 12, 2011

TIME: Commenced at 10:00 a.m.
Concluded at 1:42 p.m.

PLACE: Magnolia Building
702 East Orange Street
Lakeland, Florida 33801

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

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5 Florida, Inc.

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9 of the State of Florida.

10 J. R. KELLY, ESQUIRE and PATRICIA CHRISTENSEN,
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15 LISA BENNETT, ESQUIRE, FPSC General Counsel's
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18 Service Commission Staff.

I N D E X

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

PAGE

Opening Statements:
 By Mr. Fox
 By Mr. Kelly
 By Ms. Bradley

9
 14
 18

WITNESSES

NAME:

PAGE NO.

Chris Dowdy	22
Commissioner Samuel P. Johnson	25
Charles Bleam	29
Charles Tanner	35
Phyllis Johnson	42
Brad Fox	50
Clint Going	56
Dave Bussey	59
Linda Gadd	61
Wayne Miles	70
Mary Phyllis Koloze	77
Linda Corbitt	79
Dennis Leones	81
Jim Bowers	85
L.F. Hines	91
John Healy	96
Norman Duncan	97
Gordon Mehrman	104
Katherine Erdly	109
Peggy Mounts	112
Hazel DeBoard	114
Theresa Robinson	115
Crystal Barrett	119
Keldwyn Garland	122
Ron Davignon	127
Frank Reams	129

EXHIBITS

	NUMBER:		Marked
1			
2			
3	38	Letter from Representative Stargel	29
4	39	Composite of Mr. Bleam	35
5	40	Tanner Presentation	41
6	41	Composite Johnson	45
7	42	Composite fox	55
8	43	Composite Gadd	68
9	44	Composite Miles	77
10	45	Composite Bowers	88
11	46	Composite Koloze	89
12	47	Composite Hines	95
13	48	Composite Mehrman	109
14	49	Composite Downy	109
15	50	Composite Garland	126
16	51	Composite Reams	136
17			
18			
19			
20			
21			
22			
23			
24			
25			

P R O C E E D I N G S

1
2 **COMMISSIONER BRISÉ:** Good morning. Once
3 again, we are now ready to begin. We want to thank you,
4 once again, for being here. So at this time I'm going
5 to allow my fellow Commissioners to introduce
6 themselves. And we will start from the extreme right.

7 **COMMISSIONER BROWN:** Thank you. And I hope
8 you all can hear me. My name is Julie Brown, and I'm
9 from the Tampa Bay area, and have always been very fond
10 of Lakeland, and I am looking forward to hearing from
11 all of you regarding your concerns about the quality of
12 service, et cetera, for Aqua.

13 **COMMISSIONER BALBIS:** Good morning. I'm
14 Eduardo Balbis. I'm also a Commissioner. I want to
15 thank you for coming here this morning. And just to
16 reiterate, I appreciate your comments. If you can be as
17 specific as possible for service issues or other
18 concerns you may have, that helps me and us in our
19 deliberations.

20 And thank you, again, for coming.

21 **COMMISSIONER BRISÉ:** Thank you, Commissioners.
22 My name is Ronald Brisé, and I am the
23 prehearing officer on this docket. So, therefore, I
24 have the opportunity of chairing this particular
25 prehearing.

1 Before we get into all of the issues of
2 listening to you and the instructions for today, we
3 actually have to officially call this prehearing or
4 service hearing to order. So I'm going to do that
5 officially. I don't necessarily like to use the gavel,
6 so we will all understand that it is called to order.
7 And I am going to ask staff to read the notice.

8 **MS. BENNETT:** Thank you, Commissioner.

9 By notice, this time and place has been set
10 for a customer service hearing in Docket Number
11 100330-WS, application for increase in water and
12 wastewater rates in Alachua, Brevard, DeSoto, Hardee,
13 Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco,
14 Polk, Putnam, Seminole, Sumter, Volusia, and Washington
15 Counties by Aqua Utilities Florida, Inc.

16 **COMMISSIONER BRISÉ:** Thank you.

17 And we are going to take appearances shortly,
18 but I just wanted to make sure that you understood where
19 we are in the posture of this whole process. We are at
20 the tail end of a group of customer service hearings
21 that we have had within the Aqua territory. Our
22 responsibility has been to listen to you and listen to
23 various customers throughout this service territory to
24 hear what your concerns are. And we take those
25 concerns -- we count them to be extremely important to

1 us as we arrive at a decision.

2 You have made me aware that obviously you are
3 aware that there was a decision that was taken earlier
4 this year, and as a result of a protest, we have an
5 opportunity to take a second look at those issues. So
6 please understand that we are looking at everything
7 anew, and we hope that you understand that. So feel
8 free to express whatever you need to express, because we
9 are here to listen to what you have to say. And with
10 that, understand that whatever decision was taken, it's
11 as if there was no decision that was taken in the past.
12 In the future we are going to look at this as a fresh
13 brand new case. So we hope that that is understood, and
14 I'm going to be looking at my attorney and my staff to
15 make sure that I have said what is appropriate and
16 didn't go beyond what I am allowed to say.

17 **MS. BENNETT:** That is correct. And you might
18 want to remind everyone that the decisions that went
19 into effect are subject to refund.

20 **COMMISSIONER BRISÉ:** Thank you very much.

21 With that, at this time we are going to take
22 appearances of counsel. So at this time we'll ask Aqua
23 Utilities to enter their appearance.

24 **MR. MAY:** Thank you, Mr. Chairman. Thank you,
25 customers, for coming out this morning.

1 My name is Bruce May.

2 **UNIDENTIFIED SPEAKER:** We can't hear you.

3 **MR. MAY:** My name is Bruce May. I am with the
4 law firm of Holland and Knight. We represent Aqua
5 Utilities Florida. To my right is Mr. Rick Fox; Mr. Fox
6 is the President of Aqua Utilities Florida.

7 Mr. Chairman, at the appropriate time he would
8 like to make some very brief opening remarks.

9 **COMMISSIONER BRISÉ:** Thank you.

10 We will take appearance from the Office of
11 Public Counsel.

12 **MR. KELLY:** Good morning, everyone. My name
13 is J. R. Kelly. I am with the Office of Public Counsel,
14 and we represent you, the ratepayers, in this matter.

15 **COMMISSIONER BRISÉ:** We will take appearances
16 at this time from the Office of Attorney General.

17 **MS. BRADLEY:** I'm Cecilia Bradley, and I am
18 here on behalf of Attorney General Pam Bondi. And we
19 work with Public Counsel to represent all of you in
20 these proceedings. So thank you for coming today.

21 **COMMISSIONER BRISÉ:** Let's take an appearance
22 from the Public Service Commission.

23 **MS. BENNETT:** My name is Lisa Bennett, and I
24 am an attorney with the Public Service Commission. I
25 represent the Public Service Commission.

1 **COMMISSIONER BRISÉ:** I want to make sure
2 that -- to see if we have someone appearing on behalf of
3 Lucy Wambsgan? Okay. That person is not here. And if
4 there is someone appearing on behalf of YES Companies?
5 No, they are not here.

6 So at this time we are going to enter into our
7 opening statements. I am going to ask Aqua to proceed.
8 Before the representative of Aqua begins his statement,
9 we are going to ask that we respect each other, and that
10 we refrain from clapping, or booing, or anything of the
11 sort. I see that some you have signs. You are welcome
12 to express what you need to say with your signs, but we
13 seriously ask that you refrain from clapping or booing
14 because that will sort of inhibit and slow down the
15 process. So we thank you in advance for that. And at
16 this time you may proceed.

17 **MR. FOX:** Thank you.

18 Good morning. My name is Rick Fox, and I am
19 the President of Aqua Utilities Florida. Before I
20 begin, we have AUF employees here today that will be
21 able to answer any service questions that customers may
22 have.

23 Present today are Harry Householder, our
24 manager of operations. Harry is over here to your left.
25 Stacey Barnes, our customer field service manager.

1 Tricia Williams, our head environmental engineer. And
2 Richard Rest (phonetic), our new area coordinator for
3 this area. These AUF employees have computer access and
4 can go into our account and hopefully address any issues
5 that you may have. So please feel free to see them at
6 your convenience.

7 Commissioners, I want to thank you for the
8 opportunity to speak briefly to our customers in Polk
9 and Pasco Counties this morning. But more importantly,
10 thank you for giving us a chance to listen to our
11 customers and to hear what they have to say. At the end
12 of the day, we are a service company, and we value all
13 customer input on the services we provide.

14 We know that there is never a good time to ask
15 for an increase in rates. No one wants to pay more for
16 water, or for electricity, or for anything else for that
17 matter. Yet we also know that everybody wants, and
18 needs, and demands reliable water service. That comes
19 at a cost, and that is why we are here today.

20 Our rate case is fundamentally driven by the
21 cost of the improvements that we have made to our
22 utility systems. I would like to take just a minute to
23 go over some of those improvements. Over the past three
24 years, Aqua has spent over \$11 million on capital
25 projects to comply with environmental regulations and to

1 improve water and wastewater quality, service, and
2 reliability for our customers. Many of these
3 improvements have occurred right here in Polk and Pasco
4 Counties.

5 In Polk County we have replaced defective fire
6 hydrants, replaced the hydropneumatic tank, replaced and
7 extended water mains to improve water quality. We have
8 also made improvements to water plants by installing
9 flow-paced chemical feed pumps, installing flow
10 monitoring devices, and upgrading pumps and motors.

11 The improvements we have made to our
12 wastewater collection systems include replacing
13 collection lines, rehabilitating lift stations, and
14 replacing lift station pumps to improve efficiency. At
15 the wastewater treatment plants we have rehabilitated
16 concrete tanks, rebuilt surge tanks, and replaced pumps
17 and motors. We continue to consider cost-effective and
18 prudent effluent disposal alternatives at our Village
19 water and wastewater system.

20 At Breeze Hill, we recently completed an
21 in-flow and infiltration project which involved
22 replacing many collection lines that were aged and
23 failing. This project has proven effective in reducing
24 stormwater infiltration into the sewer system. While
25 I'm discussing Breeze Hill, I want to report on the

1 actions our company has taken to proactively respond to
2 the record-setting rains of this past weekend. During
3 that abnormal event, torrential rains fell in Polk
4 County over a 48-hour period.

5 Many Florida utilities, including Aqua, were
6 impacted by the excessive rain, runoff, and resulting
7 flooding. Because of the flooding, two homes on the
8 Breeze Hill system experienced a backup during the
9 storm. While the event was an act of God, Aqua
10 immediately provided temporary housing for these
11 families to clean up and rehabilitate the effects of the
12 backup in their homes. The cleanup and repairs started
13 the next day and are still underway. Aqua expects these
14 families to be back in their homes by tonight.

15 As always, we consider customer satisfaction
16 and water quality our top priority, and to that end we
17 have taken substantial steps to address secondary or
18 aesthetic water quality. Aqua has listened to our
19 customers' concerns about aesthetic water quality, and
20 we have tried to address those concerns. In June and
21 September of last year, we met with our customers in
22 Rosalee Oaks and Zephyr Shores to discuss the water
23 improvements we have made to those systems.

24 Last September, we again met to discuss the
25 impact that these capital improvements would have on

1 rates and the rate structure we proposed in our filing.
2 Because Rosalee Oaks is a weekend community, we decided
3 to install critical valves and automatic flushing
4 hydrants to ensure improved water quality when customers
5 return to the community for the weekend. In addition, a
6 comprehensive water flushing program was implemented to
7 systemically flush the distribution system in accordance
8 with AWWA standards.

9 In Zephyr Shores, Aqua added a sequestering
10 agent to the water to reduce the effects of natural
11 minerals in the water. The Florida Department of
12 Environmental Protection approved the new treatment
13 system in March 2010. We have also installed automatic
14 flushing valves in Zephyr Shores, which will improve
15 water quality while keeping any inconvenience to
16 customers at a minimum, since we can flush at night.

17 We understand that customers expect water
18 service to be reliable, reasonably priced, and provided
19 in an environmentally sound manner. I want you to know
20 that we are committed to meet that expectation. As
21 outlined in our filings, the vast majority of the costs
22 that drive this rate case are directly related to the
23 infrastructure improvement projects which I have
24 described.

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

1 here to listen, so I want to thank you for coming out
2 today and spending some time with us. I look forward to
3 hearing what you have to say, and I will be available,
4 along with my staff, after the meeting to answer any
5 questions that you have.

6 Thank you.

7 **COMMISSIONER BRISÉ:** At this time we will hear
8 from the Office of Public Counsel.

9 **MR. KELLY:** Good morning.

10 Once again, I want to introduce myself. My
11 name is J. R. Kelly; I'm with the Office of Public
12 Counsel. And for those of you that are not familiar
13 with our office, we are an agency or office that is
14 separate from the Public Service Commission. We are not
15 part of their office. We are funded independently by
16 the Legislature. We are part of the Legislature. We
17 have one sole purpose, and that is to represent
18 ratepayers in matters that come in front of the Public
19 Service Commission, and obviously that is why we are
20 here today.

21 Now, to sort of set the stage of why are we
22 here today is Aqua filed a rate case asking for a
23 \$4.1 million annual increase. A few months ago the PSC
24 granted, as you heard Commissioner Brisé say, what is
25 called a proposed agency action order that approved

1 \$2.61 million of that request. We protested that on
2 your behalf because we think that is grossly overstated,
3 and we do not believe and did not believe at the time
4 that the evidence supported any kind of an increase to
5 that magnitude. And I want to quickly tell you the
6 issues that we are arguing on your behalf in this
7 matter.

8 First off, quality of service. We firmly
9 believe that the quality of service that Aqua is
10 providing and has provided in the past is
11 unsatisfactory. We intend to prove that, and as a
12 result of that, we are going to ask the Commission to
13 lower the return on equity, or the rate of return that
14 they authorize for Aqua because they are not providing
15 you with a quality product or quality customer service.

16 We are also arguing something called used and
17 useful. And to break it down into simple terms means
18 this, we don't believe that you, the ratepayers, should
19 pay for anything that is not 100 percent used by and
20 useful for you, the ratepayers. If it is only
21 50 percent used and useful, you should only have to pay
22 for 50 percent of that.

23 We believe that Aqua has overstated the
24 revenues that they are asking for based on a number of
25 factors. One of the big issues in this matter that we

1 are contesting are what are called affiliated charges,
2 and those are charges and costs that Aqua Florida pays
3 out of state to their other divisions and other
4 brother/sister companies in Pennsylvania and other
5 places. We believe they are grossly, grossly overstated
6 and are not justified at all based upon the evidence we
7 have seen.

8 We are contesting the amount of rate case
9 expense that Aqua has filed to recover in this case. We
10 don't believe it is reasonable at all.

11 And lastly, we believe that the affordability
12 of the rates that would be generated by the amount of
13 revenues they are asking for is not acceptable. I know
14 I have spoken with some of you before. We have engaged
15 expert witnesses, nationally known and respected experts
16 that are helping us in this case and will be testifying
17 on your behalf. They filed testimony a couple of weeks
18 ago, and based upon their testimony and what they have
19 looked at it in the case, we believe Aqua should be
20 entitled to no more -- no more than a little over
21 \$300,000 out of the 4.1 million they are asking for.

22 Now, why are we here today? Well, folks, we
23 are here because this is your opportunity to come up to
24 the podium and speak to the men and woman behind me and
25 tell them your story. Your story as it relates to your

1 relationship as a customer of Aqua Utilities. I cannot
2 emphasize enough how important, how vitally important it
3 is that your voice is heard and you come up here and
4 speak. It doesn't matter if you are an eloquent
5 speaker, and if you are nervous, just come up here and
6 speak from your heart.

7 And there is only a few things I'm going to
8 ask of you. One, be truthful. Tell the Commission the
9 truth. Talk to them about the quality of service you
10 receive. Is it good; is it bad; has it improved over
11 the past few years; has it gone down over the past few
12 years? Whatever it is, just come up here and speak from
13 your heart and speak the truth. If you can, I would
14 like for you to tell the Commission the impact that this
15 rate case will have on you. The impact it will have on
16 you and the lifestyle that you live in.

17 And lastly, if you can speak to the impact of
18 the rate increase and the service that Aqua provides
19 that impact on the value of your homes, how it has
20 affected your communities, the Commission wants to hear
21 that, also. But the bottom line is, folks, if you don't
22 speak up, if you don't come up here and speak, I can't
23 speak for you with respect to the personal relationship
24 that you have with Aqua. You have to help me. And so I
25 urge you, please, we have got a lot of people signed up.

1 There may be some of you that have not signed up. There
2 is still time.

3 At the very end, Commissioner Brisé will ask
4 is there anybody else wishing to speak. Everybody
5 please come up here. And thank you very much for being
6 here, and I look forward to hearing what you have to
7 say.

8 **COMMISSIONER BRISÉ:** At this time we'll hear
9 from the Attorney General's Office.

10 **MS. BRADLEY:** Thank you, Commissioners.

11 I am Cecilia Bradley, and I am here on behalf
12 of the Attorney General, Pam Bondi. And as I mentioned
13 earlier, we work with Public Counsel in these
14 proceedings to represent you. And as he indicated, it
15 is very important that we know what your concerns are,
16 what your issues are so that we can adequately represent
17 you. Because they always say in any court proceedings
18 or anything else, the attorneys, what they say is not
19 part of the evidence. What you say here today though,
20 will be. So it's important that you, as many of you as
21 possible come and talk and tell the Commissioners what
22 your issues are.

23 We know that people have, you know, sacrificed
24 to be here today. There probably was something else you
25 could have done that was more fun than to come to one of

1 these meetings and talk about how this has affected you
2 or will effect you. A lot of people had to take off
3 time from work. They had to leave families, and a lot
4 of people just couldn't do that, so we appreciate those
5 of you who have been able to come here today. And we
6 look forward to hearing from you.

7 And as Mr. Kelly has said, please be as
8 detailed as possible, because it is important. And if
9 you just feel like you just can't talk in front of
10 people, there's a blue form in the back, and on the back
11 of it is a form that you can fill out. Unfortunately,
12 because there are so many people here, they usually have
13 to limit the time that you can speak, and if don't get
14 time, enough time to say everything that you are
15 concerned about, put it on the back of this sheet.
16 Because we can't all the information in the record so
17 that when we go to the hearing in December that you will
18 be represented. Your information will be in the record,
19 and we will be able to remind the Commissioners and they
20 will be able to look back and see what your issues are,
21 what your concerns are, how this is going to affect you.
22 Because these are your utilities and we believe
23 everything is entitled to clean and affordable water,
24 but it is important that you tell us how this will
25 affect you. So, again, thank you all for coming. We

1 appreciate it, and I will talk with you later. Thanks.

2 **COMMISSIONER BRISÉ:** Thank you very much.

3 As has been stated by many of those who made
4 opening statements, this hearing is for you. We are
5 here to really hear from you and hear what you have to
6 say. And we are truly facilitators, so our job this
7 morning is to make sure that the meeting runs smoothly,
8 and that all the processes and procedures are followed
9 through on.

10 One of the things that we have to ensure is
11 that those who are speaking have an opportunity to
12 speak, but also provide the opportunity for others to
13 speak. So, therefore, we have to limit the amount of
14 time that everyone gets an opportunity to speak to about
15 five minutes. We will let you know when you are on the
16 fourth minute, so that you have a minute left to begin
17 to wrap it up. And if you go a little bit beyond the
18 minute, you will hear me say that your time is up or
19 something to that effect.

20 Beyond that, everything that you are going to
21 say this morning will be on the record. Our court
22 reporter is here, so everything that is said is being
23 transcribed into the record. So be sure that you are
24 clear as to what you are saying so that she can
25 understand what it is that you are saying. And so that

1 is one of the reasons why we prefer that there is no
2 clapping, or cheering, or booing as individuals are
3 speaking, because that impedes everyone else from
4 hearing what is going on.

5 We also ask that you keep your cell phones on
6 either silent or vibrate so that they don't interrupt
7 this morning's proceedings, as well.

8 If there are things that would you like to
9 introduce into the record, you will have an opportunity
10 to do so. If you come up with a document that you would
11 like us to put into the record, all you have to do is
12 let us know that you would like that document to be put
13 into the record when you are finished speaking, and we
14 will facilitate that, as well.

15 Let me ask my fellow Commissioners, is there
16 anything else that I have forgotten? Anything from
17 staff?

18 All right. With that, I'm going to ask
19 everyone who plans to speak this morning to please
20 stand, and I am going to have you take the oath. Please
21 raise your right hand.

22 (Witnesses sworn.)

23 **COMMISSIONER BRISÉ:** All right. Thank you
24 very much. You may be seated.

