

P R O C E E D I N G S

1
2 **MR. MOURING:** Okay. We are on the record for
3 Cedar Acres, Docket No. 140217-WU.

4 The first name that I have is John Kroll, if
5 you would, please.

6 **MR. KROLL:** My name is John Kroll. I live in
7 Oakland Hills, 13707 County Road 109B-2, Lady Lake,
8 32159. And I submitted a -- I actually reviewed the
9 application and your memorandum with recommendations,
10 preliminary memorandum at the library, and I came up
11 with some things that I thought maybe you should address
12 and consider prior to making the final decision
13 regarding a rather substantial increase in our, in our
14 water rates. I'd like to see if we can get that in -- a
15 response done in writing and with that information, and
16 I think I'm just going to highlight some of the things
17 that I had in, in the memo.

18 **MR. MOURING:** Certainly.

19 **MR. KROLL:** I know you guys have that, so.
20 Recommend that the -- you guys review the
21 operational expenses regarding specifically the manager
22 and some of the miscellaneous items for the board of
23 directors and the -- and Mr. Simons. We feel that the
24 amount of approximately \$60,000 for these type of
25 functions in comparison to what, what services we're

1 getting, we feel that those costs are, are quite high
2 actually.

3 We had a question about the J.S.R.,
4 Incorporated. We're kind of confused whether or not
5 they're a part of Cedar Acres or where they actually
6 stand, and maybe Mr. Simons can confirm or clarify some
7 of this because we've never given him the opportunity to
8 give any explanations on this.

9 Cedar Acres appears to be a -- J.S.R. is a
10 creditor of Cedar Acres, and we wonder if there's some
11 type of conflict of interest as it pertains to the
12 people, the residents and the customers here.

13 We kind of question the Universal & Artesian
14 Waters' role in the whole water system and the cost that
15 we may be paying out, or Cedar Acres may be paying out.
16 Possibly it seems like the operational costs are -- seem
17 to be high, and we question whether or not this can be
18 reduced.

19 We question the -- there was a -- when we got
20 the second well online back in 2012, 2011, there was
21 some talk about penalties incurred to Cedar Acres for
22 not, not having the well done in a timely manner or on
23 time. We question whether or not the \$23,000 and some
24 cents, if that's being passed on as far as the billing
25 process or if that's been satisfied. We just have some

1 questions about that.

2 We question whether or not there's going to be
3 any fire hydrants. There was a recent fire and we have
4 no hydrants.

5 And we're wondering if you guys have received
6 any information about the, from the DEP regarding the
7 crack in No. 2 well and pedestal, and whether or not
8 these other things as far as accuracy for the water
9 meters and no cross-connection control panel, if this
10 stuff has been considered and rectified in order to have
11 an efficient system.

12 And we also noted as far as the water, 14
13 percent unaccounted water. To my understanding from who
14 I've talked to, kind of done a little bit of homework,
15 that seems to be a quite high amount of water. So once
16 again, we question the efficiency of the system there,
17 and ask that you take this into consideration when you
18 consider a, you know, 300 to 635 percent increase
19 depending on how much you use.

20 We question the -- it says 260.38 percent
21 increase in your, your preliminary memo. If you do the
22 math, 3,000 gallons, the increase is actually
23 298 percent. If you go to 5,000 gallons, it's
24 397 percent. If you go to 10,000 gallons, it's
25 635 percent. So we're questioning clarification as

1 to -- you know, maybe I missed something or maybe
2 somebody else missed something.

3 This -- these amounts are three to four times
4 the amount of what The Villages are paying for the same
5 water, and The Villages are getting better service, they
6 have a better maintenance program, they have a security
7 system and accountability. Right now, to my knowledge,
8 I don't know anything about -- when they come out to
9 read the meters, I don't see any employee ID badges, we
10 don't see any, any IDs on the vehicles that are being
11 used. We question whether or not these folks are being
12 screened. Do they have a past history of violence?
13 Could they be sex offenders? Could they -- you know,
14 maybe not, but not knowing this information kind of
15 leaves you questioning the whole overall procedure,
16 especially when you're talking about a 300 to
17 635 percent increase.