25 And I just want to reiterate one other point.

1 There are some who may not have spoken in public before.
2 Please feel free to do so. If, however, you feel
3 nervous, or for some reason or another do not wish to
4 speak, this is the blue form, it is as valuable as your
5 testimony on the microphone, because all of the
6 information that will be taken in will be put into the
7 record. So feel comfortable, if you would rather not
8 speak, to fill out this form to provide the same type of
9 information that you would have provided otherwise by
10 speaking to us into the mike.

11 So with that, we are ready to begin with the
12 taking of testimony. I am going to recognize two
13 individuals first. We have Anne K. Bell (phonetic), who
14 is a legislative assistant for Senator Paula Dockery,
15 okay. We want to recognize her, and we appreciate the
16 Senator's interest in this particular case. And at this
17 time I am going to ask Chris Dowdy, who is the district
18 assistant for Representative Kelli Stargel to come
19 forward and provide his testimony.

20 **CHRIS DOWDY**

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 **DIRECT STATEMENT**

24 **MR. DOWDY:** Thank you, Commissioners, for
25 coming to Lakeland today. It's a great day to be in

1 Lakeland.

2 UNIDENTIFIED SPEAKER: We can't hear you.

3 MR. DOWDY: Yes. You know, it's not pointed
4 to my mouth, guys. I'm trying to fix it for you. All
5 right. But I appreciate you guys coming to Lakeland
6 today. I will give my apologies on behalf of
7 Representative Stargel that she could not be here today.
8 We had a planned conference out of state today. She is
9 there. But she has authorized me to speak on her
10 behalf. I have a letter here that I'm actually going to
11 read for her.

12 "Dear Chairman Graham, is who this is
13 addressed to, but it falls underneath you guys, as well.
14 I write this letter in response to Docket Number
15 100330-WS, regarding an application for increase in
16 water and wastewater rates in Polk County by Aqua
17 Utilities Florida, Incorporated.

18 "I join the constituents in my district in
19 strong opposition to this requested rate increase. Just
20 a short time ago, Aqua requested and received an
21 enormous rate increase. Some constituents in my
22 district saw both their water and wastewater bills
23 increase up to 250 percent. Obviously, the public
24 outcry was immense.

25 Now, Aqua is requesting and has requested

1 another increase on top of the exorbitant rates many are
2 already paying. Lake Gibson Estates and Gibsonia
3 Estates systems are within my district. Customers on
4 both of these systems are now facing a possible
5 additional rate increase of 30 percent or more from this
6 proposal. Residents in Lake Gibson Estates would also
7 have wastewater increases. Again, these increases would
8 be on top of the 200-plus percent increases that are
9 still fresh in these customers' minds and pocketbooks.

10 I would like to note the original rate
11 increases were caused by actions of previous Public
12 Service Commission decisions. In 2009, the Commission
13 decided to venture past the boundaries of customer
14 service and protection and to head down the rocky path
15 of environmental activism by imposing conservation rates
16 in an arbitrary three-tier rate structure which had not
17 been requested by Aqua. Families were then saddled with
18 much higher rates than were requested. Therefore,
19 instead of continuing to increase rates, the Commission
20 should seek to eliminate these tiers for normal family
21 water use and bring these rates back to an affordable
22 level.

23 Candidly, the problems with Aqua go well
24 beyond the boundaries of Florida House District 64.
25 Aqua ratepayers all over the state have suffered because

1 of exceptionally high water and wastewater rates.
2 Another round of increases should not be allowed, and
3 the Commission should, instead, look for real solutions
4 to these problems.

5 Further, my office is willing to assist you
6 with any legislative changes needed to assist in such a
7 solution. Thank you for consideration of these remarks
8 and for your service to our state. Signed: Sincerely
9 Kelli Stargel, State House Representative, District 64."

10 **COMMISSIONER BRISÉ:** Thank you. I don't know
11 if there are any questions.

12 **MR. DOWDY:** Who can I give this letter to?

13 **COMMISSIONER BRISÉ:** Staff.

14 All right. At this time we also have
15 Commissioner Samuel P. Johnson from Polk County who
16 would also like to enter testimony.

17 I'm not sure if you were here when we swore
18 the witnesses in.

19 **COMMISSIONER JOHNSON:** I was not. Do I need
20 to swear?

21 (Witness sworn.)

22 **COMMISSIONER BRISÉ:** Thank you.

23 **COMMISSIONER SAMUEL P. JOHNSON**
24 appeared as a witness and, swearing to tell the truth,
25 testified as follows:

DIRECT STATEMENT

1
2 **COMMISSIONER JOHNSON:** Thank you very much for
3 allowing me to come speak with the short notice. I was
4 in another board meeting, and I've got to go to another
5 meeting right after this, so I certainly appreciate you
6 taking my testimony.

7 I don't want to restate everything that was
8 stated by Chris Dowdy representing Kelli Stargel,
9 because he was right on track.

10 From the very beginning of this issue, I am
11 very much in support of private business. There is no
12 doubt about that. However, in this case with the
13 increased rates for this area in particular in my
14 district, has been a tremendous burden upon the
15 residents in this area to try to keep up with what
16 essentially is going to be a profit margin of a private
17 business.

18 You know, the county ourselves when we come in
19 and do a utility construction or addition, we look at a
20 number of years over which we are going recuperate those
21 costs, and then we try to implement those expenditures
22 on a reasonable time period and at rate that the
23 residents can afford. And that is build into the plan.
24 And I think that should be the very same thing for a
25 private company that is providing these utilities. If

1 they are indeed, number one, going to make improvements,
2 then they need to be presented and prepared and planned
3 for over a period of time. And that has not been the
4 case with the Aqua representation, in my district
5 anyway.

6 And so the concern for my residents of which I
7 represent, you know, I began meeting several years ago
8 with representation from Aqua. And, quite candidly, the
9 response was I really had no standing because I was not
10 a rate-holder. But I beg to differ in the fact that the
11 county is providing water to Aqua and a lot of the
12 residents said, "Hey, charge them more. You know, do
13 something and help us out here." And it has been very
14 frustrating that the only thing that we have been able
15 to do is provide letters to the Public Service
16 Commission and try to meet with our residents and give
17 them ideas on what they can do.

18 But without restating, again, everything that
19 was just said, my request to you is you are the
20 representation for these folks. Unfortunately, I'm not,
21 although they are my constituents. But because this is
22 a utility, you are the representation for them. And so
23 it is my hope that you will take this into
24 consideration, with the requests that have been made,
25 where those rates were a couple of years ago, where they

1 are proposing that they go, and I think you can make a
2 pretty easy decision that this is an undue burden upon
3 the residents.

4 So, again, I thank each one of you for your
5 service. Thank you for coming to Lakeland and Polk
6 County. We welcome you here. Come back and visit us
7 another time. Visit Legoland, our newest tourist
8 attraction.

9 So with that, please listen to the residents
10 here, because this is extremely important and this hits
11 every day. If you can imagine if you are living right
12 on the edge of your ability to provide for your family,
13 and all of a sudden the rates have increased to a point
14 where it is another 15, \$20 a week, you are trying to
15 figure out where in the world this money is going to
16 come from. And so it's very important. Thank you again
17 for listening to me, and I hope that you will listen
18 very strongly to the residents as they speak.

19 Thank you.

20 **COMMISSIONER BRISÉ:** Wait one second and see
21 if the Commissioners have any questions.

22 **COMMISSIONER JOHNSON:** Sure.

23 **COMMISSIONER BRISÉ:** Any questions? None at
24 this time.

25 Commissioner Johnson, thank you very much for

1 your testimony.

2 COMMISSIONER JOHNSON: Thank you.

3 COMMISSIONER BRISÉ: We will enter into the
4 record the letter from Representative Stargel, so we
5 will enter that as the letter from Representative
6 Stargel.

7 MR. KELLY: Is that Number 38?

8 COMMISSIONER BRISÉ: Number 38.

9 Thank you.

10 At this time, Mr. Kelly, you may proceed in
11 calling the speakers.

12 (Exhibit 38 marked for identification.)

13 MR. KELLY: The first speaker we have signed
14 up is Mr. Charles Bleam.

15 CHARLES BLEAM

16 appeared as a witness and, swearing to tell the truth,
17 testified as follows:

18 DIRECT STATEMENT

19 MR. BLEAM: I hope you can hear me. Everybody
20 can hear fine?

21 Commissioner Brisé, I noticed you did not
22 swear in Aqua Utilities when he gave his testimony.
23 Does that mean that we do not have to rely upon what he
24 said?

25 (Audience response.)

1 **COMMISSIONER BRISÉ:** Yes, we --

2 **MR. BLEAM:** Could we restrict -- take it out
3 of the proceedings? If it was not sworn to, let's do
4 away with it.

5 **COMMISSIONER BRISÉ:** Well, I'll ask our staff
6 attorney to talk about how that part of the process
7 works. The same as we didn't swear in the Office of
8 Public Counsel nor the Attorney General's Office.

9 **MS. BENNETT:** True. I'll explain it.

10 It is an opening statement like you would see
11 in a courtroom where the attorneys have an opportunity
12 to address both the Commission and the people in the
13 audience. But they are not sworn statements, so they
14 are not really part of the record when the Commission
15 finally deliberates to make a decision.

16 **MR. BLEAM:** In other words, we don't have to
17 rely upon it.

18 You, sir, the Public Service Commission, you
19 seem to indicate that Aqua has a real ability to cook
20 their books, is that true?

21 Let me go on real quick because I'm not going
22 to be here to say too much.

23 **COMMISSIONER BRISÉ:** Stop for one second. I
24 just want to make sure we are clear, or maybe I didn't
25 make certain things clear. When you come to provide

1 testimony, please provide testimony to us, the
2 Commissioners. This is not the appropriate forum for
3 questions to be asked of the Office of Public Counsel.
4 You may rhetorically ask questions to Aqua and the
5 Commissioners may seek to find answers for you. We can
6 pose the questions, or our staff can answer some of the
7 questions that you may offer as part of your testimony.

8 Thank you very much.

9 **MR. BLEAM:** Well, I thank you for hearing me.

10 I'm not going to speak long. My name is
11 Charles Blead. I'm a Florida registered pharmacist
12 since 1958, and so I speak maybe as a businessman. And
13 my main point is I would like to be placed on a par with
14 the rest of the citizens of the State of Florida. But
15 we are in an area where we need to conserve water, and
16 so we all need to do it equally. But when it comes to
17 Aqua, the Public Service Commission seems to think that
18 raising the rates will help conserve water.

19 Now, I don't know how much water Aqua takes
20 care of in the State of Florida, but I don't think it is
21 that much. But I pulled a couple of rates from
22 different parts of the state, and one, Commissioner
23 Balbis, I pulled from West Palm Beach. I would love to
24 have West Palm Beach rates. They are probably
25 40 percent less than what you're giving us at Aqua.

1 And when I pulled it up -- and you have got to
2 do the math on it, but after pumping 150,000 gallons of
3 water in Palm Beach, your rate for the next thousand
4 gallons is only \$6.70. Aqua wants \$11 and something for
5 the first -- after 10,000, so it's time to put us on
6 equal par with them.

7 One of the things that I have out in the Lake
8 Gibson area, and Aqua will testify to it, that the
9 wastewater in that system is processed by the county.
10 Now, the county rate on that for me would be \$70 a
11 month. Your proposing 95 and up out of Aqua. And I
12 have here the bill that the county sends to Aqua for
13 what they charge for wastewater. Over the last eight
14 months it has been about \$11,000. My figures are -- and
15 you need to check them out and see what it is -- they
16 are charging the people in Lake Gibson roughly \$30,000 a
17 month for what they are paying \$11,000 for. And their
18 only additional cost is a little bit of electricity to
19 pump it out to the county.

20 So that's my appeal. Get us back together
21 with the rest of the people in the state of Florida. We
22 don't mind conserving water, but to rip us off like you
23 are letting a private company out of New Jersey do is
24 wrong. The past Commission has not done their job the
25 way they should. If they had, it would not be this way.

1 I've got a bill here, \$174 for one month water
2 and sewer. The county rate, a shade over \$100. That's
3 \$75 a month. That's \$900 a year extra that could go to
4 my grandkids for education; it could go to me for
5 health. It's gone, and it's gone out of the state. It
6 is time you stepped up and reduced their rates, and I
7 think it is time to go back 40 percent, because we have
8 been ripped off too long by this company that's a
9 foreign company.

10 And as far as I'm concerned they look more
11 like Yankee carpetbaggers is what we have got working in
12 Florida. And I thank you. And that's it. I will be
13 glad to give you any papers that you would like to have
14 here, including how much the county charges Aqua for
15 wastewater they are doing. Whatever you want; I'm
16 finished.

17 **COMMISSIONER BRISÉ:** Thank you very much. I
18 don't know if any Commissioners have any questions.

19 **MR. BLEAM:** Any questions?

20 **COMMISSIONER BALBIS:** Thank you, and thank you
21 for coming here today. I would like to respond to your
22 comments on the tiered rate structure, and I know
23 Commission Johnson had a comment, as well. And the
24 tiered rate structure with most utilities is usually
25 mandated or encouraged by the water management districts

1 in order to encourage conservation. I mean, that's
2 something that when I was in the City of West Palm
3 Beach, the South Florida Water Management District
4 mandated that in the consumptive use permit. So that is
5 something that the Public Service Commission has been
6 requested to implement that structure in some cases, but
7 that's something that we will look at with this case.
8 But, again, it is usually promoted, encouraged, and
9 sometimes mandated by the water management districts,
10 but that is something we will look at. But thank you
11 for coming.

12 **MR. BLEAM:** I would like to leave the county
13 rates here, and also Aqua's bill for the wastewater
14 process that the county charges them. It needs to be
15 investigated.

16 **COMMISSIONER BRISÉ:** There's another question
17 from Commissioner Brown.

18 **COMMISSIONER BROWN:** Sir, I just wanted to --
19 you know, are you from the Lake Gibson area?

20 **MR. BLEAM:** Lake Gibson.

21 **COMMISSIONER BROWN:** Thank you. And if the
22 rest of the folks that come aboard could let us know
23 what service area they are in, that's great. That would
24 be very helpful for us.

25 **MR. BLEAM:** I have been on that system since

1 1961. It has not been improved.

2 **COMMISSIONER BRISÉ:** And if you could make
3 those documents available to our staff attorney, and we
4 will enter them into the record. And we will enter
5 those as Exhibit Number 39, Composite of Mr. Bleam.

6 (Composite Exhibit Number 39 marked for
7 identification.)

8 **COMMISSIONER BRISÉ:** Okay. Mr. Kelly.

9 **MR. KELLY:** The next speaker is Mr. Charles
10 Tanner.

11 **CHARLES TANNER**

12 appeared as a witness and, swearing to tell the truth,
13 testified as follows:

14 **DIRECT STATEMENT**

15 **MR. TANNER:** Good morning. I am from Breeze
16 Hill up by Lake Walk in the Water. First, I would like
17 to thank the Commissioners of the Public Service
18 Commission.

19 **UNIDENTIFIED SPEAKER:** We can't hear you.

20 **MR. TANNER:** First, I would like to thank the
21 Commissioners of the Public Service Commission here
22 today and the other Commissioners not present for doing
23 their best in all of these hearings here today and
24 around the state, for listening to our objections
25 concerning the almost annual price increases of late

1 requested by Aqua Utilities.

2 These rate increase requests, when approved,
3 have a serious effect on Florida's economy. Whenever
4 the cost of living goes up, it hurts the state's
5 retirees that are scratching out a living on their
6 Social Security, which hasn't had a cost-of-living
7 increase in several years. You must then consider the
8 homeowners that flock to our state during the winter
9 months, commonly called our snowbirds. They pay Aqua in
10 our park now a base rate of about \$60 a month while they
11 are up at home, north, without using a drop of water in
12 Florida. Think of it. The rate increases that already
13 the Public Service Commission approved, and those
14 currently up for grabs will effectively chase the
15 snowbirds who are very important to Florida. They spend
16 money.

17 I exchanged e-mails with our Governor about
18 the drag on the economy that these rates increases have.
19 The Governor's Office punted. I received a letter from
20 the Public Service Commission Commissioners, Randy
21 Roland. His response felt to me like, hey, look, we cut
22 Aqua's rate in half. Wow! As anyone with half a brain
23 knows, usually the utility will request, for example, a
24 dollar increase knowing that they will face a tough
25 Public Service Commission that will cut their request

1 back in half to 50 cents. Well, that's what Aqua wanted
2 anyway was the 50 cents.

3 Look, the Public Service Commission -- look,
4 the Public Service Commission cut the request in half.
5 If this isn't smoke and mirrors, then I don't know what
6 to call it. This has been a ripoff and the ripoff
7 continues. Less than a year ago, my November 2010 Aqua
8 bill for using 3,300 gallons of water was \$54.65, which
9 was pretty high at the time anyway. My current bill for
10 using only 1,900 gallons of water is 83.86. I have the
11 bill with me. My bills have been running around \$85 a
12 month for the last eight months with the interim
13 increase Aqua was allowed.

14 Please, enough is enough. Thanks for looking
15 out for us folks. If this keeps up, it will be cheaper
16 to buy a bottle of water at a Florida theme park than to
17 fill a bottle from our tap. Does Aqua have quality
18 problems? I think the Public Service might be aware of
19 a few. Aqua has the highest rate of quality problems as
20 compared to all the other utilities in Florida. Aside
21 from the quality problems, their rates top all other
22 utilities in the state. And more increases may be on
23 the way, if the Public Service Commission follows in
24 line with their previous decisions.

25 Aqua America is worth about \$1 billion and is

1 listed on the stock exchange. The company's stock value
2 remains steady at the low 20s. Any increase in their
3 rates will help their investors see the value of their
4 stocks go up. Good for them; bad for us. The company's
5 investment plans, whether true or not, are miniscule
6 compared to their worth.

7 I can't see how under any circumstances that
8 Aqua can cook the books to show that they need an
9 increase in our park. However, a rate increase will for
10 me and others have an effect on our retiree income and
11 have a drastic impact on our home values. Homes in our
12 park are being offered and sold at less than their true
13 value because of the water/sewer rates. People are
14 bailing out. One recent buyer has told me that had he
15 been aware of Aqua's rates, he would have not bought in
16 the park. Aqua only deserves a decrease. Does the
17 Public Service Commission ever award a decrease of
18 rates? I don't know. Can any of you Commissioners help
19 me and answer that question?

20 Every company deserves to make a profit on
21 their investment. This is how free enterprise operates
22 in America. Aqua, according to the records that I could
23 find, is making profits wherever they operate. They
24 bought the utility in my park --

25 **COMMISSIONER BRISÉ:** You have about a minute

1 left.

2 **MR. TANNER:** Huh?

3 **COMMISSIONER BRISÉ:** You have about a minute
4 left.

5 **MR. TANNER:** Okay. I will speed it up -- a
6 couple of years ago for under \$100,000. Presently the
7 Public Service Commission has okayed the base rates up
8 to about \$60 a month for 125 homes in the park. Let's
9 see, today that comes to \$7,500 a month without even
10 using a drop of water. Now, if you wash some dishes,
11 flush the toilet, or water the grass, Aqua got their
12 money back in a year and then some.

13 Commissioners, is Aqua hurting? You have a
14 responsibility to be fair to Florida's residents. Many
15 of us are living on fixed retirement incomes. For this
16 we could be considered luckier than some others looking
17 for jobs in a down economy. We don't need increases; we
18 need decreases. To be very honest, I have no faith in
19 government. Personally, I feel that I'm wasting my time
20 here fighting this rate increase. This utility's rates
21 should be set at the same rates as the public utilities
22 that operates throughout the state. Aqua must clean up
23 their act and address these outstanding complaints that
24 they are sitting on.

25 By this time, Commissioners, you must have

1 heard all the arguments against the new rate hike being
2 proposed by Aqua to a point where you must be getting
3 bored when you gather to make your decision. Please
4 review each argument we presented as though you had to
5 pay the outlandish bills yourself. To consider a rate
6 increase by Aqua at this time -- just a little bit more.

7 No?

8 **COMMISSIONER BRISÉ:** You can enter the letter
9 into the record.

10 **MR. TANNER:** I've just got half a page here.

11 At this time when Florida's senators and
12 legislators are proposing bills to take actions to rein
13 in Florida's water and sewer utility revenues, it does
14 not seem to make much sense to consider any rate hikes.
15 Senator Hays and Representative Brodeur both have bills
16 that they are presenting. I am beginning to get the
17 feeling that these private water utilities are becoming
18 the likes of oil companies.

19 **COMMISSIONER BRISÉ:** All right, sir. Thank
20 you.