18 I just want to conclude by saying, too, that
19 if we do change out the meters, I had a question whether
20 or not the \$64 -- if they do change out the meters
21 because they're rather old, there's been talk about
22 that, is that going to be passed on to the consumer or
23 is that going to be incurred by Cedar Acres? We don't
24 mind an increase and we want to all play our part, I'm
25 sure, but, on the other hand, I don't know of anybody in

1 my lifetime that has received a 300 to 635 percent
2 increase. And I think it's kind of tough when you
3 have -- most of the seniors, most of the folks here are
4 senior citizens, and the other folks are young families
5 trying to just, kind of trying to make it. So with
6 that, I'm just going to conclude and say thank you for
7 listening to me.

8 **MR. MOURING:** All right. Thank you, sir.
9 And, again, we will, just given the volume of questions
10 and concerns that you've raised in your letter, I think
11 we'll be responding back to you in writing instead of
12 trying to go through them all, all of these right here
13 and now, but we will be getting back with you.

14 **MR. KROLL:** Yeah. Right. I appreciate that.
15 Thanks.

16 **MR. MOURING:** All right. Thank you.

17 The next speaker is John --

18 **MR. FAHNESTOCK:** Fahnestock.

19 **MR. MOURING:** Thank you, sir.

20 **MR. FAHNESTOCK:** Can everybody hear me all
21 right?

22 **UNIDENTIFIED SPEAKER:** Yeah.

23 **MR. FAHNESTOCK:** Okay. I have a few points, a
24 few points, and I'll try to hit them all. Perhaps we
25 may have a chance or two to discuss them and just to

1 hear more detail.

2 Let's start with the simple, the simple. The
3 simple is the multiplication of the gallons, if the
4 1,000-gallon rate exceeds 1,000. Is that correct, more
5 than 1,000?

6 **MR. MOURING:** Yeah, I believe so.

7 **MR. FAHNESTOCK:** You believe that? I find
8 that a little bit -- how much inflation do you think we
9 have had in the last 25, 30 years? It's not 1,000.
10 This is kind of ill, in my humble opinion. It's been
11 pointed out that I have not actually been known to have
12 a humble opinion. That's okay.

13 We just heard John mention something about the
14 staff, the staff. I don't have a lot of solid
15 information, but I'm under the impression that there was
16 a girl named Darcie and that she lived in Tampa, and
17 that Darcie had a husband and he lived in Tampa. And I
18 only had the chance to talk to Darcie on the phone I
19 believe twice in my life. That was probably twice more
20 than I should have, for I called to find out how come
21 when I mailed a check when I first arrived here out of
22 The Villages, by the way -- when I arrived here, I saw
23 the water bill and I said, you know, I'm not real sure
24 that I'm going to be health stable. I'm not absolutely
25 certain that I'm going to be able to stay here or if

1 they're going to haul me away to some hospital someplace
2 called the VA Hospital. But in addition to paying my
3 bill, I sent in a check for 150, because the last thing
4 I wanted to have happen was for the water to be off. A
5 minor detail, less than \$20 a month as I recall, and
6 it's, like, take care of it now, it'll all be okay.
7 However, I never received a credit.

8 And so I ended up calling and asking. And the
9 accounting system, they record it only by check number.
10 By check number. My name is John Fahnestock. I mail
11 stuff in. I have an address. I have a lot number.
12 Uhh -- that's about what I got. That's all right. I'd
13 say two conversations with her, I don't need to talk
14 anymore.

15 What can I say? What can I say? I can say
16 very specifically that I met her husband. Her husband
17 and she moved to Cedar Acres, the Cedar Acres house in
18 Oakland Park -- Oakland Hills, Oakland Hills, and he was
19 our new water everything person. Absolutely amazing.

20 I had a chance to talk to him a little bit,
21 all short little conversations, just little polite
22 conversations, and I mentioned I sometimes thought that
23 I smelled sulfur dioxide early in the morning in my
24 bathroom. Was there anything that he could tell me
25 about that or was there anything I ought to know about

1 that? He had no idea what sulfur dioxide was, zero.
2 Had no idea. It's probably coming from the sewer, but
3 that's okay. The point was that he didn't know anything
4 about water chemistry, nothing. That was all right.

5 On another occasion he told me he was doing
6 some work and he was going to run a siphon. He was
7 going to run a vacuum pump here, he was going to run it
8 over, over a house or a roof or some such thing, and he
9 was going to siphon water up 50 feet over the top and
10 down. I said, no, you can't do that. 32 feet is the
11 absolute maximum. When you draw a full vacuum, that's
12 it. That's what we have. (Inaudible) going to seven
13 pounds per square inch or for two feet. He had no idea.
14 He had a background in water. His background in water
15 was he was in the Navy. That's nice. Somehow or other
16 he didn't seem to have any background in piping,
17 plumbing, and such.

18 I came on him one day apparently doing an
19 excavation. The excavation was going just fine. What
20 are we excavating? A valve is in backwards, a valve on,
21 on County 109, down there a couple of feet, like
22 four feet. Right? He said the valve was in backwards,
23 so he was going to put it in the other way around.
24 Somehow or other we managed to survive for 25 years
25 without changing the direction of that valve; however,

1 that's what we had.

2 Shortly after his arrival, we seemed to have
3 another interesting situation. There was a sign up. I
4 wasn't familiar with the sign. It said boiling water.
5 I can't remember what the rest of it said because it was
6 a short sign. It was right at the entranceway. Boiling
7 water, boiling water in effect, boiling water. What's
8 that all about? I asked him. He's easy enough to try
9 to talk to. By the way, kind of a nice guy. Well, if
10 the water pressure drops below 20 psi, we have to put
11 that sign up. That's the law. It is. So if we turn
12 off the pump or whatever and the pressure drops down
13 below 20, we have to put that sign out and you're going
14 to have to boil all your water.

15 That struck me as being -- what can you say --
16 interesting. It was so interesting that some of these
17 fine folk here decided to put together a water committee
18 to go check out the water information for our community.

19 So we had a couple of other little minor
20 problems. Like I said, since he was talking about water
21 pressure, I listened. It's not hard to listen. I can
22 listen. And he talked about 90 psi. I said, what? He
23 said, well, we're running the pressure at 90 psi. It's
24 like, that's how we're supposed to do it. That's,
25 that's test pressure. No, that's, that's where I've got

1 the pressure. So has this got anything to do with how
2 come if I'm washing my car and I turn off my hose, the
3 hose has a distinct tendency to break? Well, so you
4 don't -- our toilet bowls, they're not rated for 90 psi.
5 Our hot water heaters, they're not rated for 90 psi.

6 Furthermore, it turns out that 90 psi gauge is
7 someplace up at the pump, someplace by the pump. I live
8 considerably downhill from there. My pressure would be
9 considerably higher than that. I don't know the amount,
10 but nevertheless higher.

11 And so we had, for lack of a better word, we
12 had a family member, an in-law family member, move up
13 from Tampa and become our, our manager, our water
14 manager. Somehow or other I did not find that that is a
15 really good reason to have a rate increase at this time.
16 I did mention clearly, I'm sure, something about in
17 excess of a thousand times. You've got to be kidding
18 me.

19 I'm glad to hear that the staff has looked
20 over the, the paperwork on the new well. That's great.
21 We had two. Now we've got three holes in the ground.
22 But the interesting part was that we put a new one in
23 right next to the existing one, an existing one. I
24 don't have the numbers on it. Nobody seemed to have any
25 well site number, drill hole numbers. But the new one

1 was put in next to the good one on the same lot. This
2 may strike somebody as being very logical and
3 diversified. It doesn't strike me as being reasonable
4 at all.

5 I always talk in terms of, well, what-ifs.
6 What if a plane falls -- drives -- flies over and drops
7 an engine off? Planes have been known to do that.
8 Before it would have to be quite a mess in order to take
9 out all of our water system. Now it's a side-by-side
10 thing. One minor disaster can strike, one fire engine
11 could run over the wrong direction and knock out the
12 entire system. This doesn't make logical secure
13 sense -- security sense.

14 I realize I talk too much. So -- and do you
15 know why, do you know why we're having this problem at
16 all? We're having the problem because, I guess,
17 according to (inaudible), we're having this problem
18 because our water's got silt in it. The water has got
19 silt in it. 25 years apparently we didn't have any
20 problem with the water. Now we have a problem with the
21 water. The water has silt in it. That was what I was
22 told by Darcie's husband.

23 And so I asked. I know, you're not supposed
24 to ask that. He told me about drilling a new well. I
25 said, well, what kind of filters have you investigated?

1 What kind of water separation units have you
2 investigated? What kind of settlement tanks have you
3 investigated. Well, I don't know. They told me to
4 drill a well; I'm going to drill a well. So I called
5 (phonetic). I did not know who they was, but they would
6 be a representative of government style people, I
7 believe.