21 **MR. TANNER:** I ask everyone here and those
22 that will attend other Aqua hearings to remember the
23 names of the Public Service Commissioners so that we can
24 someday thank them for their thoughtful decisions.

25 Thanks for your time. Sorry for going over.

1 **COMMISSIONER BRISÉ:** That's okay. If you
2 would like to enter that into the record, we will do
3 that.

4 **MR. TANNER:** Yes.

5 **COMMISSIONER BRISÉ:** I don't know if there's
6 any questions?

7 **MR. BUSSEY:** Commissioner, may I ask a
8 question? Are you going to let people come back later
9 if they want?

10 **COMMISSIONER BRISÉ:** I am.

11 **MR. BUSSEY:** Okay. Could you tell them that
12 so that, you know --

13 **COMMISSIONER BRISÉ:** I think we said that
14 already, but I guess I will say it again. At the end,
15 after everyone who has signed up to speak has spoken
16 within their five minutes, we will give them an
17 opportunity to come back. And depending upon the number
18 of people, we will determine the length of time at that
19 time as to how much time they will have an opportunity
20 to say what they didn't get a chance to say when they
21 came up the first time.

22 And we will enter Exhibit Number 40.

23 **MS. BENNETT:** Tanner presentation.

24 **COMMISSIONER BRISÉ:** Thank you.

25 (Exhibit 40 marked for identification.)

1 **COMMISSIONER BRISÉ:** Mr. Kelly.

2 **MR. KELLY:** The next speaker is Phyllis
3 Johnson.

4 **PHYLLIS JOHNSON**

5 appeared as a witness and, swearing to tell the truth,
6 testified as follows:

7 **DIRECT STATEMENT**

8 **MS. JOHNSON:** Good afternoon, Commission.
9 This is concerning a water main break.

10 **UNIDENTIFIED SPEAKER:** We can't hear you.

11 **MS. JOHNSON:** On 9/11, a neighbor advised me
12 of a water main break.

13 **COMMISSIONER BRISÉ:** Excuse me. Please tell
14 us your name and the system, that would help.

15 **MS. JOHNSON:** I thought you got that. Sorry.

16 Phyllis Johnson and I live on the north side
17 of Lakeland. And on 9/11, a neighbor advised me of a
18 water main break at about 9:30. I had noticed the low
19 pressure before that. They had called 911. I called
20 Aqua emergency answering service at 9:59 and reported a
21 break as a flood of liquid gold running down the
22 streets. The first Aqua employee finally arrived at
23 1:00 a.m. on 9/12/11. He stated he had to wait for
24 someone else to come from Crystal River before anything
25 could be done. It was about 3:00 a.m. before they

1 arrived, as the water ran at least for five hours plus.

2 The water eroded a concrete light pole so much
3 that the pole was leaning and the electric wires were
4 drooping. There were several electric vehicles and
5 workmen that came to that location.

6 We received a notice about 9:00 a.m. on
7 9/12/11 to boil the water. The water was turned on
8 around 11:00 a.m. on 9/12. After the repair, pure mud
9 came out of the faucets and we had to run the water for
10 a long time before it started to clear up. The Verizon
11 phone company had to come out and restore the phone
12 service, because the line was broken due to the digging
13 in the area. We received a boil water notice lifted on
14 9/14 around 4:30 p.m., which stated that the main break
15 had occurred early of 9/12, which was incorrect, as it
16 occurred on Sunday evening, 9/11.

17 On 9/21, ten days after the break, dirt was
18 brought in to fill in the hole. I am sure that we, the
19 customers, will pay the expense that occurred sooner or
20 later due to more rate hikes that are being requested,
21 and we will pay for the new trucks that they are driving
22 with the Aqua name on them.

23 Our rates are unaffordable now, and they are
24 requesting another increase. I filed a report with the
25 Florida Public Commission and received a general

1 preprinted response that did not address the issue.
2 I've got that. I have a copy of what I received back.
3 And just yesterday, which was prior to me writing this
4 letter, I did receive a letter from Aqua that stated
5 that they will credit my account for 500 gallons of
6 water, which is \$8.51, because of the issue. I guess
7 that's because of having to run the faucets so long to
8 get the water cleared up.

9 I have previously stated my other concerns at
10 the meetings, so I don't think there is really a need to
11 go over all of that again, and I hope that they are all
12 in the previous record. I did go to Tallahassee, I did
13 go to the other meetings that we have attended, and
14 there's a lot of things I could add, but I'm sure all
15 these other people are going to take care of that.
16 Thank you for your attention.

17 And should I give this letter to them or also
18 to Aqua?

19 **COMMISSIONER BRISÉ:** We are going to see if
20 there are any questions for you first, and then -- I
21 think there may be a questions for you.

22 No questions? Yes, provide it to --

23 **MS. JOHNSON:** Just to them, not to Aqua.

24 **COMMISSIONER BRISÉ:** We will enter it as
25 Exhibit Number 41, Composite Johnson.

1 (Composite Exhibit Number 41 marked for
2 identification.)

3 **COMMISSIONER BRISÉ:** Mr. Kelly.

4 **MR. KELLY:** The next speaker is Gene Woosley.

5 **GENE WOOSLEY**

6 appeared as a witness and, swearing to tell the truth,
7 testified as follows:

8 **DIRECT STATEMENT**

9 **MR. WOOSLEY:** All right. I'm Gene Woosley. I
10 live in Gibsonia, and I'm here to protest the water
11 rates. As far as I'm concerned, if Aqua Water has
12 encountered these costs and all this added expense, as
13 far as I'm concerned that's your problem. It's not to
14 be laid onto us. That is part of business operation.

15 You know, there are so many discrepancies in
16 everything you say, everything is so overstated. And I
17 am very, very disappointed in the Public Service
18 Commission. I sent an e-mail. I think I sent two
19 e-mails to the Governor's Office, and I said bluntly, I
20 said, "This system is not working. We need to have
21 people that are elected, and then they have to run for
22 reelection."

23 I have lived in Gibsonia for 42 years. I had
24 my own well, and in 1980 we went on Hales Water System
25 (phonetic). It was fine. The rates never went up much,

1 the service was great. Ever since Aqua has taken over
2 the rates have gone up like 300 percent or whatever, and
3 service has not improved. There is no justification in
4 that rate increase.

5 Right after the first big round of rate
6 increases, everybody was complaining. I got a
7 questionnaire from the Public Service Commission, and it
8 said, "What is your opinion about Aqua Water," blah,
9 blah, blah, and write your comments down. They gave me
10 two lines to write my comments. I filled up those two
11 lines. I wrote down the side of the page, I filled up
12 the back of the page giving a scathing report on the
13 Public Service Commission, and I mailed it back to them.

14 About a week later I got a phone call from
15 some person in the Public Service Commission that said,
16 well, we read your letter and we are concerned about
17 your comments, blah, blah, blah. And I let them have it
18 again. I told them, I said this is not right. There is
19 something going on here. I said there is no
20 justification of you people giving these people these
21 rates.

22 And I called everything into question that
23 they were doing. At the end of my conversation, the man
24 said, oh, well, we appreciate your comments. And that
25 was it. That tells you right there. And I don't think

1 that the Public Service Commission is representing the
2 people. I think we, the people, are up against two
3 entities here. We are up against not somebody that I
4 consider to be free enterprise, but somebody that I
5 personally consider to be some kind of a special
6 interest group. And I don't know what's going on with
7 the government. I don't know why this is happening. I
8 think that we need to investigate the whole thing, and I
9 think we need to change this whole system because it's
10 not working.

11 If these people get another rate increase,
12 they are just going to get another, and another, and
13 another, and there is going to be no end to it. There
14 is no improvement to anything, and there have been many
15 times when the water has been cut off when we don't know
16 why, and there's no improvement. And I know people
17 that -- everybody has complained about this. When you
18 go up 300 percent, or 400 percent, and you keep going,
19 where is it going to stop? It's not going to stop. Is
20 our money going out of here and going to someplace like
21 New Jersey? Well, we know what it's like up there.
22 This is not New Jersey.

23 We haven't had an increase in Social Security
24 in the last three years. I haven't gotten one since,
25 like, 2008. We are all retired people. There's people

1 who are trying to rent property. They can't rent it
2 because of the water rates. Are we going to let a water
3 company ruin the economy of our county? Is that what's
4 happening? I just feel like this whole thing is just
5 absurd. And I'm going to continue sending e-mails to
6 the Governor. I'm going to continue to sending e-mails
7 and letters to the Public Service Commission. I'm going
8 to continue to complain. And in my opinion, this whole
9 thing is it is a scam and it's not right. And everybody
10 is being treated wrong.

11 And I think that we should investigate the
12 financial records of Aqua Water. We should find out
13 where this money is going and who it's going to. Maybe
14 we would understand why these rates keep going up. What
15 kind of stuff is going on under the table, under the
16 radar? We don't know. I mean, but everybody does not
17 trust --

18 **COMMISSIONER BRISÉ:** Sir, you have about a
19 minute left.

20 **MR. WOOSLEY:** We don't trust -- we certainly
21 don't trust Aqua Water, and I don't think people
22 underneath them. I think they are being polite, but I
23 don't think anybody really trusts this political setup.
24 I think we need to have elected people who are -- who
25 are responsible to the people. And that's all I've got

1 to say.

2 COMMISSIONER BRISÉ: Thank you very much.
3 There's a question for you, sir.

4 COMMISSIONER BROWN: I have a question for
5 you. And thank you for coming and thank you for
6 speaking. And your opinion does matter, and we are
7 listening to you on behalf of the other Commissioners.
8 You stated in your comments that your water was cut off.
9 Can you elaborate?

10 MR. WOOSLEY: The water -- over the years,
11 since Aqua has been the company, the water has been
12 turned off for different reasons at different times. I
13 don't know how many times, but it has been turned off
14 and it doesn't get back on. I think they claim they
15 sent some kind of questionnaire or something, some
16 little note saying we are doing something. We are
17 cleaning the lines or some kind of stuff, but then the
18 water didn't -- and then we have had -- the water has
19 been coming out slow at times. I'm not saying this
20 happens every day, but we have had problems with the
21 water. And the whole thing has not improved. I mean,
22 when it was Hales Water System in 1980, it was fine. It
23 was great. It was reasonable. It was fair. It was
24 equitable. It's not now.

25 I mean, why are these people coming down here

1 from New Jersey? We don't care about New Jersey.
2 Everybody here is living on a fixed income, you know,
3 and their savings, and it is just going out the window
4 just to make these people wealthy. And I'm a big
5 supporter of free enterprise, and this is not free
6 enterprise. This is a special interest group.

7 **COMMISSIONER BRISÉ:** Thank you very much.

8 Mr. Kelly.

9 **MR. KELLY:** The next speaker is Mr. Brad Fox.

10 **BRAD FOX**

11 appeared as a witness and, swearing to tell the truth,
12 testified as follows:

13 **DIRECT STATEMENT**

14 **MR. B. FOX:** Good morning. Welcome to
15 Lakeland. My name is Brad Fox. I live in the Lake
16 Gibson subdivision area. I am also with Lake Gibson
17 United Methodist Church, and I would hope -- I'm going
18 to skip around here.

19 There is a difference between improvements and
20 maintenance, and I don't mean to be negative. I came to
21 the last meeting. Aqua over here mentioned about
22 improvements made to Lake Gibson. A storage water tank
23 that sat on the church property for over a year, not
24 installed, moved across the road for three years, not
25 installed. So you figure that's four years that tank

1 sat around. He brings it up this year that it's an
2 improvement. Well, it's not an improvement. They are
3 changing out a tank that needed maintenance problems, so
4 it's a maintenance issue.

5 He mentioned about -- not sworn testimony, of
6 course -- about the fire hydrants. And, no, I didn't go
7 back past 2008. The fire hydrant records at the Public
8 Service Commission state through their information that
9 I got that they needed to be replaced in 2008 on Byrd
10 Avenue, B-Y-R-D. Of course, their records are penciled
11 in that says B-I-R-D. Wrong street. So anybody can
12 pencil stuff in.

13 In 2009, which I have that record, said they
14 needed to be replaced in 2009. We had a fire in 2010.
15 A fire in 2010. The hydrants were not marked as being
16 needed to be replaced. They decided on their letter
17 that, like, on January whatever the date was, that they
18 ordered parts in 2010. Is that ridiculous? '08, '09,
19 '10. Who's supposed to -- when they turn these records
20 in as needing to be replaced, who is supposed to do the
21 follow-up to find out when they are going to be replaced
22 and the day they are going to be replaced? Not come up
23 here and say they are improvements. Those are
24 maintenance issues. They have got to get their stuff
25 straight.

1 So the maintenance issues is one thing. The
2 fire hydrants, the tank. When the water goes down, say
3 they turn the tank off, they have got to change the
4 water. They are supposed to put out notifications.
5 Where does it go? Just throw it down by the front door.
6 Stick it in the mailbox. How about like UPS, ring the
7 bell. Hey, guys, don't use your water. No, we are just
8 going to throw a piece of paper down that says don't use
9 the water, and you don't even go to the door anymore.
10 It's after the mail ran. So that's one issue that they
11 need to -- someone needs to get them straight on how
12 they are going to do notifications when I'm not supposed
13 to drink the water.

14 I think their rate of return needs the same
15 thing I get at the bank. (Audience laughter.) That's
16 serious. What do they get? I mean, can I ask that
17 question? What is their rate of return? Was it
18 20 percent, 15 percent? I only get, like, 1.5. That
19 needs to change. You guys need go back and say, you
20 know what, their rate of return is -- how can we justify
21 them getting that kind of rate of return when no one
22 gets that kind of return anywhere?

23 I do have that one letter from -- it's to Tom
24 Walden dated April 27th, 2010, where Aqua said the
25 hydrants were marked and ordered for replaced on

1 January -- I think it is ordered two hydrants on
2 January 19th, 2010. But if you look at the records, if
3 somebody will research the records, at least in 2008
4 they were deemed -- it takes more than one person, need
5 replacing on their own documents. Need replacing in
6 2008.

7 **COMMISSIONER BRISÉ:** Sir, you have one minute.

8 **MR. B. FOX:** Why weren't they? Have I got
9 more time?

10 **COMMISSIONER BRISÉ:** Go ahead. One minute.

11 **MR. B. FOX:** All right. Thank you. I
12 think -- I personally think they have one car that goes
13 around and reads meters. One car. So I get a 34-day
14 bill because they get to me last. Why can't they have a
15 guy in North Lake and he is there seven days a week, or
16 five days a week. Excuse me, five days a week. And the
17 last Friday of the month, the last Friday of the month,
18 why can't he have that little reader and his little
19 laptop and he go around to North Lake and Lake Gibson
20 and read the meter so we only get like in the last
21 three -- like a 30-day bill, or a 31-day bill like they
22 get with the county. I'm sure they have an agreement
23 with the county wastewater, they have an agreement with
24 them. Well, you don't bill us past 30 days, 31 days at
25 the max, because if we go over X amount of gallons, we

1 get fined by probably SWFWMD or Polk County. Why can't
2 we be in the same boat?

3 Thank you. Welcome to Lakeland. And I have
4 this thing I would like to put --

5 **COMMISSIONER BRISÉ:** Let me see if there are
6 any questions?

7 **MR. B. FOX:** And I'm not related, either.

8 **COMMISSIONER BRISÉ:** We have a question from
9 Commissioner Balbis.

10 **COMMISSIONER BALBIS:** Mr. Fox, thank you for
11 your comments. Those are exactly the kind of comments
12 that I want to hear, specific issues that I can
13 personally follow up on. So I appreciate you coming to
14 us and bringing that to our attention.

15 My first question to you is the 34-day billing
16 issue, is that a regular occurrence, or does it
17 fluctuate?

18 **MR. B. FOX:** I don't pay the bill at my house,
19 my wife does. But I imagine if you ask for a show of
20 hands, it is quite frequent. And I don't understand why
21 we have any 34-day bill. If you could buy a reader,
22 since they have got all this money flowing into them,
23 they can buy a reader, but let the local guy read it the
24 last Friday of the month. Hey, in February you might
25 even get a 28-day bill, or 27, whatever the last Friday

1 is. Before we leaves, he reads it, e-mails it in. And
2 we have got -- you know, we've got to get a 34-day bill
3 that throws us into the third -- what do you call that,
4 tier, throws us into a tier. And I have got a swimming
5 pool. I've got kids. Thank goodness I don't have lawn
6 sprinklers.

7 **COMMISSIONER BRISÉ:** Thank you, Mr. Fox.

8 **MR. B. FOX:** Thanks. Who do I give this to,
9 now?

10 **COMMISSIONER BRISÉ:** So that will be Exhibit
11 42, Composite Fox.

12 **MS. BENNETT:** Yes.

13 (Composite Exhibit Number 42 marked for
14 identification.)

15 **COMMISSIONER BRISÉ:** But before we call the
16 next speaker, if we could have staff talk about the rate
17 of return. He asked about the rate of return. And,
18 Mr. Willis, if you could talk about Aqua's rate of
19 return, that was the question that was posed.

20 **MR. WILLIS:** Commissioner, that's one of the
21 issues that the company is in here for right now.
22 They're claiming their rate of return has dropped
23 significantly. In the last case -- I'm trying to get
24 the order of the last case.

25 (Pause.)

1 **MR. WILLIS:** Mr. Chairman, if would you like
2 to go on, I can come back with that.

3 **COMMISSIONER BRISÉ:** Okay. So we will come
4 back to you to give us that information.

5 **MR. KELLY:** The next speaker is Mr. Clint
6 Going.

7 **CLINT GOING**

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

10 **DIRECT STATEMENT**

11 **MR. GOING:** Hello, Commission. My name is
12 Clint Going. I'm from Lake Gibson Estates. I know this
13 is supposed to be a testimony, but how lawful is it for
14 somebody to bill you 34 days when it should be a 30 or
15 31 day so you can catch the next tier? Is that lawful?
16 I know the City of Lakeland does it, so it looks like if
17 they can get away with it, so can Aqua. But I'm really
18 curious about that.

19 My bill changes significantly on electricity
20 and also with the water. Well, I guess we're not
21 supposed to ask questions, so -- I wanted to thank Aqua
22 for all the boiled notices that I've got within the last
23 year. I think I've got three of them. Do we get a
24 refund for that when we have to boil water for three or
25 four days? And, of course, I think you answered why the

1 tiers were there. I guess, SWFWMD is doing that, who's
2 doing that.

3 It used to be that they encouraged you to use
4 more product, so they used to give you a discount. Now
5 they try to discourage you not to use as much. Since
6 you don't use as much, they can't make as much profit,
7 so they try to go up on their rates. Do we have to be a
8 captured customer? Can I drill my own well? Can I get
9 away from Aqua?

10 I've been in Lake Gibson Estates since 1976,
11 and I think I would like to ask him, when you have your
12 sewage -- I'm not on sewage. I'm just on water. But
13 didn't the county put a treatment plant out there? I
14 know we took the treatment plant out that we were using,
15 or Southern State Utilities, is it being pumped over to
16 the county for them to treat it now?

17 I put some toilets in my house, new toilets.
18 I had toilets that used three gallons of water. I think
19 the last rate increase that was improved it went from
20 \$18 to \$33, is what it went to. So I told the wife, I
21 said, look, we have got to cut down on the water usage.
22 So I put new toilets in that use about one gallon,
23 1.28 gallons of water per flush. It knocked it down
24 about \$4 a month. They got the new rate increase. I
25 think it went down from \$38 a month to \$34 a month.

1 They got the new rate increase, my last bill was \$47.
2 That's with the new toilets. And, of course, I see that
3 you can refund that.

4 Where do we stop at by trying to gouge the
5 customer on it? I don't know the answer to that. I see
6 a lot of demonstrations going on about the corporates
7 making big profits, but I don't want to get into
8 politics this morning. We are not here for that.

9 So I think that's about all my testimony that
10 I will have to say here. And I appreciate your time.
11 And guys from Aqua, please take the save your mankind,
12 or think about your fellow man, and help them out a
13 little bit instead of trying to make us pay so much.
14 When times get good again, we'll be back at the meeting.
15 If everybody is making a good profit and their salaries
16 are going up, maybe we can talk more in your favor,
17 okay? Thank you.

18 **COMMISSIONER BRISÉ:** Are there any questions?
19 I think there is a question for you, sir.

20 **MR. MAY:** Thank you, sir, for coming out. I
21 just had a clarifying question. I did not get your last
22 name.

23 **MR. GOING:** G-O-I-N-G. Just like you are
24 going to write it down.

25 **MR. MAY:** Thank you, sir.