8 So they needed to drill a well. It would be
9 about two years ago. Is there anything else that's
10 interesting happened around here in about the last two
11 years -- let's not get too broad about it -- within 800
12 yards? Did you guys investigate anything like that?
13 Did you happen to hear that they were running laden,
14 loaded concrete trucks at night by that well on El
15 Camino Drive? They're driving loaded concrete trucks
16 all night, approximately one every ten minutes. And,
17 interesting enough, someplace -- about that same time I
18 started to hear about silt in the well. I suspect that
19 that's somehow related.

20 You might have heard of a place called, oh,
21 some Pointe. Pointe. Huh. Anybody know the Pointe
22 that I'm talking about? Freedom Pointe. None of you
23 have heard. One of the reasons people haven't heard of
24 it is because it's much too expensive for you or me, by
25 and large. There (phonetic) may be an exception.

1 Anyway, at Freedom Pointe they built a five or
2 more story complex within 800 yards of our well, and
3 they built it in order to sell apartments. That's nice.
4 So what was the number, 231? Did you say we had
5 231 meters, something like that?

6 **UNIDENTIFIED SPEAKER:** 330.

7 **MR. FAHNESTOCK:** I think that's the number of
8 lots. The number of meters may be a little -- it
9 doesn't matter. They built 400 of them.

10 Yeah. I live in a, I live in a three-bedroom,
11 two-bath. Some people might live a little tighter than
12 that -- two bedrooms, two baths. A two-bedroom,
13 two-bath at Freedom Pointe will set you back \$646,000.
14 Yeah. I'm glad I saw that. \$646,000. Furthermore, it
15 will cost you well over -- it will cost you thousands of
16 dollars a month thereafter forever. You are required to
17 be a millionaire, multimillionaire probably, but
18 absolutely essential that you be a millionaire in order
19 to move there, in order to live there. That's what it
20 is.

21 So we're standing here talking about our
22 little community, and they're within literally less than
23 a half a mile. There's a giant new construction project
24 going up in excess of 50 feet -- and that's my eyeball,
25 somebody might find out it's 48, I apologize if it's

1 only 48 -- it's a five-story building. It's a huge
2 complex, and it's built out of steel and brick and
3 concrete and that sort of thing. I have no doubt, I
4 don't think the staff checked. I don't think the staff
5 checked to find out how they put that building up. I
6 suspect that there's a distinct possibility that pile
7 drivers were used. A pile driver pounding on our little
8 calcium formation underneath us could certainly also
9 cloud up the water. And so I see that there is an
10 occasional problem here, and I don't find it to be
11 really, really okay. So we did the water treatment.

12 Somebody mentioned something about what I
13 regarded as childish kids, they look like high school
14 kids reading the meters.

15 My own case, I received a bill once. I can
16 probably find it. I probably don't throw things away
17 like that. I received a water bill, and the water bill
18 had the two meter readings, the before and after
19 readings, and the after reading was substantially less
20 than the before reading. Don't worry about it. They
21 sent me a bill anyway, charged me for water. Did they
22 ever refund that? No, I don't think so.

23 Friends, I'm sorry that I'm being so emphatic
24 about it, but I'm clearly unimpressed with this concept
25 that increasing the water rate by a factor of a thousand

1 per gallon makes sense. Thank you.

2 **MR. MOURING:** Thank you for your comments.

3 **MR. FAHNESTOCK:** No applause, please.

4 (Laughter.)

5 **MR. MOURING:** The next speaker I have is Mike
6 Manning.

7 **UNIDENTIFIED SPEAKER:** Five minutes, Mike.

8 (Laughter.)

9 (Inaudible comments from audience.)

10 **MR. MANNING:** My name is Mike Manning,
11 M-A-N-N-I-N-G, 7647 County Road 109D, Lady Lake, Florida
12 32159.

13 Basically I want to touch real quick on the
14 fire hydrants. We've had several house fires in there
15 since I've been there. I really think we need to -- if
16 we're going to do any kind of rate increase, we need to
17 consider hydrants because twice now we've come close to
18 losing lives, and that's important.

19 The last one we had a child at home. Before
20 the -- he's the one who left the house with the fire.
21 We lost a dog in that fire, but it could have been
22 avoided very easily. As a former firefighter, that's
23 something that hits me hard. So I really do want to
24 push hard for fire hydrants or some type of fill
25 station, because they ran out of water twice during that

1 fire. That's unacceptable.