1 **COMMISSIONER BRISÉ:** Thank you very much.
2 Mr. Kelly.

3 **MR. KELLY:** The next speaker is Mr. Dave
4 Bussey.

5 **DAVE BUSSEY**

6 appeared as a witness and, swearing to tell the truth,
7 testified as follows:

8 **DIRECT STATEMENT**

9 **MR. BUSSEY:** Good morning. Good to see you
10 folks again.

11 **COMMISSIONER BRISÉ:** Good morning.

12 **MR. BUSSEY:** Dave Bussey from Zephyrhills.
13 I'm a volunteer with Flow Florida. And you folks all
14 know who I am, so I guess we can just go ahead.

15 I won't be very long. I'm running out of
16 things to say. Thank goodness we are running out of
17 meetings. Most of us don't understand that until the
18 laws are changed, there's not a whole lot that is going
19 to be done about this, and I hope the aides for the
20 congress people here, and I think they do, I think they
21 understand that.

22 As I said yesterday, there are some things
23 that the Commission can do, and I would encourage you to
24 just make every effort to protect the ratepayers from
25 any water profiteering predator that comes your way.

1 You have heard enough over these last several meetings
2 to get a pretty good idea of what's going on. And I
3 don't fault the company for doing what they are doing.
4 It's a business entity and they are not breaking any
5 laws, but they are breaking a lot of hearts, and they
6 are breaking a lot of pocketbooks. And that's not --
7 affordability is not an issue with them, but it is with
8 us. And it should be a major consideration for you
9 folks if you are really interested in protecting us.

10 I'm just wondering when is the last time a
11 Commission directed any of its staff here in Florida to
12 really do some serious in-depth research about
13 affordability. What's going on in other states, how
14 they are looking at it and what they are doing about it.

15 I was at a workshop recently where some
16 utility owners had an opportunity to share with staff
17 their concerns, and they have got legitimate concerns,
18 too, you know. And I was just wondering when is the
19 last time anybody from the Public Service Commission
20 attended a workshop about affordability. Something
21 needs to be done about this, and you know it and we know
22 it. And you are going to have to -- you are going to
23 have to do some different things that haven't been done
24 in the past. You are going to have to think outside the
25 box, and find out how is this issue being dealt with.

1 And with regard to Aqua's customer service,
2 they should be rated unsatisfactory and it should stay
3 unsatisfactory until the performance exceeds customers'
4 expectations. Thank you.

5 **COMMISSIONER BRISÉ:** Is that all?

6 **MR. BUSSEY:** That's all.

7 **COMMISSIONER BRISÉ:** Any questions?

8 All right. Thank you very much, Mr. Bussey.

9 **MR. BUSSEY:** You're welcome.

10 **MR. KELLY:** The next speaker is Ms. Linda
11 Gadd.

12 **LINDA GADD**

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 **DIRECT STATEMENT**

16 **MS. GADD:** Good morning, Commissioners. My
17 name is Linda Gadd. I live in the Lake Gibson area,
18 North Lakeland.

19 I've lived here all my life. I've never paid
20 these kind of water bills. Before Aqua took over our
21 water supply, I was paying \$40 every single month.
22 Immediately after they took over my bill, it went to
23 \$120, and it continually goes up every month. I have a
24 bill here for June 7th for \$139. I have a bill for May
25 30th for \$145, and my largest bill was last month. It

1 is \$173.49. I cannot afford these kind of water bills.

2 They are claiming I am using 5,500 or
3 6,000 gallons a month. I have done a test on my water.
4 I have also recorded my gauge. They are claiming I'm
5 using an outrageous amount per day, but according to my
6 gauge, I use about 86 gallons a day. So I say 90.
7 That's only 2,700 gallons a month. I don't know where
8 they are getting their numbers, but I cannot afford
9 this.

10 I have a bill here, a comparable bill from a
11 neighbor. Well, he's within three or four miles of
12 where I live. He has five children. He does three
13 loads of laundry every day, and his water bill is \$27.02
14 for one whole month. I would like to know why Aqua can
15 charge these outrageous rates? And that's literally
16 about to take the food out of mine and my son's mouth.
17 We live in a small two bedroom home, two bath. I do not
18 water my lawn, and I do not drink the water. It's not
19 drinkable. I buy filtered water.

20 They have turned me off twice. They said they
21 sent a notice. I don't remember getting any notices in
22 the mail. This was hanging on the door dated 7/25, and
23 it said I would be disconnected this day if they had not
24 received a bill. It said call immediately. Well, one
25 time I did call them right after I paid the bill, and

1 the person who answered the phone was very nasty and
2 said, "Well, we are not going to turn you on until
3 Monday." I paid the bill on a Friday. And she was very
4 nasty to me, and she refused to turn my water back on
5 even though I had paid it through Western Union.

6 But the biggest problem is their rates. I
7 cannot afford these kind of water bills. I'm a single
8 mom. I don't make that much money. I am a nurse, an
9 LPN, but I'm on call, and so I don't have a guaranteed
10 income. But I also want to say I have four houses on my
11 half circle alone on my side; they are empty. People
12 cannot rent their house. They cannot sell their homes
13 because of Aqua Utilities. I talked to a neighbor, he
14 literally moved out of our neighborhood because of the
15 water rates.

16 We do not want these kind of rates anymore.
17 We can't afford them. And I would appreciate any help
18 you could give us. Every time I complain or send an
19 e-mail to the Public Service Commission they just refer
20 it back to Aqua, so it's just one big circle. Nothing
21 is getting done. And I would appeal to you to please
22 help us. We can't afford these kind of rates.

23 Thank you.

24 **COMMISSIONER BRISÉ:** Ma'am, will you standby
25 for a question?

1 MS. GADD: Yes.

2 MR. MAY: Thank you, Ms. Gadd, for coming out
3 this morning. We are going to be filing some responsive
4 testimony, and we will be going through our records, and
5 want to make sure we have all the information as
6 accurate as possible.

7 UNIDENTIFIED SPEAKER: We can't hear you.

8 MR. MAY: Can you hear me, Ms. Gadd?

9 MS. GADD: Yes.

10 MR. MAY: We want to make sure that Aqua
11 records are as accurate as possible. You mentioned that
12 you had called the call center and you had some concern
13 regarding the call center representative's demeanor. Do
14 you recall what month or what day you made that call?

15 MS. GADD: I believe it was probably in June.
16 I don't know the girl's name. I can't remember it.

17 MR. MAY: June of this year?

18 MS. GADD: Yes.

19 MR. MAY: Do you recall roughly the date?

20 MS. GADD: No, sir, I'm sorry, I don't. But I
21 will start writing it all down.

22 MR. MAY: With respect to your concerns
23 regarding the accuracy of the meter --

24 MS. GADD: Yes, sir.

25 MR. MAY: -- you are aware, aren't you, that

1 Aqua tested your meter?

2 MS. GADD: Yes, I am aware of that, and they
3 came and put some big brass addition to that gauge. I
4 don't know what that brass apparatus does or what it's
5 for, because I wasn't there when he came by.

6 MR. MAY: Do you have the meter results, the
7 test results for that meter test we did --

8 MS. GADD: I don't remember getting -- he left
9 me a note, but I don't remember the test results, no,
10 sir. But I have tested it myself. I took a gallon
11 bucket before this man came out to do my meter, and I
12 poured in a gallon, took out a gallon of water. And it
13 was accurate at that time before he came and did a test.

14 MR. MAY: That's all the questions I have.
15 Thank you, Ms. Gadd.

16 MS. GADD: Thank you.

17 COMMISSIONER BRISÉ: We have a question from
18 one of the Commissioners.

19 COMMISSIONER BALBIS: I have a question.
20 Thank you for coming. We appreciate your comments.

21 MS. GADD: Yes, sir.

22 COMMISSIONER BALBIS: You indicated that your
23 latest bill or average bill was about 120 or \$130, is
24 that correct?

25 MS. GADD: It keeps going up every month. I

1 can't even give you an average. Probably 150 a month.

2 **COMMISSIONER BALBIS:** Is that just for water
3 or for water and sewer?

4 **MS. GADD:** Just for water and sewer.

5 **COMMISSIONER BALBIS:** For both water and
6 sewer.

7 **MS. GADD:** You can look at this bill, if you
8 would like.

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

10 **COMMISSIONER BROWN:** I just have a quick
11 question about your neighbor's bill. I want to make
12 sure that -- that neighbor is on the Polk County system?

13 **MS. GADD:** Yes, ma'am. He is with Polk County
14 Utilities, who had our water service before Aqua. \$27.
15 That is a big difference between 173. He has got five
16 children. I know this as a fact. I know these people
17 personally; \$27 for one month of water for a household
18 of seven people. So I don't understand how they can
19 keep getting these exorbitant rates and these exorbitant
20 bills sent out to us.

21 I live in a very small home. I don't use
22 hardly any water. Only what's necessary. I have a
23 water saving dishwasher and I just changed one of my
24 toilets also to be water saver. So I would really
25 appreciate your help. I don't want them to not get the

1 rate; I want a decrease in our water rates. They are
2 outrageous. I can't afford them. Thank you.

3 COMMISSIONER BRISÉ: Thank you.

4 MS. BENNETT: Commissioner Brisé, staff has a
5 couple of questions.

6 MS. GADD: Sure.

7 MS. BENNETT: My name is Lisa Bennett.

8 MS. GADD: Yes, ma'am.

9 MS. BENNETT: You may have answered this
10 question from the Aqua attorney already, but I want to
11 make sure. You stated you were terminated, your service
12 was terminated on a Friday, is that correct?

13 MS. GADD: Yes. It was terminated sometime
14 during that week, and I had to wait to get paid to go
15 pay the bill.

16 MS. BENNETT: Was that in June?

17 MS. GADD: I think it was around June.

18 MS. BENNETT: Okay. And then you had a
19 copy -- was that a door hanger that you had a copy of?

20 MS. GADD: Yes.

21 MS. BENNETT: Could I get a copy of that?

22 MS. GADD: Yes, ma'am. I will have to mail it
23 to, unless you have got a way to copy it here.

24 MS. BENNETT: We can copy it here.

25 MS. GADD: Okay, good.

1 **MS. BENNETT:** And I would like to include that
2 as an exhibit.

3 **COMMISSIONER BRISÉ:** Sure.

4 **MS. BENNETT:** 43.

5 **COMMISSIONER BRISÉ:** 43.

6 (Exhibit Number 43 marked for identification.)

7 **MR. MAY:** May I ask one follow-up question? I
8 thought that you said that your service was terminated
9 on July 25th.

10 **MS. GADD:** I don't remember the exact date.

11 **MR. MAY:** Which is a Tuesday, correct?

12 **MS. GADD:** I don't remember the exact date on
13 that first one. Oh. Here is the meter accuracy test he
14 left on my door.

15 **MR. MAY:** Could we have the meter accuracy
16 test included in the packet of information?

17 **MS. GADD:** Sure, they can copy it.

18 **MS. BENNETT:** Yes. We would make a copy of
19 that, also.

20 **COMMISSIONER BRISÉ:** Thank you.

21 You can give it to our staff and they will
22 make a copy for you.

23 **MR. KELLY:** Commissioner, are you going to
24 call this Composite Exhibit Gadd?

25 **COMMISSIONER BRISÉ:** Yes. Before we move on

1 to the next speaker, I think we have an answer from
2 Mr. Willis.

3 **MR. WILLIS:** Chairman, concerning your
4 question, or the customer's question on the rate of
5 return, probably the best way to answer that is in the
6 Commission's proposed agency action order they
7 determined that the utility was at a point entitled to a
8 midpoint of 9.67 on return on equity, which would
9 produce a rate of return of a little higher than mid
10 7.5. But the Commission also decided that the company
11 at that point should have a reduction of -- a
12 25-basis-point reduction for quality of service. That
13 produces a rate of return of 7.25.

14 The penalty, if you want call it a penalty,
15 but the reduction in the rate of return on equity is an
16 issue that the Commission is going to be looking at in
17 this case as to whether or not the 25-basis-point
18 reduction was enough. The Office of Public Counsel
19 challenged that desiring a 100-basis-point reduction.

20 Hopefully that answers your question.

21 **COMMISSIONER BRISÉ:** Thank you.

22 I don't see the customer that posed the
23 question. Hopefully that will answer his question.

24 But you can call the next speaker, Mr. Kelly.

25 **MR. KELLY:** The next speaker is Wayne Miles.

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WAYNE MILES

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

DIRECT STATEMENT

MR. MILES: Good morning, everybody. My name is Wayne Miles. I live in the Lake Gibson Estates subdivision. I have a few issues that I would like to bring up. I want to try to talk about some specific problems for you people so you can help us. Also, I have a couple of issues concerning customer satisfaction and top quality, which is something that Mr. Fox said that his company is dedicated to providing.

I also have a photo I would like to submit as an exhibit. This is a photo that I will leave with you. It's a clear picture of raw sewage, and the reason I have this to submit is this is what was in my home, in two rooms of my house back in 2009 as a result of the lift station's failing. The pumps, two different pumps failed at the lift station in our development. And the reason the water came in my home is Aqua Utilities does not have any kind of a sufficient alarm system on those pumps to notify them when they fail.

They do, however, have a door bell type of device that rings, and if the neighbors hear this, sometimes they call Aqua Utilities on their own and tell

1 them, "Hey, your bell is going off over at your lift
2 station," and they will send somebody out to fix it.

3 I have a specific question that I would like
4 to present to the board here so that they can ask Aqua
5 Utilities. My question is this; why is it that in
6 today's technology, Aqua cannot manage to monitor the
7 pump equipment properly? Why is there no alarm system
8 on these pumps and when will this be corrected?

9 Now, several months ago we had a meeting at
10 the Lakeland City Hall. I addressed this very same
11 question to the president of Aqua when he was here, gave
12 him a business card, and asked him personally to respond
13 back to me. I have yet to hear an answer from anybody
14 from Aqua.

15 Now, representing another issue was the claim
16 that I submitted to Aqua Utilities to have my house
17 cleaned and all this remedied, which was less than \$400,
18 okay? It wasn't much. I wasn't trying to get money and
19 make a profit off of this. I submitted my claim to Aqua
20 Utilities. They sent me a letter back and denied it. I
21 called Aqua Utilities on the telephone -- and by the
22 way, this comment is directly in response to you guys
23 saying you are a service company. I want to give you an
24 example of the type of service you provide.

25 I telephoned Aqua Utilities and asked to speak

1 to the person who signed the letter and denied my claim,
2 and I was told that that person is not allowed to speak
3 to customers on the phone. And I said, "He's allowed to
4 deny my claim, but I'm not allowed to talk to him?" And
5 they said, "Yes, that's correct." Okay.

6 Now, I worked as a private investigator. I'm
7 very good at taking notes, statements from people, and I
8 know what I am doing when I report this information. It
9 is not blown out of proportion or exaggerated, okay.
10 My question that I would like you to ask Aqua Utilities
11 is -- or my question for your board, I'm sorry, is how
12 can you let a utility company operate while providing
13 this type of substandard customer service to its
14 customers? I would actually like an answer to that.

15 My other concern about the water in this
16 division is the bills. They are very, very high. And
17 the way it affects me is I had a real estate
18 professional come out to my house and I discussed
19 selling my property. And I was told by this real estate
20 professional that because the water bill on my property
21 is about \$100 more than it is two blocks away, that my
22 house is not a good investment for a buyer.

23 **COMMISSIONER BRISÉ:** Sir, you have about a
24 minute.

25 **MR. MILES:** Okay. Thank you.

1 So my question to the public service board
2 here is in these economic times, how can you let a
3 company like Aqua Utilities continue to cause entire
4 neighborhoods to lose their property values by charging
5 such high rates and preventing us from selling the
6 property? Now, I realize Aqua Utilities is not solely
7 the blame for the economic conditions of property values
8 and real estate, but they certainly are a contributing
9 factor. And I would like to get answers to these
10 questions, please. And also submit this photo and a
11 copy of what I read.

12 **COMMISSIONER BRISÉ:** Thank you.

13 At this time we're going to see if there are
14 any questions for you, and then I will attempt to answer
15 one of the questions.

16 **MR. MAY:** Mr. Miles, thank you for coming.

17 **MR. MILES:** Could you speak up a little bit,
18 please?

19 **MR. MAY:** Thank you for coming. I really
20 appreciate your remarks. We are trying to go through
21 some of the points that you were making as you were
22 speaking, and I just wanted to make sure I understood
23 the chronology.

24 When you had the backup problem at your house,
25 that occurred around the very end of August 2009?

1 **MR. MILES:** It was August 30th, 2009.

2 **MR. MAY:** And then within a month Aqua had
3 paid your claim in the amount of \$439.95, isn't that
4 correct?

5 **MR. MILES:** Yes, it is.

6 **MR. MAY:** And you signed a release, sir, did
7 you not?

8 **MR. MILES:** I was told that if I did not sign
9 a release that would not hold Aqua responsible for any
10 other damages or things that showed up in the future
11 such as developing mold in my house or anything like
12 that, I would not be paid the check.

13 **MR. MAY:** But you received a check in the
14 amount of \$439.95 within, roughly, a month of the
15 incident occurring?

16 **MR. MILES:** Well, it was within a month of
17 when I finally got ahold of somebody in Aqua after I
18 received this letter, and I was able to -- I had to call
19 Aqua and demand that I speak to someone concerning my
20 case.

21 **MR. MAY:** Do you have -- in the documents you
22 are going to provide to the Commission, do you have a
23 copy of the receipt where you received the check? Are
24 you going to present that documentation?

25 **MR. MILES:** No, I don't have that. I have no

1 dispute that I was paid.

2 **MR. MAY:** Would you have a problem in us
3 completing the record and providing that information to
4 the Commission?

5 **MR. MILES:** Yes, that's fine.

6 **MR. MAY:** No further questions.

7 **COMMISSIONER BRISÉ:** Any Commissioners have
8 any questions?

9 To answer your question partially,
10 unfortunately, we cannot answer the two questions you
11 posed because obviously this is an open docket, and if
12 we answer the question about how can you let the utility
13 do X, Y, and Z --

14 **MR. MILES:** I understand. It's kind of a
15 vague question.

16 **COMMISSIONER BRISÉ:** No, no. Whether it's
17 vague or specific, if we answer that question, then it
18 puts into the record a sort of predisposition to
19 something. So, therefore, then if we proceeded in one
20 way or the other, then we could create an issue moving
21 forward after the decision is rendered. So that's why
22 we can't answer the two questions that you posed.

23 **MR. MILES:** All right. How can I, as a
24 consumer, get an answer to a question like this from
25 Aqua? I have asked them personally. I have given them

1 plenty of opportunity, and I would really sincerely
2 would like to know why they have a lift station with no
3 alarm on it that will let them know when it is not
4 working. I think that is a very fair question to ask,
5 and I think everybody in this room would like to hear
6 Aqua answer that.

7 **COMMISSIONER BRISÉ:** And that is a question
8 that I think you can get an answer to right now.

9 **MR. MILES:** I can?

10 **COMMISSIONER BRISÉ:** Yes.

11 **MR. MAY:** We can get you an answer by
12 Ms. Williams, Patricia Williams, after you speak. But I
13 just wanted you to understand, we will be filing -- we
14 are filing testimony on this very subject on
15 October 27th and on November 3rd, so this is going to be
16 part of our testimony to explain on the record -- I can
17 talk now, but I would like to provide you with sworn
18 testimony exactly what Aqua does with respect to its
19 alarm system at its lift stations.

20 **MR. MILES:** Okay. Thank you.

21 Thank you very much.

22 **MR. MAY:** Thank you.

23 **COMMISSIONER BRISÉ:** We will enter your items
24 into the record.

25 **MS. BENNETT:** Composite Miles Number 44.

1 (Composite Exhibit Number 44 marked for
2 identification.)

3 **COMMISSIONER BRISE:** Mr. Kelly, if we can
4 start calling the individuals two at a time.

5 **MR. KELLY:** Yes, sir. The next speaker is
6 Ms. Mary Phyllis Koloze. I don't know if I pronounced
7 that last name correctly. And she will be followed by
8 Ms. Linda Corbitt.

9 **COMMISSIONER BRISE:** So if the second
10 individual will come to the first row. You're close
11 enough, so that's fine.

12 **MARY PHYLLIS KOLOZE**

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 **DIRECT STATEMENT**

16 **MS. KOLOZE:** My name is Mary Phyllis Koloze.
17 I live in Breeze Hill east of here. I moved right
18 before the hurricanes. That was a good move.

19 As you can tell, I am an LOL, little old lady.
20 I am a widow. My husband passed away in January. I
21 live on a limited, limited income. But I want to give
22 just a couple of little things, and I won't take long.

23 I spoke to the Commission down in Sebring, and
24 I had mentioned that my first bill for Aqua -- I had
25 reversed them. November 7th -- November 1st, 2007, my

1 first bill was \$1,170.10. And my husband and I together
2 in 31 days had used 122,900 gallons of water. A little
3 much. That's 3,964 gallons a day. I don't think so. I
4 obviously did not pay the bill. That was November 1st.
5 November 16th, they read it again, and it was 122,900
6 gallons. In 28 days, the same usage, and they charged
7 me \$1,542.51.

8 It took several months to get it straightened
9 out. And then on November 16th, they send me a bill for
10 \$455. So in a manner of a few weeks I had three bills
11 and they are all different.

12 As I said, I was living alone. My husband
13 went into a nursing home last July, and he passed away
14 the end of January this year. So living alone. And on
15 September 7th, 2010, they had me for 2,100 gallons of
16 water. That's fine. October 6th of 2010, they had me
17 up to 11,300 gallons. I don't think so. Then
18 November 4th of 2010, they had me for 20,800 gallons of
19 water. I'm living alone. December 6th, they are down
20 to 6,700 gallons. They are all over the place with
21 their readings.

22 I have had my meter checked by a plumber. I
23 have had Aqua come out. No leaks. But they are all
24 over the place with their billing. And this last month,
25 it was down in a reasonable amount, reasonable if you

1 want to call \$77 a month for a water bill. I can't
2 afford that every month. And I don't run my dishwasher
3 but maybe once a week. I do three small loads of
4 laundry in a week and a half. I don't water my lawn. I
5 have a well. And I just question how they figure their
6 billing. I don't think it's read properly. I just
7 think it's something that needs to be looked into and
8 how they handle that. And I thank you.

9 **COMMISSIONER BRISÉ:** Thank you. Let me see if
10 there are any questions.

11 **MR. MAY:** No questions.

12 **COMMISSIONER BRISÉ:** All right. Thank you for
13 your testimony.

14 **MR. KELLY:** Ms. Linda Corbitt will be followed
15 by Mr. Dennis Leones.

16 **LINDA CORBITT**

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 **DIRECT STATEMENT**

20 **MS. CORBITT:** Hello, Commissioners. I would
21 like to ask you first a question. Any of you three, do
22 you have to pay an Aqua bill? Okay.

23 I just recently retired. My husband has been
24 retired for several years, and we are now living on
25 Social Security. And as it was said prior, we haven't

1 had a raise in three years. So we are on a very limited
2 income, with the fact that groceries are going up,
3 everything seems to be increasing. It's harder and
4 harder to meet our bills.

5 Ten years ago we moved into this subdivision.
6 And by the way, we're in Lake Gibson area. And our bill
7 was, oh, with the water and the sewage it was running
8 between 35 and \$40. That was an increase from where we
9 used to live when we had county -- we actually had city
10 water. But I thought, well, we're outside the city, we
11 have a different company and everything like that. Now
12 our bill runs anywhere from 120 to \$150. We have taken
13 steps to cut down as much water usage as we can possibly
14 do. We wash our clothes once every two weeks, and then
15 we only have maybe four loads. We don't shower as
16 often. We are not as active so, you know, we are
17 cutting down on our showers. We do not flush our toilet
18 every time we go to the bathroom. Now that sounds
19 gross, but it's only when we pee.

20 We have done everything that we can do to cut
21 down on the amount of water that we use so that our bill
22 would go down. Our last bill was \$117 for water and
23 sewage. I'm sorry, but that is just ridiculous. We
24 have checked with other people in the area, people on
25 the city, people with the county, they haven't had these

1 kind of increases. So we are at a disadvantage, because
2 we don't have an alternative to use. We have to use
3 Aqua because that's who operates in our area. And for
4 that reason, it's like our electric company. We can't
5 use another electric company. We are stuck with what we
6 have. And I will guarantee you, he's making a bunch of
7 money. That's all I have to say.

8 **COMMISSIONER BRISÉ:** Thank you.

9 Are there any questions? Thank you for your
10 testimony this morning.

11 **MR. KELLY:** Mr. Leones will be followed by Mr.
12 Jim Bowers.

13 **DENNIS LEONES**

14 appeared as a witness and, swearing to tell the truth,
15 testified as follows:

16 **DIRECT STATEMENT**

17 **MR. LEONES:** My name is Dennis Leones and I
18 live in the Lake Gibson area. I'm going to start off
19 with something different that nobody else has talked
20 about. Last July when Osama Obama (sic) was trying to
21 get his debt ceiling raised, one of the (inaudible) he
22 came up with was no Social Security checks. Well, I'm
23 part of that group. And I sent a letter to Aqua, and I
24 said that this is my only income, and if I don't get
25 that, I don't get anything. And because of this not

1 being my fault, with the understanding that I have paid
2 every month on time three weeks ahead of time, and you
3 can check those records, would my water be shut off? No
4 fault of mine, would it be shut off? I don't think I
5 need to tell you what the answer was.

6 When another lady was talking about the water
7 main break last month, this was on -- I can't remember
8 what night it was, but I called in about 10:00 o'clock,
9 and I told them that our water pressure was very low.
10 They did everything but call me a liar. When the next
11 morning I talked to neighbors, they called in before I
12 did. The woman had told me that nobody else had called
13 in, so, therefore, there cannot be problems. The next
14 morning when there was no water when I called back in, I
15 said, "Now do you believe me?"

16 Every time I have called in I have never
17 swore, yelled, or screamed at any of their reps, but I
18 am treated like crap. I'm only guessing that they must
19 teach their customer reps to be jerks and jackasses, I
20 don't know. I have asked one person to repeat her name,
21 she refused. So -- let's see.

22 As far as the letters, the last three times we
23 have had a water break, we have not received you must
24 boil your water. A couple of days later we get a letter
25 saying you don't have to boil it, but we don't get the

1 first letter. Mr. Johnson's letter which he originally
2 sent them about trying to help us out, I saw his answer,
3 and it pretty much said you don't live in the area, it's
4 none of your concern. Keep your nose out of it. That
5 was Aqua's answer to our county commissioner.

6 And then as far as like my water bill, I will
7 get to it last because everybody else is talking about
8 this. According to this report, it says my average
9 water bill is \$45. That was about five years ago.
10 There is only my wife and I. We do not water our lawn.
11 We do not wash the car. We have one of these water
12 saving on our showers. We wash the dishwasher once a
13 week. Very little on laundry. And my water bill is
14 \$160 a month. I've talked to people that live a couple
15 of miles away and they complain that their water bill is
16 35 or \$40 a month. I said, "How would you like mine?"

17 One other thing. When I have sent letters to
18 our Governor, he forwards them to you. You forward them
19 to them. Nothing is done. But as somebody else said,
20 their customer service is the absolute worst of anybody,
21 any company, any utility, any government agency, anybody
22 I have ever run across. And there is no second, third,
23 or fourth, or fifth places. They are at the top by
24 themselves. I'm done.

25 **COMMISSIONER BRISÉ:** Thank you.

1 Any questions?

2 **MR. MAY:** Thank you, Mr. Leones, for speaking
3 today.

4 Just to follow up, I think you might have
5 heard, we are going to be filing some responsive
6 testimony on November 3rd, and we want to make sure our
7 records are as accurate as we can get them. You said
8 that you had some concerns and some problems when you
9 had contacted the call center regarding a drop in
10 pressure and you were treated rudely by the customer
11 service representative?

12 **MR. LEONES:** Absolutely.

13 **MR. MAY:** Do you recall the day and the month
14 that occurred?

15 **MR. LEONES:** It was last month.

16 Phyllis, what date was that? September 11th.
17 It was 9/11.

18 **MR. MAY:** Okay. Thank you, sir.

19 **COMMISSIONER BRISÉ:** Thank you.

20 **MR. KELLY:** Mr. Bowers will be followed by Ms.
21 Patricia Minor.

22 **COMMISSIONER BRISÉ:** Ms. Minor, you will have
23 to move forward. After Mr. Bowers, we're going to take
24 a ten-minute break for our court reporter to get a rest,
25 and we are going to probably switch court reporters at

1 that point. So after Mr. Bowers, we're going to take a
2 ten minute break.

3 **JIM BOWERS**

4 appeared as a witness and, swearing to tell the truth,
5 testified as follows:

6 **DIRECT STATEMENT**

7 **MR. BOWERS:** Good morning. I appreciate you
8 holding this hearing. My name is Jim Bowers, and I'm an
9 investor. I made a significant investment in the Lake
10 Gibson Estates area. I currently provide affordable
11 housing to 18 families that have the misfortune of being
12 served by Aqua Utilities.

13 We have owned these properties for a while,
14 and so we have the experience of the prior providers.
15 And I'm not going to restate all of the consumer
16 complaints that you have heard here, but it's the same
17 thing times 18.

18 My concern is just like any business, just
19 like Aqua Utilities, is getting an adequate return on my
20 investment, and it has seriously been eroded in the last
21 two years. When we have an empty apartment, the first
22 question that prospective tenants ask, "Who is your
23 water service?" And when we tell them Aqua Utilities,
24 no thanks, that's the end of the conversation. So it
25 puts us in the position of having to compete against

1 properties that are just a mile away that are served by
2 Polk County Utilities or served by the City of Lakeland.

3 We are between the two, so we have competition
4 on all sides of us. We are in the little enclave being
5 served by a publicly sanctioned monopoly who has the
6 ability to pretty much treat people any way they want to
7 and charge whatever the Commission will allow them to
8 charge.

9 I would submit that the rate of return for a
10 monopolistic publicly sanctioned utility should not be
11 the same as a private enterprise that has to compete
12 like I do. I think when you put some money at risk, you
13 should get a return, an adequate return. But in the
14 case of a regulated utility, where's the risk? I mean,
15 I just don't see it.

16 I think there's a lot of good issues, and you
17 have heard prior speakers talk about smoke and mirrors
18 with the records that are used to justify the increases,
19 maintenance versus investment, length of time of the
20 return, all of these things. And I'm hopeful that this
21 newly composed Commission will take a lot stronger and
22 harder look at those issues than the prior Commission
23 did. I just feel that we have really had a disservice
24 in the prior Commission.

25 Just to kind of put it in perspective, the

1 people have talked about their water bills, but I did a
2 comparison of my competition from the City of Lakeland
3 and Polk County served properties. For an average
4 family using 7,000 gallons a month, Aqua Utilities under
5 the new rate structure will be charging \$65.02. No
6 sewer, that's just water. The City of Lakeland for the
7 same amount of water will charge \$26.77, and Polk County
8 will charge \$21.58. So we are experiencing anywhere
9 from two-and-a-half to three times the water rate from
10 Aqua Utilities, and our only choice to keep our
11 apartments rented is to discount our rent, and we have
12 to disclose to our prospective tenants that, you know,
13 we're sorry, you're going to get a \$60 water bill and
14 all we can do is give you a subsidy on your rent to
15 offset it, and that's coming out of my pocket.

16 So, again, you know, please consider the
17 return on investment to the people who have invested in
18 the community. And if you get a chance to drive through
19 the Lake Gibson area, take a look at the abandoned
20 properties. People have just walked away. People that
21 have had their houses foreclosed, and I understand that,
22 you know, there is other issues besides the water, but
23 when they say that that's the nail in the coffin for
24 them, that they are going to just walk away from it.

25 I came very close to purchasing another

1 property on a short sale in the neighborhood, and when I
2 got this last increase letter, I said that's enough.
3 There is no way that I am spending more money in that
4 neighborhood. That property will become a bank-owned
5 property. It will be a vacant property, and it
6 contributes to the blight in the neighborhood that is
7 really just totally uncalled for. And I appreciate your
8 time.

9 **COMMISSIONER BRISÉ:** Thank you. Are there any
10 questions?

11 Thank you very much. At this time we are
12 going to go ahead and recess for about ten minutes.

13 (Recess.)

14 **COMMISSIONER BRISÉ:** Okay. We're going to
15 reconvene at this time. But before you come up, I think
16 we have to enter maybe one or two things into the
17 record. So if our Staff attorney could guide us through
18 that.

19 **MS. BENNETT:** For Mr. Bowers we have composite
20 Exhibit 45 or, I'm sorry, Composite Powers would be
21 Exhibit 45.

22 (Exhibit 45 marked for identification.)

23 **COMMISSIONER BRISÉ:** Thank you.

24 **MS. BENNETT:** And, additionally, Ms. Koloze,
25 who spoke earlier, has her bills, so we are making

1 copies of that. We'd ask that that be identified as
2 Composite Koloze Exhibit 46.

3 (Exhibit 46 marked for identification.)

4 **COMMISSIONER BRISÉ:** Thank you. Okay. At
5 this time we're ready to proceed with our next speaker.

6 **MR. KELLY:** After Ms. Minor will be Mr. --
7 well, I don't know if it's male -- L. F. Hines.

8 Whereupon,

9 PATRICIA MINOR

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

13 DIRECT STATEMENT

14 **MS. MINOR:** Hi. My name is Patricia Minor. I
15 live in the Lake Gibson Estates area. And a lot of the
16 stuff has been covered. I just want to say that before
17 Aqua took over my bill was 40, then it went up to 80,
18 166. My last one was 224, and now it is 289. And I
19 live in 1,100 square feet with one carport, one
20 15-year-old daughter, and I'm a single mom. I don't
21 have a pool, don't water my weeds in my now sand. And I
22 just don't understand. I think the bill speaks for
23 itself. You know? I mean, how is that possible?
24 Seriously. I mean, I limit my daughter's time in the
25 shower. I set a timer literally. I go crazy if she

1 turns on the water hose. I wash my vehicle somewhere
2 else. I do everything I can to try to conserve. I do
3 the dishwasher once a week; I mean, everything that I
4 possibly can. And I just don't see how I can incur that
5 kind of bill.

6 I would like to sell my house and move at this
7 point, I've lived there 14 years, and it's not possible.
8 I mean, how can I sell my house when I have a \$300 a
9 month water bill? Who's going to do that? That's more
10 than my electric bill. I never thought that I would pay
11 more for my water than my electricity.

12 And, you know, I heard the Aqua man stand up
13 here and say that the prices are reasonable. How can he
14 stand here and say that? Seriously. I mean, it just
15 like -- and, you know, everyone in my neighborhood feels
16 the same way. I speak for a lot of them. My friend
17 back here lives on Jack Grandon (phonetic) and he's the
18 same way. No houses are selling. You can look in the
19 neighborhood. If you just drive around and look and
20 see, you'll see that all the homes are -- I mean, what
21 can you do?

22 So I'm pleading for my daughter and myself.
23 I'm a hairdresser; the economy has hit my business. And
24 I'm about to lose what little bit I have, and that's my
25 home. So I just want to thank you for at least hearing

1 us out. The last time I went to a meeting I felt very
2 helpless and I left feeling hopeless, and at least I
3 feel like somebody is listening, and I want to thank you
4 for that.

5 **COMMISSIONER BRISÉ:** Thank you very much. Are
6 there any questions? Thank you very much for your
7 testimony.

8 **MR. KELLY:** L. F. Hines, and he'll be followed
9 by Mr. John Healy.

10 Whereupon,

11 L. F. HINES

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

15 DIRECT STATEMENT

16 **MR. HINES:** Thank you for this opportunity to
17 express my opinion on this rate increase. And I
18 especially would like to thank the Public Counsel for
19 filing the petitions to, to give us this opportunity.

20 And I'd like to take you back before your time
21 to 2008. I got a notice of a rate increase. They
22 claimed that they had spent \$430,000 in Polk County, an
23 average of \$2,200 per customer specifically to upgrade
24 lift stations that pump waste from collection points to
25 the system, to the sewage treatment facility, as well as

1 replacing deteriorating pipe that carries the waste to
2 the plant as required by the Florida Department of
3 Environmental Protection. A rate increase is necessary
4 for the utility to be given an opportunity to recover
5 those additional expenses. They call this improvement.
6 I call it maintenance. If you've got a pipe that you've
7 been using and you've got to replace it, that's not an
8 improvement, that's just a new pipe to do the same job.
9 And I have a problem with whether or not this has been
10 done.

11 Replacement -- I looked up in the dictionary
12 to be sure I knew what replacement was, if I can get to
13 it. According to *Webster's Dictionary*, replace, number
14 one, is to restore to a former place or position.
15 Number two is to take the place of. Or number three, to
16 put something new in place of. I couldn't find anybody,
17 I've been there since '03, and I can't find anybody that
18 saw them replacing any pipes. To replace these pipes
19 you'd have to dig them up and put in new pipes. I can
20 assure you that hasn't been done.

21 But when I moved to Rosalie -- I am from
22 Rosalie Oaks. I don't think I told you. Apparently I'm
23 the only one here. I moved there in '03 and my water
24 bill average was \$40 to \$45 a month. At that time it
25 was Crystal River, but before the year was out it was

1 Aqua and it was \$40 to \$45 a month. Now I'm paying
2 \$54.47 flat rate whether I use a drop of water or not,
3 and my water bill has more than doubled since Aqua took
4 over.

5 Every gallon of water that goes through the
6 meter we're charged for wastewater. If we wash the car,
7 if we wash the trailer, wash the driveway, we're charged
8 for wastewater. And I don't believe that's fair either.

9 And my wife and I are both on Social Security,
10 and, as you've heard, we don't get any increases
11 anymore. They claim that the cost of living is not
12 going up, but our water bills sure are. And I don't
13 know, do you people ever go out and see these water
14 systems, how they work? No? They're all automatic.
15 There's nobody sitting out there running them. And as
16 long as everything is going good, all they're paying for
17 is electricity and chemicals.

18 **COMMISSIONER BRISÉ:** Sir, you have about a
19 minute.

20 **MR. HINES:** Pardon?

21 **COMMISSIONER BRISÉ:** You have about a minute.

22 **MR. HINES:** Oh, about a minute?

23 Okay. Shortly after they got the last rate
24 increase which doubled our bills, they put in all new
25 meters. Now they can -- they didn't do that for our

1 benefit. It didn't change our water a bit, we still
2 have the same water, but they can drive down the street
3 and read our meters.

4 And I have three bills, the first three -- or
5 January, February, and April. I question the, how
6 accurate these meter readings are. The three bills are
7 all exactly the same amount, 2,700 gallons for each
8 month. The odds of that happening are slim to none. So
9 I think Aqua is more interested in their shareholders
10 and owners than they are their customers.

11 **COMMISSIONER BRISÉ:** Thank you, sir.

12 **MR. HINES:** Thank you.

13 **COMMISSIONER BRISÉ:** Okay. Do we have any
14 questions? We have a question from a Commissioner.

15 **COMMISSIONER BROWN:** This is a question for
16 Mr. May. Mr. Hines referenced a question about the
17 deteriorating pipes in Polk County, and has, have they
18 been replaced by Aqua?

19 **MR. MAY:** Can we at some break communicate
20 with our engineer on specifically what has been done in
21 Polk County?

22 **COMMISSIONER BROWN:** I'm amenable to that.

23 **COMMISSIONER BRISÉ:** Any other questions from
24 any other parties? Yes.

25 **MS. BRADLEY:** Mr. Commissioner.

EXAMINATION

1
2 **BY MS. BRADLEY:**

3 Q Do you have any idea when -- you said you got
4 three bills that were exactly the same amount. Do you
5 have any idea when that occurred?

6 A I've got the bills right here.

7 Q Okay, sir.

8 A Would you like to see them?

9 Q January through April?

10 A Pardon?

11 Q Is it January through April, somebody said?
12 The months that you got those three identical bills.

13 A Yeah. It's January, February, and April.

14 Q Would you mind if we make copies and put those
15 in the record?

16 A Not at all.

17 **MS. BRADLEY:** Okay. Thank you.

18 **MS. BENNETT:** That would be Exhibit 47, and
19 we'd call it Composite Hines.

20 (Exhibit 47 marked for identification.)

21 **COMMISSIONER BRISÉ:** Mr. Kelly.

22 **MR. KELLY:** Mr. John Healy, followed by Norman
23 Duncan.

24 Whereupon,

25 JOHN HEALY

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

4 DIRECT STATEMENT

5 MR. HEALY: My name is John Healy. I live at
6 35036 Carl Avenue in Zephyr Shores. I don't think Aqua
7 has a thing on their ledger board about repairs because
8 everything they use is -- they want to pass off as
9 capital improvement. If they use probably a
10 quarter-inch bolt, it's probably capital improvement
11 instead of normal repairs, maintenance and repairs. And
12 I think they ought to change the state law so when the
13 companies apply for a rate increase, instead of
14 everything being done when the snowbirds are up north,
15 you wouldn't be able to fill -- you'd more than fill
16 this place up if this hearing was held in December. We
17 pay 54 dollars and some cents per month whether we use a
18 drop of water or not, and that is totally ridiculous.

19 We know of people up in Michigan that have a
20 small place with five apartments. Water only, the water
21 bill is between \$50 and \$60 a month for five units.
22 Then we've got this ripoff system down here.

23 I think the county should be taking over all
24 these systems, do away with these profit companies.

25 Thank you.

1 **COMMISSIONER BRISÉ:** Thank you very much. Any
2 questions of Mr. Healy?

3 **MR. KELLY:** Mr. Norman Duncan followed by
4 Mr. Gordon Mehrman.
5 Whereupon,

6 NORMAN DUNCAN

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

10 DIRECT STATEMENT

11 **MR. DUNCAN:** Commissioners, my five minutes
12 starts. A lot of this is way beyond your control. You
13 have staff that you train and turn loose to build
14 regulations. The regulations are monstrous. I had a
15 water system for nine years. I just dumped it two
16 months ago, thank goodness. It was regulated by you. I
17 thought if you kept the customers happy and you lived by
18 the health department, everything would be all right,
19 and you'd go for a rate increase and you'd get a
20 reasonable rate increase. No. You have to hire
21 somebody from your staff, and I wasn't big enough to do
22 that and do it properly. Aqua does it. Aqua uses
23 people that -- and they should. There's nothing wrong
24 with that. They're taking advantage of the system and
25 working it. The only way that can be changed is bring

1 your regulations in line with reasonable rates as an
2 intent, not as a byproduct, as an intent.

3 You have a situation where the health
4 department in the last couple of years has increased on
5 a small system very comparable to Breeze Hill where I
6 live, to the system I owned, very comparable, and the
7 rates are \$30 different for water. Now that's not an
8 accident; that's just somebody using the system and
9 doing it properly, and I can't find fault with them for
10 doing that. I wasn't capitalized enough that I could do
11 it. But you people need to take a look at your
12 regulations. The health department has jumped
13 (phonetic) \$5,000 or \$6,000 on a system in the last two
14 years. That you can't recover from the system until you
15 spend the money and get a rate increase and down the
16 road you get it. But meanwhile you end up two years at
17 \$10,000 that I'm out before I can get a dime from the
18 customer. And so the regulations are prohibitive
19 because of staff development of the regulations, and the
20 fact that you have to use a staff -- not a staff working
21 for the state, you hire somebody that retires so that
22 you can work the system or get a good accountant. I
23 wasn't big enough to do either. That's one.

24 Now I will stop there. But please take that
25 into account, take it back. It really needs addressing.

1 I mean, the books you have to comply with your
2 regulations are incredible. And where a bookkeeper
3 could work two hours a day and get it in in a small
4 water system, they need the four and five hours a day to
5 keep track of things so it can be brought back to you
6 later for a rate increase. I didn't do it, so I lost my
7 butt. That's my fault, not yours.

8 We have a situation -- I live in Breeze Hill.
9 I'm a retired certified state contractor, sewer
10 contractor. I know a little about sewer. I've been
11 doing it in Polk County since 1935 except for a ten-year
12 period I wasn't available. We moved into Breeze Hill, a
13 retirement community. I lost my wife, remarried. Now
14 I'm on Social Security and I run a mail delivery at
15 night so that I can pay the house bills. I work eight
16 hours a night seven days a week all year round, and I'm
17 not complaining. That's not the regulation's fault.
18 The rates are not their fault. But when I sit here and
19 hear this gentleman say he offered housing to the people
20 that were just sewer -- washed out by the backed up
21 sewer, he is -- nothing personally, but that's a lie.
22 That's not true. I was not offered any housing. The
23 last time this happened, December last year,
24 December 17th, last year -- yes, I'm upset.
25 December 17th last year I was not offered housing. I

1 lost two of the bedrooms in my house, took seven months
2 to get them back in line. You self-insure. It takes
3 two or three people to get -- two or three days to get
4 in touch with the people that self-insure. They never
5 direct you -- like if you call an insurance company,
6 they send an adjustor out. He never sent anybody out.
7 And you -- it is lack of service.

8 **COMMISSIONER BRISÉ:** Sir, you have about a
9 minute.

10 **MR. DUNCAN:** I have one minute.

11 **COMMISSIONER BRISÉ:** One minute.

12 **MR. DUNCAN:** I can't do it in one minute. No.
13 Right now I have a whole house that I can't use. It
14 took three days to get it clean, and it's still not
15 done. Now the walls are being taken out and it's going
16 to take a long time to get it done. They don't care.
17 They don't need to because you don't regulate them
18 because they're self-insured. So if they're
19 self-insured, it's out of the country. I'm going to
20 stop. This isn't enough time to really address the
21 issue. Thank you.

22 **COMMISSIONER BRISÉ:** There's a question from a
23 Commissioner, from Commissioner Balbis.

24 **COMMISSIONER BALBIS:** Excuse me, sir. Over
25 here. Thank you for coming and thank you for your

1 comments. And I'd like to have Staff -- give Staff an
2 opportunity to respond to your first comments on being a
3 small, a former small regulated utility. And then we
4 have what's called a staff assisted rate case. And if
5 Staff can --

6 **MR. DUNCAN:** It can't be applied --

7 **COMMISSIONER BALBIS:** -- the different options
8 for a utility to be regulated that might be more
9 cost-effective.

10 **MR. WILLIS:** That's right, Commissioner. The
11 statute does allow to reduce regulations to small Class
12 Cs, which Staff actually will put on rate cases to --

13 **MR. DUNCAN:** Oh, the Staff -- but the Staff
14 works for you and using your regulations, so they're not
15 working for me.

16 **MR. WILLIS:** Well, that's correct. We do put
17 it on based on the actual --

18 **MR. DUNCAN:** The regulation.

19 **MR. WILLIS:** -- costs and capital expenditures
20 of the small company.

21 **COMMISSIONER BALBIS:** One more thing. I've
22 got a question for you. Could you go into detail -- you
23 mentioned that you did have a sewer backup in your
24 house.

25 **MR. DUNCAN:** Yes.

1 **COMMISSIONER BALBIS:** When did that happen?
2 When did that happen?

3 **MR. DUNCAN:** Friday night they sent somebody
4 down. He said he can't do anything, he had to get
5 somebody from Crystal River, I believe. He sent -- and
6 the guy did show up, and by that time it was about that
7 deep in the bedroom. And I went outside and unplugged
8 my RV hookup, which allowed it to stop building up.
9 Because the entire street was backing up into my
10 system -- this is over five minutes, over, but it's your
11 five minutes -- backing into my house.

12 Okay. The sewer, mainline sewer was plugged
13 out in front of my house. That's exactly the same place
14 it happened December 17th, last year. Same place. They
15 say they fixed the system. Well, if he fixed it, he
16 didn't hire me to do it because I don't stand behind
17 that kind of work. It's not fixed.

18 And so then the next day it was draining
19 through a line. Their system became overloaded. They
20 hauled tanker trucks out of there, and it -- by that
21 time they had relieved my system by cleaning the line
22 and dropped the sewage through mine. I took the toilet
23 out of that bathroom and drained the sewage in there
24 back through the RV area out. And I'm not going to
25 mention it went in the lake.

1 They -- evidently the sewer plugged again.
2 After they cleared my line, their system, the lift
3 station was overloaded because of the 100-year storm we
4 had, which is a true 100-year storm. And the sewer
5 backed up from there to the house on the lift station
6 side of my house and flooded the whole house. Dubious
7 responsibility there. I mean, a 100-year storm is a
8 100-year storm, but I got in it before the 100-year
9 storm twice. And that was with your pipe fixed both
10 times, so.

11 **COMMISSIONER BALBIS:** Thank you. I don't have
12 any other questions.

13 **COMMISSIONER BRISÉ:** Any questions, any other
14 questions?

15 **MR. MAY:** No, sir. Thank you.

16 **MR. DUNCAN:** Pardon me?

17 EXAMINATION

18 **BY MR. MAY:**

19 **Q** I did want to offer, if you could -- after the
20 meeting we'd be glad to talk with you. Did you call the
21 company on Friday?

22 **A** Oh, sure. I called -- you can't call
23 Lancaster, Pennsylvania, on Friday. I called your
24 emergency line, and they responded. You've got a
25 gentleman back there that was working on it yesterday.

1 They responded. The insurance and the -- was where I
2 had problems, but not the field. Okay?

3 Q Thank you, sir.

4 A And as far as staying on the meeting, I can't
5 stay all day. I've got work to do. I've got to go to
6 bed so I can deliver papers tonight.

7 COMMISSIONER BRISÉ: Thank you.

8 Mr. Kelly.

9 MR. KELLY: After this gentleman, I apologize,
10 I butchered his name, it will be Ms. Katherine Erdly.
11 Whereupon,

12 GORDON MEHRMAN

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

16 DIRECT STATEMENT

17 MR. MEHRMAN: Hi. My name is Gordon Mehrman.
18 I'm glad to be here, but I just want to start out by
19 saying I totally disagree with these guys that are
20 saying it's okay for them to do what they're doing
21 because they can do it within the parameters of the law.
22 I mean, right is right, wrong is wrong, and they're
23 just -- to me it's disgusting what they're doing.

24 And I would just like to speak a little bit
25 about how they run their company. Within a three-year

1 period we had two six-month periods where we received
2 our bills with zero -- and I've never done this before
3 so I'm a little bad at it -- we had two six-month
4 periods where we had two -- we were billed for zero
5 gallons. We were billed between \$40 and \$55, \$45 and
6 \$55 just for, just to have them.

7 And it -- and we, and we did call to try to
8 correct the problem, and we were asked if we had a leak
9 and they were going to send somebody out and look for a
10 leak or what have you, which kind of speaks to the
11 intelligence of the person we're talking to. I mean, we
12 tell them we're getting billed for zero gallons and
13 they're asking us if we've got a leak and they'll send
14 somebody out. And that happened twice. There was two
15 six-month periods where that happened.

16 And we had a case where we had a broken meter
17 box, and I was, I was -- and they had just put in their
18 automatic reader. And I figured the guy would come out
19 and they'd put a new box on there. No. I put a couple
20 of 2x4s over there just so something would kind of
21 protect it. And finally after a few months I went ahead
22 and bought one myself and stuck it on there.

23 And there was one more thing I was going to
24 mention, but, like I say, I've never done this before,
25 so I'm a little nervous.

1 **COMMISSIONER BRISÉ:** Take your time. That's
2 okay.

3 **MR. MEHRMAN:** And as far as the people on the
4 other end of the phone too, the second time, during the
5 second six-month period my wife had called, and after, I
6 don't know, a couple of weeks or whatever, a month, and
7 the lady on the phone acted indignant. Said, "Well, I
8 see this has been going on for quite a while," you know.
9 Because when I got home my wife was kind of upset. She
10 said, "Gee, the lady was mad at me because I'm reporting
11 the fact that we're getting billed for zero gallons."
12 And then, of course, after the second six-month deal we
13 got a \$1,200 bill that implied that we're supposed to
14 pay it right away. And when I called about it I talked
15 to Patrick, whoever he is, he was a very nice person,
16 you know, he was really nice to me, but I asked him, I
17 said -- he said I couldn't -- I wanted to talk to
18 somebody else besides the person that picked up the
19 phone because I know they've got no answers, and he just
20 said, "We can't do that." I said, "I just want to talk
21 to your" -- "We can't do that." That's all he said. So
22 I'm not complaining about him. He was a good guy. But
23 apparently that's company policy, and that's about it.

24 **COMMISSIONER BRISÉ:** Thank you, sir. And if
25 there's any questions.

EXAMINATION

1
2 BY MR. MAY:

3 Q Two things. Just to clarify for the record, I
4 did not get your last name. Mr. Mehrman?

5 A Mehrman, M-E-H-R-M-A-N.

6 Q M-E-H-R-M-A-N? And the, during the period
7 which you received two -- I guess there were two
8 six-month periods where you were billed for zero
9 gallons. Around what time, what years was that?

10 A One was the end of last year and it rained --
11 I've got, I've got the bills here. I was going to let
12 you -- if y'all want a copy of them, if you can make
13 heads or tails out of the one we got after it was all
14 over with. And then it was sometime before that.

15 MR. MAY: Okay. Thank you, sir.

16 COMMISSIONER BRISÉ: Sir, one question from
17 me. If you could state the system that you're --

18 MR. MEHRMAN: Oh. Lake Gibson Estates. I'm
19 sorry.

20 COMMISSIONER BRISÉ: Thank you.

21 UNIDENTIFIED SPEAKER: Excuse me. Just as a
22 safety thing, this podium keeps moving. I think it
23 needs to be locked. Because if we get someone that's
24 not steady on their feet and they go to fall, we've got
25 a little more problem than Aqua Utilities.

1 **COMMISSIONER BRISÉ:** Okay. We'll ask if
2 someone could take a look at that podium for us.

3 (Podium locked into place.)

4 Okay. At this time -- Commissioner Brown
5 asked a question of the company, so at this time we're
6 going to give them the opportunity to answer.

7 **MR. MAY:** Thank you, Mr. Chairman. And,
8 Commissioner Brown, we've had an opportunity to consult
9 with our engineers and technical staff.

10 With respect to the piping improvements and
11 the additional piping in Polk County, as you heard,
12 throughout the county in many different situations one
13 of the most common is when there is a line break. The
14 lines at that time are repaired, replaced, and
15 refurbished. In addition, as Mr., Mr. Fox indicated at
16 the outset, there is a substantial infiltration, INI, a
17 project that was done in the Breeze Hill area that he
18 was referring to in his opening as far as pipe
19 replacement, line replacement, and refurbishments. We'd
20 be glad to provide some additional information on that
21 in our rebuttal testimony on November 3rd.

22 **COMMISSIONER BROWN:** That would be great.
23 Thank you.

24 **COMMISSIONER BRISÉ:** Thanks very much. I do
25 think at this time we do have some items that we need to

1 put into the record.

2 MS. BENNETT: That's correct. Exhibit 48
3 would be Composite Mehrman.

4 (Exhibit 48 marked for identification.)

5 COMMISSIONER BRISÉ: Thank you very much.

6 MS. BRADLEY: Mr. Commissioner, since you're
7 moving in some other exhibits, one of the, one of the
8 customers didn't want to speak but he asked that his
9 bills be placed into the record. It was Mr. Downy. And
10 if we could move those in at this time.

11 MS. BENNETT: That would be, excuse me,
12 Exhibit 49, Composite Downy.

13 (Exhibit 49 marked for identification.)

14 COMMISSIONER BRISÉ: Thank you very much.

15 Mr. Kelly.

16 MR. KELLY: After -- following Ms. Erdly will
17 being be Peggy Mounts.

18 Whereupon,

19 KATHERINE ERDLY

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

23 DIRECT STATEMENT

24 MS. ERDLY: Good morning. I'm more nervous
25 than the last guy. My child decided to sit on my

1 bladder, so I have to go to the restroom as well. But
2 my name is Katherine Erdly, and I live in Lake Gibson
3 Estates.

4 And I just want to thank this gentleman for
5 speaking on behalf of us. And a lot of the items I
6 wanted to mention were some things that other people
7 have already mentioned, but I'll try not to touch base
8 on those.

9 But there was an instance where our line had
10 broke, and because the water bill was so much I had
11 called right away because I didn't want my bill to go
12 up. Well, when the guy came out and said it wasn't a
13 bother to him to fix it because it wasn't on my end of
14 the paying side.

15 So I don't think it's fair that my children
16 get baths every other night, that my husband and I go to
17 the bathroom at the same time because we don't want to
18 flush. And, I mean, because the water is a lot, but the
19 sewage is much more. So I feel like I'm walking around
20 on eggshells because I can't use my water, and I don't
21 think it's fair that I'm drying everything I can to
22 conserve but my bill keeps going up.

23 When I first moved in there it was \$60 a month
24 approximately. It's now \$130. I have two children, so
25 I don't see how mine is the same as people who have only

1 two people living in their house. I don't water the
2 lawn. I don't have a pool. I do know somebody who has
3 a pool. They fill it up. Their water bill is the same
4 price as mine. I'm conserving. I'm hoping they're
5 conserving. I know when I worked for companies, I
6 didn't go with the first, the first bid I got. We went
7 and got several bids. We tried to do the best for, for
8 our, our customers, our clients to get them the best
9 price. I don't know that they're doing the same thing.

10 With my church, every quarter meeting we have
11 they, they pass out papers to let us know how much money
12 is coming in, how much money they've spent on the
13 building, how much money they've spent on this, that,
14 and the other. I get papers that show me where the
15 money is going. On this paper here it says that they're
16 requesting a rate increase to cover increasing operating
17 costs and to earn a fair rate of return on its
18 investment. I'm unfamiliar if this is available to me,
19 the consumer. If it is, I'd love to see it. If it's
20 not, I'd love to see it as well. I don't know if that's
21 something that is available to me.

22 The lady was -- or somebody was speaking on
23 alarms. That'd be great, but is that going to cost more
24 money? Everything I'm saying is just bullets that I
25 have here written down, so forgive me.

1 Personally my, my -- for child support, I
2 can't even request something until another three years.
3 It's only been two years for them, so I think it's a
4 little soon to be asking for more money. How many
5 meetings are we going to have because the rates just
6 keep increasing? Like I said, I'm doing everything
7 possible to save water and I'm not seeing it on my bill.
8 And we live in Polk County, not in Beverly Hills.

9 And I, I see myself as the first, like,
10 youngest person here, but I've never been able to come
11 any other time because I've been working. I don't work
12 now, but I know that I speak on behalf of my whole
13 neighborhood, if they could be here, they would. And I
14 really appreciate you letting me reiterate on a lot of
15 the things other people have already spoke of. And I
16 think that's it. Thank you.

17 **COMMISSIONER BRISÉ:** Thank you very much.
18 Okay. Thank you very much for your testimony.

19 **MR. KELLY:** Following Ms. Mounts will be Hazel
20 DeBoard.

21 Whereupon,

22 PEGGY MOUNTS

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

DIRECT STATEMENT

1
2 **MS. MOUNTS:** My name is Peggy Mounts. I live
3 in Breeze Hill. Oh, sorry. Thank you. I live in
4 Breeze Hill. My name is Peggy Mounts.

5 When we bought our house in Breeze Hill three
6 years ago, our water bill was \$42, and it remained that
7 until the first of this year. And it doubled and then
8 it kept going up. And now, I got my bill yesterday, and
9 it's \$100.88 and I don't see any reasons for it. And
10 there's been months that it has been identical bills. I
11 think April, March and April, May, you know, that's
12 happened several times over the last three years. So --
13 and then if they get these new rates they want with the
14 water and the sewage on them, it's going to be
15 astronomical and we're not going to be able to afford to
16 do that. As most of our people in Breeze Hill, they --
17 we're all retirees. We're on a limited income. We
18 don't make the salaries these men do. Look out here and
19 you'll see people like us that make maybe 30, if we're
20 lucky. We're all retirees, live on Social Security or a
21 small pension. So we need help. We can't afford this.
22 That's all I have to say.

23 **COMMISSIONER BRISÉ:** Thank you very much. Any
24 questions? Thank you very much for your testimony.

25 **MR. KELLY:** Following Ms. DeBoard will be

1 Theresa Robinson.

2 Whereupon,

3 HAZEL DeBOARD

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

7 DIRECT STATEMENT

8 **MS. DeBOARD:** Hello. My name is Hazel
9 DeBoard, and I just wanted to say that -- and I'm from
10 Breeze Hill -- that that -- again, everything has more
11 than doubled. We -- the bills just keep climbing up and
12 up and up. And it is a retirement community, we're all
13 on fixed incomes, and it's very hard to keep paying
14 these bills. And it's getting to be where you're going
15 to either pay for your water bill or you're going to
16 have dinner. It's, it's not going to be both at the way
17 it has increased.

18 Also, I would like to say that -- my mind went
19 blank. It's -- my family was down in December and they
20 visited for a few weeks. But I'm not going to be able
21 to have that anymore because when you have your family
22 come down and you have teen-agers and they're in the
23 shower, and it's embarrassing to tell them that they
24 have to get in, wash, and get right back out like we do
25 because of the, of the price of the water.

1 And I want to address too the fact that I just
2 recently remarried and I became a snow bird again. And
3 I called Aqua, like I did some of my other utilities,
4 and asked to have it put on vacation, and I was told
5 that it was not possible. That -- I said, "Well, then I
6 want my water turned off." They said, "Well, we can't
7 do that." That "You will be billed for the base rate
8 every month." And I said, "Well, that's not fair. When
9 I'm not in Florida, I'm not using any water, I'm not
10 using any sewer, and I don't see where it's fair for you
11 to be charging me \$65 every month." And I was told,
12 "Well, the law says we're allowed to do that. It is
13 permissible, so we do do it." So it's not a thing, I
14 guess, of a moral issue, it's more of a law. And if the
15 law allows it, they're going to do it and it's going to
16 be as high as what they're able to charge. So that's
17 all I have to say, and I thank you very much for
18 listening.

19 **COMMISSIONER BRISÉ:** Thank you very much.

20 **MR. KELLY:** Following Ms. Theresa Robinson is
21 Ms. Crystal Barrett.

22 Whereupon,

23 THERESA ROBINSON

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

1 as follows:

2 DIRECT STATEMENT

3 MS. ROBINSON: Hello. Thanks. This is the
4 first time I've ever been to one. It's the first time
5 I've had a day off.

6 I want to start out by thanking whoever the
7 ladies were that stuffed our mailboxes in Gibsonia
8 Estates. That was very much appreciated. I know it
9 took a lot of time, gas, and paperwork.

10 One thing I do want to point out that is
11 different from what we've heard so far, I've got a way
12 you can possibly save money. I compared my bill, I live
13 alone, and I compared it with my elderly lady across the
14 street. She was paying less than \$30 a month. My bill
15 was over 60, sometimes 70. And I got to looking and it
16 was the size of the meter. I was paying for a meter
17 that would allow more flow of water to come through to
18 make the pressure more, you know, higher.

19 So I called Aqua. The first phone call I got,
20 the lady I got -- and as I explained to this gentleman,
21 I've never been treated rudely. I've been treated with
22 incorrect information. The first lady said, "Yes, you
23 can get your meter downsized, but it will cost you
24 money." I said, "How much?" She said, "I don't know.
25 I'll have to get back to you within three business

1 days."

2 A week later, my next day off, I called again.
3 I got a different agent, a service rep, and they said,
4 "Oh, no, that was incorrect. Because you're a current
5 customer we can exchange that out for you." And so that
6 saved me alone almost, I think, \$30 a month. So that's
7 something you need to check into. It's not so much the
8 shock factor of the bill. It's really look at the bill
9 and see what you're paying for; compare it with people
10 that are around you. That saved me.

11 But then again on the service side of it, it
12 did take me two billing cycles to get them to give me
13 credit once they made the repair. So I had to keep
14 calling. And to me -- the first time I thought, well,
15 it'll catch up. As a matter of fact, one of them did
16 tell me that, "It'll catch up on your next bill." The
17 next bill it didn't catch up. They had to go back and
18 see, oh, yes, in May of this year we do see where you
19 had the meter changed.

20 And these are the things -- these are the
21 facts of life. I'm not retired. I'm struggling. I'm a
22 property owner. I've never been late on my bill, I've
23 never been behind in my mortgage, and I've never been
24 behind on my property taxes, and I have made \$12,000
25 this year. And I can't continue.

1 **COMMISSIONER BRISÉ:** Take your time. It's all
2 right.

3 **MS. ROBINSON:** I'm not against profit, but
4 please not against those of us who are struggling. This
5 is a good country, but I think there comes a time when
6 you've got to step up and do the right thing in the
7 corporate world and, and do what's right for the
8 Americans.

9 As far as -- I'm sorry. Okay. Breathe. I
10 had considered renting my house out. I had someone that
11 was interested. And when they found out about the
12 rates, she said, "I can't afford that." And now from
13 what I'm hearing from everybody else, I wouldn't even
14 consider putting it up because it would just go through
15 the aggravation, the, the hope of someone saying, yeah,
16 I'd like to live in this nice, quiet neighborhood. Oh,
17 gosh, now I can't even afford it.

18 And talk about being frugal, my Lakeland
19 Electric bill was only \$70 this month. You want to talk
20 about living frugal, I haven't had air on in a month. I
21 leave the windows open. So think about the little
22 people like me. Thank you.

23 **COMMISSIONER BRISÉ:** Thank you very much.

24 **MR. KELLY:** After Ms. Barrett, the next
25 speaker is Keldwyn Garland.

1 Whereupon,

2 CRYSTAL BARRETT

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

6 DIRECT STATEMENT

7 MS. BARRETT: Good afternoon. Can you hear me
8 okay?

9 COMMISSIONER BRISÉ: Come a little bit closer
10 to the mike.

11 MS. BARRETT: Thank you. Thank you so much
12 for being here and for the opportunity for us to be
13 here. My name is Crystal Barrett, B-A-R-R-E-T-T. I'm
14 served by the Lake Gibson Estates, both water and
15 wastewater/sewer customer. I've lived in my home since
16 February of 1972, 39 plus years, and I've been served by
17 this system ever since then.

18 I had the opportunity to attend the October
19 meeting here in Lakeland. It was an eyeopener for me,
20 an experience, and a learning experience. And I
21 appreciate your Staff so much for their patience and
22 their help that they've given to me in answering
23 questions that I had along the way, and I'm still asking
24 questions.

25 I do have my bills today, and I not only -- I

1 took out -- I think it's four of the bills, I made
2 copies of them. The bills are very clear. There is no
3 question how much we use. The disclosures on them are
4 very clear. We can see the progression of how these
5 rate increases have impacted us. I can't say that my
6 rates were unaffordable prior to April 1 of 2009. The
7 rate increase that went in effect then, everything went
8 haywire after that.

9 I have the bill of March 5th, 2009. I'm
10 caregiver for my mother. She just turned 90 in July --
11 not 90 -- 100 in July. She has dementia. I'm her
12 full-time caregiver. I have someone with her now that I
13 hired to be with her so that I could be here today.

14 This bill for March, we had just moved my
15 mother back into my house. She's living with me. I had
16 been taking care of her in her home. My bill was for
17 700 gallons total usage for the month. My total bill
18 was \$63.03, but it's clear the base facility charge at
19 the time was only \$9.45. My sewer base facility charge
20 was a flat rate of \$51.58. There was no gallonage
21 charge for sewer at the time. All that changed with the
22 rate increase of April 1, 2009.

23 The 700 gallons of water at that time, we were
24 only paying \$1.37 per 1,000 gallons. My water charge,
25 the gallonage charge for my water was 96 cents. So I

1 estimated -- I broke it all down. My water base charge,
2 \$9.45. My sewer base charge, \$51.58. Total base rates,
3 \$61.03. The water gallonage charge, 96 cents. My total
4 Aqua charges, \$61.99.

5 **COMMISSIONER BRISÉ:** Ma'am, you have one
6 minute left. You have one minute left.

7 **MS. BARRETT:** Okay. And then we have -- then
8 my total bill including tax, \$63.03.

9 Fast forward to September 8th, 2011. My usage
10 here is 5,600 gallons. My total bill, one
11 thousand forty-- \$146.42. My water base facility
12 charge, \$18.52. My sewer base facility charge has gone
13 down to \$35.95. My sewer gallon charge, \$51.91. My
14 water gallonage charge, \$34.92. I've got it broken
15 down. But at the time of my first bill in March of
16 2009, I also made a comparison for 5,600 gallons. My
17 total bill at the time, Aqua charges would have been
18 \$68.70 because the gallonage rate was \$1.37 per 1,000.
19 Right now we're paying \$6.20 per 1,000.

20 **COMMISSIONER BRISÉ:** Thank you very much.

21 **MS. BARRETT:** That is quite a rate increase.
22 And I thank you for hearing me.

23 **COMMISSIONER BRISÉ:** All right. We'll see if
24 anyone has any questions.

25 Thank you very much for your testimony.

1 **MS. BARRETT:** Thanks.

2 **MR. KELLY:** After Ms. Garland, excuse me, the
3 next speaker is Ms. Patricia, I think it's -- is it
4 Mass?

5 Whereupon,

6 KELDWYN GARLAND

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

10 DIRECT STATEMENT

11 **MS. GARLAND:** Okay. Thank you for being here.
12 I'm really glad to be here. I couldn't make it last
13 October, I was out of town, and I was not going to miss
14 today.

15 It's my understanding that Aqua Utility bought
16 Florida Water Service, who was supplying our area at
17 Lake Gibson Estates -- oh, I'm Keldwyn Garland -- back
18 in 2004. At that time my bill was Florida Water Service
19 for sewer -- I only have sewer, I do not have water, and
20 I am sure glad from what I've been hearing today -- was
21 \$19.75. And when they took over, I had a credit of
22 \$19.75 with Florida Water Service, which Aqua Utility
23 continued to credit to me for months, and then
24 progressively over a course of almost two years
25 increased it until I had a credit with them of \$56.23.

1 And on April 19th of 2006 I called them and requested a
2 refund of this \$56.23 and was told I would have the
3 check in four to six weeks, and instead I got nothing.

4 I get a bill in June, June 28th for
5 \$288.26 for, with demand for immediate pay. I called
6 them and said, "I'm not immediately paying this to you.
7 I may owe it to you, but you didn't send me a bill for
8 it for two years." So I negotiated with them, and at
9 that time they said that my rate would be \$26.81. I
10 said, "Fine. I'll send you \$50 a month until we get it
11 paid off." Then a couple of months later I get another
12 demand bill for the pay. And I'm informed, "We've
13 changed our system and you have to pay us now."

14 And I could get nowhere with the people here
15 in Florida, so, as usual, when I'm dealing with
16 corporations and I get the runaround, I call the town
17 where they are, I get the local corporate number, and I
18 go to the CEO's office, and I did. And they had a woman
19 call me back who was head of customer services and she
20 worked with me. She still demanded it all get paid.
21 And at that time, of course, the bill was continuing to
22 build up. Well, we compromised and they knocked a third
23 of the bill off and I did pay it. I was having some
24 financial challenges at the time, and also it wasn't my
25 problem, it was their mess up.

1 So since then my bill has almost quintupled
2 because now for sewer alone, and I'm a single person, my
3 sewer bill is \$95.84, and that's unconscionable,
4 absolutely unconscionable. And I enter my 70th year of
5 life in January, and I will be retiring next year and my
6 income is going to dramatically drop. And as you've
7 heard other people here say today, they're on fixed
8 incomes. No way can we pay it. There will be no way I
9 can pay \$95.62 a month for sewer for one person who is a
10 former hippie, that recycles 95% of what I use, and goes
11 by the yellow/brown theory. Do you know that one?
12 Okay. And so I do not use an exorbitant amount of
13 wastewater. And I wash my dishes by hand; there's not
14 that many with being one person. And I have a well and
15 I filter my well water and that's what I use for
16 consumption and so forth. And I would not go on their
17 water.

18 But I think that the whole thing that is going
19 on is absolutely unconscionable with what Aqua Utilities
20 is doing. As you heard people say, they're inconsistent
21 in their payment dates and they're also inconsistent in
22 amount due as a result of that. They're very erratic
23 with it. I consider them loan shark extortionists with
24 what they're charging. And I -- it's a monopoly that
25 they have because there's, we have no other choices. A

1 couple of blocks or miles away we could go to Polk
2 County Utilities or we could go to Lakeland Electric,
3 but we don't have that choice. But if we did, I
4 guarantee you they wouldn't be charging this rate. They
5 probably wouldn't even be in here.

6 **COMMISSIONER BRISÉ:** Ma'am, you've got about a
7 minute left.

8 **MS. GARLAND:** Good. I've only got a couple
9 more things.

10 I am a licensed professional in this state,
11 and in the preamble of the statutes is -- while it's
12 laid out in the statutes, the whole purpose of the
13 statute is to protect the well-being of the public. And
14 I don't know if it's in your statute or not, but it
15 really needs to be, that your job is to protect the
16 well-being of us citizens of Florida, which are
17 predominantly retirees and older people. And I'm glad,
18 and I'm understanding when people say that there are new
19 people on the Commission because the Commissions in the
20 past have not looked out for the people of Florida, and
21 I sure hope that you all will and consider this. It is
22 absolutely unconscionable that there is not a designated
23 rate for retirees and fixed income people. That is very
24 different. If I had three, four, five children around
25 the house with all the showers and flushing and washing

1 cars, I could understand \$95 a month, but not for one
2 person. And I -- and as an old hippie, I don't water.
3 I don't use preservatives on my lawns, et cetera. I let
4 Mother Nature take it.

5 And it's just absolutely unconscionable what's
6 going on. I've got my bills back to 2006 for you so you
7 can see what I'm talking about.

8 **COMMISSIONER BRISÉ:** Thank you. It will be
9 entered into the record. Turn it in -- we'll enter it
10 into the record.

11 **MS. BENNETT:** This would be Exhibit 50,
12 Composite Garland.

13 (Exhibit 50 marked for identification.)

14 **COMMISSIONER BRISÉ:** Mr. Kelly.

15 **MR. KELLY:** I apologize, I cannot read the
16 last name. The first name is Patricia. Is there a
17 Patricia?

18 (No response.)

19 Okay. The next speaker will be, is Mr. Kevin
20 Burke, who will be followed by Mr. Jerry Sellers.

21 **UNIDENTIFIED SPEAKER:** Sellers had to go. He
22 had to go back to work.

23 **MR. KELLY:** Mr. Kevin Burke?

24 (No response.)

25 Mr. Carl Stulley. I think -- is there a Carl

1 B. Stulley?

2 (No response.)

3 Mr. Ron Davignon.

4 Whereupon,

5 RON DAVIGNON

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

9 DIRECT STATEMENT

10 **MR. DAVIGNON:** I'm Ron Davignon. Okay. That
11 works better. I own some rental property up in The
12 Woods subdivision south of Sumter County. I wasn't able
13 to make the meeting for that one. Mr. Kelly suggested I
14 come down to this one.

15 This is a small 61-unit facility out there
16 that is primarily elderly retirees that live on fixed
17 incomes. And I bought the three units about three years
18 ago -- about five years ago when the -- prior to Aqua's
19 ownership. The rates have gone up about three times,
20 like everybody else. The service is poor. I have
21 tenants calling about black water, brown water, and I
22 tell them I obviously can't do anything about that.

23 I have had to discount their rent somewhere
24 around \$150 a month on these. I noticed in this
25 publication it says for The Woods the average rates of

1 \$78.10. I'm not sure where that came from because
2 there's a \$75 minimum charge before any usage occurs.
3 These people are on the average hitting for \$175 to \$200
4 a month out there right now, and that's for four or five
5 thousand gallon usage. It's completely outrageous. And
6 it's the usual thing that everybody else has tallied out
7 here.

8 My observation here is that the frustration
9 everybody has is misplaced towards Aqua. You guys and
10 the Legislature are the ones who are allowing them to do
11 this. There's where the problem needs to get fixed.
12 It's criminal for you to be allowing them to charge
13 people \$75 a month -- they can't even disconnect the
14 service from to get out from under it. If you can't
15 afford to live there and leave, they'll put a lien
16 against your house, continue charging the base rates.
17 That's, that's unconscionable. Let alone the process of
18 if somebody uses water outside the house, they cannot
19 get an exemption for having sewage on that. There's no
20 excuse for that.

21 You guys ought to have trouble sleeping at
22 night if you're going to continue to allow this kind of
23 stuff. This has been going on for years, so this is not
24 new here. There's a lot of frustration here. In my
25 case it's only a problem of my investment. The real

1 estate venture I've done has turned out rather poor. I
2 can't sell it. The rents are a whole lot lower than
3 they should be because we're having to subsidize this.
4 But there are a lot of people here who are stuck in this
5 on a fixed income situation and it's very, very bad for
6 them, and there's no reason to allow this. This
7 justification game they're playing can be, can be dealt
8 with. If the county, a government entity can provide
9 water and sewer service for one-third of what they're
10 charging, you need to look at the justification games.
11 High dollar lawyers, overpaid executives, and various
12 other overhead costs are not justifiable in the real
13 world. You need to take a look at that. That's about
14 all I've got to say. Any questions?

15 **COMMISSIONER BRISÉ:** Thank you very much, sir.

16 Mr. Kelly.

17 **MR. KELLY:** The next speaker is Mr. Bill
18 D'Agonstino. Mr. D'Agonstino?

19 (No response.)

20 And the last person I have signed up is
21 Mr. Frank Reams.

22 Whereupon,

23 **FRANK REAMS**

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

1 as follows:

2 DIRECT STATEMENT

3 MR. REAMS: Thank you. I'm Frank Reams. I
4 live in Zephyrhills, Florida.

5 MR. MAY: Could we get a copy of what you just
6 handed out, sir?

7 MR. REAMS: I'm sorry. I've only got four.
8 I'll give you this when I'm finished.

9 MR. MAY: That's all right.

10 COMMISSIONER BRISÉ: Okay.

11 MR. REAMS: Okay. I'm going to be very brief,
12 but I've sat here and I've listened to a lot of the
13 complaints, and one thing that troubles me, in the 2008
14 rate case, Mr. Franklin from Aqua Utilities stated that
15 this company had been in business for over 100 years.
16 You'd certainly think in 100 years they could get
17 something as simple as a customer's bill correct the
18 first time. You know, this is, this is just
19 unreasonable.

20 What I have here, I've been through all the
21 testimony that's been submitted, and on the back page is
22 page 8 of 9 pages which was submitted by Aqua that's all
23 back billing. My concern, what I have highlighted here
24 is the Summit Chase system in Lake County. I spoke to
25 you folks in Eustis about their issues. That homeowners

1 association contacted me to see if I could help them
2 because they were back billed -- on the front page
3 you'll see it -- \$49,283 and change. That is not even
4 listed in that form, and it fell within the time frame
5 of the request that that should have been in there. All
6 they have is one for February the 11th, and I don't know
7 where that one came from because I looked at all the
8 documentation that's been furnished to the customer by
9 Aqua.

10 But I think this back billing is a very, very
11 big problem. I think -- yesterday I talked to you about
12 the meters, but what I didn't tell you is I think
13 there's a lot of issues that surrounds meters. If you
14 look back at my testimony that I submitted in May, I
15 think there's close to 500 trouble calls on meters
16 alone. You also need to look at another one of those
17 slides and see how many things in there related strictly
18 to billing issues.

19 Now, you know, I've been around a lot of
20 billing systems and I've done a lot of work in the
21 billing systems. Not so much the programming, but as
22 far as the operations of them, and, you know, we found a
23 lot of fraud in it. But once you've got the stuff in
24 the billing system, there's no excuse for people not
25 getting the bill one month, and then all of the sudden

1 they're back in again.

2 So I just ask that you really take a close
3 look at that because I think there's probably a lot more
4 back billing issues out there than what they've
5 reported. Thank you.

6 **COMMISSIONER BRISÉ:** Thank you, Mr. Reams.
7 Are there any questions?

8 **MR. MAY:** I just had a couple of clarifying
9 questions.

10 EXAMINATION

11 **BY MR. MAY:**

12 Q Thank you, Mr. Reams, for coming over this
13 afternoon.

14 I think you, you stated that you previously
15 provided this information to the Commission --

16 A That's correct.

17 Q -- at the Eustis hearing; correct?

18 A Pardon?

19 Q You previously provided this information?

20 A I did.

21 Q And isn't it also correct that this, this
22 issue was previously presented to the Florida Public
23 Service Commission Staff and reviewed thoroughly?

24 A The only thing I -- the only point I'm making
25 here, sir, is the fact that this, this does not show up

1 in the report that you sent to the Commission. That's
2 my concern. It's not on here.

3 The other thing, as far as -- since we're
4 going to talk about that a little bit -- I can't
5 remember the date that it was submitted, but there was a
6 fourth quarter revenue report that was submitted to the
7 Commission. And when you look at the Summit Chase
8 revenue, the revenue does not match with what these
9 people have had to pay. You're showing two six-inch
10 meters in there. There's only one. So I think you need
11 to do an audit on some of the, some of the information
12 that you got in your billing system.

13 Q Just to clarify a couple of points, because I
14 don't want the Commission to not, not to have all the
15 information before it today. But the homeowners
16 association met with Aqua Utility representatives on a
17 number of occasions, did they not?

18 A That's right.

19 Q And as a result of those meetings there was an
20 agreement, there was a payment arrangement letter, which
21 you've identified as the first page of your exhibit;
22 correct?

23 A They, they really were under duress when they
24 signed that, sir. They had no choice.

25 Q This deals with a master meter for a large

1 homeowners association development?

2 A Well, okay, here's what happened. For 26
3 years they had a two-inch meter. Then Aqua tells them
4 that they're sending (phonetic) the meter. And this
5 went on for quite a while before they got the meter
6 fixed. When they did repair the meter, they put in a
7 6-inch meter, which is way larger than what's called
8 for. They do have fire hydrants in there, so I can
9 understand the logic to put a 6-inch meter in. But that
10 meter should have been charged at the fire prevention
11 rate and not at the commercial rate, because now these
12 people are paying \$1,000 a month base facility charge on
13 that 6-inch meter.

14 Q Did you and I have a conversation in Eustis
15 that the actual per customer charge to catch up this
16 payment, this service that was provided for years and
17 was not paid for, is \$50 a month; is that correct?

18 A You're going to have to repeat that. I'm
19 having trouble hearing in here with the echo. I'm
20 sorry.

21 Q Not to belabor the point, but I think you and
22 I had a conversation in Eustis where I think there was
23 an agreement that this was, this amount that was set
24 forth in the payment arrangement letter reflected
25 service that was provided but not paid for. And then

1 when you amortize that over the number of customers in
2 the development, it was approximately \$50 a customer per
3 month to catch up the payments for services rendered,
4 received, but not paid for.

5 **A** Yes, that's correct, because they went, like,
6 30 months without getting a bill for usage. And the
7 amount that one of the members told me was, each one of
8 them had their, their homeowners dues increased by \$25 a
9 month to cover this cost.

10 **Q** Thank you, Mr. Reams.

11 **COMMISSIONER BALBIS:** Thank you, Mr. Reams.
12 Thank you for coming, and good seeing you again. I just
13 want to just make a comment that, you know, we will look
14 into this again regardless of if it was looked into in
15 May because we are starting from scratch. So I just
16 want to assure you we will look into that and make sure
17 the Staff does as well.

18 **MR. REAMS:** Okay. I appreciate that too
19 because you weren't at that, the meeting, but Senator
20 Hays was very upset.

21 **COMMISSIONER BALBIS:** I was at, I was at that
22 meeting.

23 **MR. REAMS:** Okay. Thank you.

24 **COMMISSIONER BRISÉ:** Thank you very much.

25 **MS. BENNETT:** If we're going to put this in

1 the record, I need --

2 MR. BUSSEY: I can't hear you. I don't think
3 you're on.

4 MS. BENNETT: Thank you.

5 MR. KELLY: What number is this?

6 MS. BENNETT: This would be Exhibit 51,
7 Composite Reams.

8 (Exhibit 51 marked for identification.)

9 COMMISSIONER BRISÉ: Mr. Kelly, if I
10 understand properly, you said that that was the last
11 speaker.

12 MR. KELLY: Yes, sir.

13 COMMISSIONER BRISÉ: Okay. At this time, as
14 promised, if anyone else is interested in entering
15 comments into the record, we will give you an
16 opportunity to do so. So if you can come to the first
17 row, and based upon the number that come up to the first
18 row at this moment, we will determine the amount of time
19 that will be allotted.

20 Okay. We have four -- five individuals who
21 seek to add additional comments, so we will allow you
22 two minutes to allot for your additional comments.

23 Please state your name and the service area.

24 Whereupon,

25 CRYSTAL BARRETT

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

4 DIRECT STATEMENT

5 MS. BARRETT: Thank you. I hope I do better
6 this time. My name is Crystal Barrett. I'm served by
7 the Lake Gibson Estates water and sewer system in
8 Lakeland.

9 I do have numerous concerns. One is the
10 number of rate, rate cases that have been brought before
11 the Commission, and also the other option is that the,
12 that Aqua has had two that I know of that do not involve
13 rate cases. We've had two of the small increases in the
14 last three years since 2008.

15 I'm also concerned with the high bills. I'm a
16 senior citizen on fixed income. I'm concerned with the
17 rate structure we currently have that I feel is
18 contributing to the shortfall of revenue that Aqua is
19 experiencing because so much is reliant on usage instead
20 of base, instead of base rates now. And for every home
21 that's unoccupied, whether it be a seasonal resident,
22 whether it be a home that's foreclosed on, a home that's
23 closed up for whatever reason, Aqua is not earning one
24 penny of the usage fees for any of those customers for
25 the time that that home is not occupied. And so much --

1 **COMMISSIONER BRISÉ:** Ma'am, you have 30
2 seconds.

3 **MS. BARRETT:** Okay. I would like to read
4 something, and I found this -- I'm sorry -- I found this
5 in the docket pertaining to an acquisition. I'm
6 concerned about acquisitions because I feel that this is
7 contributing to the rate cases, that the high expenses,
8 more rate cases, higher rates for us. And I found this,
9 in the Harbor Hills -- not in Harbor Hills, but the
10 other two acquisitions on file now, and it pertains to
11 customer service. And I'd like to read it. It's
12 Exhibit B of the application. If you'd give me a
13 moment; it's just a few lines.

14 This is Aqua's commitment to customer service.
15 "Aqua America," it doesn't say Aqua Utilities Florida,
16 it says, "Aqua America is totally committed to provide
17 its customers with the highest quality service at the
18 lowest price. In addition, Aqua America and its
19 subsidiaries have worked in partnership with state and
20 local officials to address the problems faced by smaller
21 systems that may lack the financial and/or technical
22 resources needed to comply with evolving water quality
23 standards. As part of the Aqua America family, the
24 Harbor Hills systems should be able to pursue these
25 opportunities."

1 little bit on what Frank just brought out, brought up
2 about Summit Chase. There's only about 60 people that
3 live up there, 60, 65 people, and they're all, you know,
4 they're retirees, they're on fixed incomes. And Mr. May
5 made reference to the agreement that they, they came up
6 with, and this is the letter that was sent to them. And
7 these people were, if you can put yourself in their
8 position, caught between a rock and a hard place. Okay?
9 And this letter is not even signed by anybody from Aqua.

10 Down here at the bottom it says, "If we don't
11 receive this executed agreement by September 15th, we
12 will begin termination of your irrigation system," and,
13 in so doing, will shut off their other water supply too
14 because there's no -- it's all together. And as far as
15 I'm concerned, there's just some unnecessary
16 intimidation of these older people. They're just being
17 taken advantage of. And that's all I have to say.

18 Thank you.

19 COMMISSIONER BRISÉ: Thank you. Oh,
20 questions.

21 EXAMINATION

22 BY MR. MAY:

23 Q Perhaps, Mr. Bussey --

24 A Yes.

25 Q -- maybe I'm looking at a different document,

1 but the document I'm looking at, it was signed by
2 Ms. Schloegel, who I think testified that she was the
3 president of Summit Chase Homeowners Association, as
4 well as Stacey Barnes, who's with Aqua Utilities. He's
5 sitting right back there.

6 A I'm looking at a letter dated September the
7 8th from Aqua to Ms. Marge Schloegel.

8 Q I'm referring to the October 19th, two
9 thousand --

10 A I was referring to the September 8th letter.
11 There's no signature at the bottom of it.

12 COMMISSIONER BRISÉ: Thank you.

13 Whereupon,

14 PHYLLIS JOHNSON

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

18 DIRECT STATEMENT

19 MS. JOHNSON: I'm Phyllis Johnson, and I'm in
20 the North Lakeland Gibsonia area. Theresa Robinson
21 brought up an issue that I would like to have explained:
22 Meter size changes. What difference does it make what
23 size meter you have? You can only have so much water
24 flowing through your system. I would like someone to
25 explain that to me.

1 And also yesterday, right in front of my
2 house, we developed a new leak. I called the people at
3 noon, I called Aqua. They showed up about 1:00. They
4 told me that there was only, this leak that's actually
5 eroding the road only affected one house, and they would
6 have to e-mail someone for an approval to get this fixed
7 and hopefully it'd be fixed by Friday. That doesn't
8 sound like very good service.

9 And just to go back and elaborate on some of
10 the other things people said, I don't water my lawn, I
11 don't wash my car. I've replaced my toilets, which cost
12 me \$500. And our neighborhood, it is deteriorating. We
13 have a lot of empty homes. We couldn't sell our
14 property if we wanted to, which I don't want to. But it
15 is, it is deteriorating our neighborhood. And, also, I
16 haven't seen any visible improvements. The water leak
17 that I expanded on first of all, they did have to
18 improve it because they had to put new lines in. And
19 someone said basically that's all they have done is
20 replace the issues when we have problems.

21 **COMMISSIONER BRISÉ:** You have 30 seconds. I'm
22 just telling you you have 30 seconds.

23 **MS. JOHNSON:** Okay.

24 **COMMISSIONER BRISÉ:** Go ahead.

25 **MS. JOHNSON:** I'm done?

1 **COMMISSIONER BRISÉ:** No. Continue.

2 **MS. JOHNSON:** Okay. And someone else
3 expressed an interest in the rate of investment. Why is
4 Aqua getting a large rate of investment on their return
5 when we don't? And all of our prices keep going up on
6 everything that we have to spend what little money we
7 have on. There's got to be a stop to this. I mean,
8 it's very unreasonable. And we need all the help we can
9 get, and I appreciate your attention.

10 **COMMISSIONER BRISÉ:** Thank you. And I don't
11 know if Staff can answer the question with respect to
12 meters, the impact of meters size.

13 **MR. WILLIS:** Sure, Chairman. The meter size
14 has to do with the demand the meter can place upon the
15 system. When you have, for instance, a 1-inch meter
16 versus a normal residential meter, which is
17 5/8ths-by-3/4-inch, the amount of water that can come
18 through that pipe in one minute versus what can come
19 through the pipe in one minute for a 1-inch meter is a
20 sizable difference. And that, if you look at both
21 public and private utility companies, they will all have
22 different rates for different meter sizes because they
23 will place a higher demand on the meter. And that
24 different rate is normally the base charge; not the
25 actual gallonage charge, but the actual fixed cost that

1 a company will charge for that meter size.

2 **MS. JOHNSON:** But we are charged by the
3 gallon.

4 **MR. WILLIS:** You're charged a flat base charge
5 plus you're charged a gallonage charge. You're charged
6 by the gallons used. There's two charges on your bill,
7 that flat base charge plus the gallonage charge. The
8 gallonage charge will not differ between a 1-inch meter,
9 a 2-inch meter, if a residential home has one of those.
10 That gallonage charge won't differ. It's the base
11 charge, that flat charge you're charged once a month
12 whether you use any water or not, that reflects the
13 demand that meter can place upon a system. That's the
14 different rate you get.

15 **MS. JOHNSON:** How do we know which size line
16 we have?

17 **MR. WILLIS:** You'll have to ask the company.
18 They're the ones that have a record of the meter number,
19 and they'll tell you what size meter you have for your
20 house.

21 **MS. JOHNSON:** So we could basically all
22 request a smaller meter so our bills would be less?

23 **MR. WILLIS:** If you, if you don't have a
24 5-inch by 3/4-inch meter and you have a bigger meter
25 than that right now and you put in a smaller meter, yes,

1 your bill will go down.

2 MS. JOHNSON: Thank you.

3 COMMISSIONER BRISÉ: Thank you. I think the
4 company has --

5 EXAMINATION

6 BY MR. MAY:

7 Q Ma'am, Mr. Barnes and Mr. Householder are
8 there right now. They can address what size meter you
9 have and see if it could be downsized at this point, if
10 you'd like to go over there and talk to them. Thank
11 you.

12 COMMISSIONER BRISÉ: Thank you.

13 Whereupon,

14 LINDA GADD

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

18 DIRECT STATEMENT

19 MS. GADD: Linda Gadd from Lake Gibson, North
20 Lakeland. I just wanted to say we cannot sell our home,
21 we cannot rent our homes. I have a friend, Nancy
22 Officer, who lives in my neighborhood a few blocks over.
23 She had her home sold three times, and each time when
24 the buyer found out who had the water, which was Aqua
25 Utility, they backed out of her deal. She did not sell

1 her home. So I'm in bondage to a water company. I want
2 to move and I can't because, number one, the economy is
3 bad. Number two, I can't sell my house. And I can't,
4 probably can't rent it either.

5 So I'm appealing to the Public Service
6 Commission, please help us. The rates are just too, too
7 expensive. And not only that, people are moving out of
8 our neighborhood because of Aqua Utility. We can't sell
9 homes because of Aqua Utility. And they're having
10 trouble renting. I've got four homes that are empty
11 right now on my circle, and that's just one side of the
12 circle. I think there's at least two or three on the
13 other side. So, yes, I agree with Ms. Johnson, our
14 neighborhoods are deteriorating. We can't sell our
15 homes, we can't rent them. So I'm in bondage to Aqua
16 Utilities Florida. Thank you.

17 **COMMISSIONER BRISÉ:** Thank you very much.

18 Sir.

19 Whereupon,

20 L. F. HINES

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

24 DIRECT STATEMENT

25 **MR. HINES:** L. F. Hines, Rosalie Oaks. I'm sorry,

1 but I did not understand the answer that we got about
2 the upgrading pumps and replacing pipes.

3 **COMMISSIONER BRISÉ:** Say that again. I'm
4 sorry. Oh, you want the answer to be repeated about the
5 pumps?

6 **MR. HINES:** Right.

7 **COMMISSIONER BRISÉ:** And lift stations?

8 **MR. HINES:** Right.

9 **COMMISSIONER BRISÉ:** Okay. So I'll give the
10 company an opportunity to answer the question.

11 **MR. MAY:** Sure. And thank you for the
12 question. We'll be responding to this, to complete the
13 record, with sworn testimony on -- I think we'll be
14 filing it on November 3rd.

15 But just to give you the, kind of just a
16 summary, I think I mentioned earlier the question from
17 Commissioner Brown was what have you done with respect
18 to replacing lines and pipes? And when there's a line
19 break in any area in Polk County or any area where Aqua
20 serves, the company goes in and installs new lines to
21 repair the break, refurbish the line when necessary. As
22 far as the specific details of pump replacements, Ms.,
23 excuse me, Ms. Williams and Mr. Householder can walk you
24 through that, that aspect better than I can right now.

25 **MR. HINES:** Well, I don't believe that these

1 pipes were replaced in Rosalie Oaks. I mean, to replace
2 a pipe, you've got to dig it up and somebody would see
3 it. And I think it's a very misleading statement. I
4 heard refurbishing, I believe. There's a lot of
5 difference between replacing and refurbishing.

6 I have a couple of questions. I don't know
7 who is supposed to answer them. What determines what
8 band we are in, or who determines it?

9 **COMMISSIONER BRISÉ:** Okay. I will defer that
10 to our Staff.

11 **MR. WILLIS:** Commissioner, the --
12 Commissioner, the proposed agency action order that came
13 out made a determination based on like systems at the
14 time which band a different system would go into.

15 In the proposed order that the Commission
16 issued in this case, some of the prior bands were
17 collapsed into -- so there will be fewer bands at this
18 point. It was mostly made on two parameters. One was
19 the amount of subsidy that would have to be there, and
20 the other was based on -- it's mainly the subsidy and
21 wherever the systems lie within that, within the
22 parameter to be able to put it into a plan. It's all,
23 it's all based on a cost structure of these systems.

24 It's a hard one to explain. We're going to
25 have, we're going to have actual testimony in this

1 docket from a Staff witness who is going to be prepared
2 to explain that entire detail of the bands.

3 **MR. HINES:** I got this in the mail a few weeks
4 ago. And Rosalie Oaks was moved from the water band,
5 water band 4 to water band 2, and we were moved from
6 wastewater band 3 to wastewater band 2, but we're not
7 listed on the wastewater rate page for band 2 in this.

8 **MR. WILLIS:** I'm not sure what you're looking
9 at.

10 **MR. HINES:** Well, it's the --

11 **MR. WILLIS:** Is this something you got from
12 the company?

13 **MR. HINES:** Would you like to see it?

14 **MR. WILLIS:** That would help.

15 **COMMISSIONER BRISÉ:** The document that he's
16 referring to is the document that was prepared by Aqua
17 and mailed to their customers.

18 **MR. WILLIS:** So the letter you got from Aqua.

19 **MR. HINES:** Right.

20 **COMMISSIONER BRISÉ:** So that's not necessarily
21 a document that we have at our disposal at this moment.

22 **MR. WILLIS:** Commissioner, I don't have a copy
23 of that that I have looked at, so I could not tell him.
24 That document was produced by Aqua and sent to the
25 customers as a notice. I don't have it in front of me

1 and I haven't seen the notice actually to be able to
2 comment on that. It may have been a typo. Maybe Aqua
3 can explain that.

4 **COMMISSIONER BRISÉ:** Thank you.

5 **MR. HINES:** All I know is hasn't anything
6 changed at Rosalie Oaks, so I just wondered why we got
7 moved. But I would like to know what Aqua has done at
8 Rosalie Oaks in the past year to deserve another
9 increase.

10 **COMMISSIONER BRISÉ:** I don't know if that's a
11 question that Aqua can answer at this time, but I'll
12 give you an opportunity to try.

13 **MR. MAY:** I mean, I can, I can give you in a
14 summary. We'll be providing more detail in our final
15 sworn testimony on November 3rd. But just for example
16 as far as capital improvements for the Rosalie Oaks
17 system, we've also moved, relocated a lift station, and
18 also we've added, I think, a systematic, automatic
19 flushers to the system in Rosalie Oaks. I think Mr.,
20 excuse me, I think Mr. Fox will address that in his
21 opening, and we'll be glad to provide more detail in the
22 sworn testimony on the 27th -- excuse me, the 3rd of
23 November.

24 **MR. HINES:** Did I understand you to say, did I
25 understand you to say that you moved the lift station?

1 **MR. MAY:** I'm sorry. I didn't hear you.

2 **MR. HINES:** Did I understand you to say that
3 you moved a lift pump or lift station?

4 **MR. MAY:** Yes.

5 **MR. HINES:** Could I tell you the story about
6 moving this lift station?

7 **COMMISSIONER BRISÉ:** Sir, we, we offered a
8 certain amount of time. I think we've gone back and
9 forth on a few questions. We're going to allow you to
10 provide us that information, and -- but I think that
11 after that information we hope that that will be the sum
12 total of your testimony this afternoon.

13 **MR. HINES:** Then I can tell you --

14 **COMMISSIONER BRISÉ:** Yes, sir.

15 **MR. HINES:** -- why they moved the lift
16 station?

17 **COMMISSIONER BRISÉ:** Sure. Go right ahead.

18 **MR. HINES:** In '03 or '04 a man came in and
19 bought all of the property surrounding Rosalie Oaks
20 subdivision on both sides. When he had his land
21 surveyed, he built him a fence on the survey line. And
22 when he built the fence, this lift station they're
23 talking about was on his property, not on the property
24 of Aqua. So he put a fence up there and two gates and
25 locked them and they couldn't get to their lift pump.

1 But they finally, I guess, came to an agreement and they
2 moved the lift pump over into the chain, inside the
3 chain link fence where the waste, wastewater plant is.

4 Should we have to pay for them moving a lift
5 pump that was on somebody else's property to get it on
6 their property? I mean, this is the facts about why
7 they moved that lift station. Thank you.

8 **COMMISSIONER BRISÉ:** Thank you very much.

9 **MR. MAY:** Mr. Chairman, not to belabor the
10 point, but we don't necessarily disagree with the
11 analysis, but this issue was presented to the Commission
12 and your Staff recommended that -- your Staff
13 essentially agreed with Mr. Hines and said that that
14 should not be included in the rates. And in your
15 proposed agency action order, that cost was not included
16 in the, in the order, what we call a PAA order. So you
17 and I disagree. The Commission agreed with you, so.

18 **MR. HINES:** Well, it's nothing to me one way
19 or another except if it's going to affect our rates to,
20 to have to, for the company to have to move their
21 property off of somebody else's property and us pay for
22 it.

23 **COMMISSIONER BRISÉ:** I think what Mr. May just
24 explained to you was that they were trying to get the
25 cost included. The Commission said you cannot include

1 that cost. So, therefore, you are not being charged for
2 the moving of that particular lift station. All right?

3 **MR. HINES:** Okay. Thank you, sir.

4 **COMMISSIONER BRISÉ:** Thank you. At this time
5 I want to thank all of you for your presence and
6 participation here today. We have a few more steps in
7 this process. We have a technical hearing and then we
8 have the full hearing, and then we will render a
9 decision sometime in February in terms of the final
10 decision.

11 So we, at this point we're going to see if
12 there's any other matters that we have to take care of,
13 any other issues that we have to put into the record at
14 this time. If not, once again, thank you for your time
15 and your interest in this issue. With that, we are
16 adjourned.

17 (Proceeding adjourned at 1:42 p.m.)
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STATE OF FLORIDA)
 : CERTIFICATE OF REPORTERS
COUNTY OF LEON)

WE, LINDA BOLES, CRR, RPR, and JANE FAUROT, RPR, Official Commission Reporters, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED THIS 1st day of November, 2011.



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