2 Now, back to rate increases. I'm also a
3 business owner, and I find it ridiculous that because
4 you do business bad, all the sudden you want to recoup
5 all the money you lost. A lot of people lost money in
6 the housing crash from bad investments. We're never
7 going to recover our money. You can set your rate and
8 you can be competitive, but you can't recoup your losses
9 and expect the consumers now to pay for your bad
10 business in the past.

11 Okay? The current rate in Lady Lake for the
12 first 3,000 gallons is 2.26. In Leesburg for the first
13 3,000 gallons is 1.20, a base rate of 10.66 and a base
14 rate of 11.47. 4.7K -- 4,000 to 7,000 gallons in Lady
15 Lake, \$2.80. Far under \$4. Okay? 4K, Leesburg, 1.48.
16 Again, far under \$4.

17 I don't mind paying competitive rates, I don't
18 mind paying my share, but I'm not going to make up
19 for -- lack of saying it -- piss poor management. Okay?
20 If, if the company was losing money for all this time,
21 they sure should have fired somebody. Okay? It's not
22 my problem that they lost money. It's their problem.

23 In 2009, the water and sewer rate annual
24 adjusted based on the LSA, utility rates efficiency
25 study, adjusted study August 2009 was implemented in

1 2010 for a total of nine increases over nine years for
2 2.5 percent. That was for The Villages in Sumter
3 County. And now you're talking about raising our rates
4 by 300 percent to 600 percent and more. It's
5 unacceptable. That's really wrong. It's just
6 unacceptable. If you're going to raise our rates like
7 this, I want Cedar Acres to release the rights to the
8 water and allow us to drill wells. We don't, we don't
9 need them. It's a monopoly. You have control and we
10 have nowhere else to go.

11 (Applause.)

12 **MR. MOURING:** All right. Thank you.

13 The next speaker I have -- is it, is it Jim
14 Beard (sic)?

15 **MR. BRAND:** My name is Jim Brand. I live at
16 8208 CR 109D-1 in Lady Lake, 32159.

17 I have a couple of questions for your staff up
18 here. Looking at your annual report for 2013 which you
19 used for your rate investigation, I find some things
20 that are, I think are inconsistencies.

21 And one of the things that I find is the
22 difference in the number of ratepayers in here. In your
23 annual report for Cedar Acres, essentially 261 people
24 paying for the water. You're showing now for 317. Now,
25 which one is the, is the correct one that we're using?

1 **MR. MOURING:** Mr. Brand, I want to be clear on
2 the front end here, I believe what you're looking at is
3 the actual annual report for Cedar Acres from 2013. Is
4 that correct?

5 **MR. BRAND:** Yeah.

6 **MR. MOURING:** Because that's -- staff's
7 preliminary analysis is based on its audit report, not
8 on the annual report. I do want to be clear on that.
9 They, they may not match up. The annual report is what
10 the utility files. The audit report is what our staff
11 auditors determine based on their examination of the
12 utility's books and records.

13 **MR. BRAND:** Okay. Then I have one other
14 question.

15 **MR. MOURING:** Okay.

16 **MR. BRAND:** Cedar Acres just recently put in a
17 new well. Now, at one time that would have meant you
18 would have three wells in here. I assume that the one
19 well has become inactive. And my question is this, is
20 the new well that they installed, is this going to be
21 put into the rate base?

22 **MR. MOURING:** I'm not sure about that. I will
23 need to get back with you on that.

24 **MR. BRAND:** That will be fine.

25 **MR. MOURING:** I should have -- hopefully we

1 can have an answer before the end of this meeting.

2 **MR. BRAND:** Well, okay. And the other
3 question part would be what did you do with the third
4 well that's inactive? Is that going to be retired and
5 taken out?

6 **MR. MOURING:** If it was in rate base to begin
7 with, it would have been retired out. But if it was
8 inactive prior to that, it likely was retired out prior
9 to that.

10 **MR. BRAND:** Uh-huh.

11 **MR. MOURING:** I'm not 100 percent sure as we
12 stand here right now, but we'll get back with you
13 hopefully before the end of this meeting.

14 **MR. BRAND:** Okay. Thank you.

15 **MR. MOURING:** Thank you.

16 The next speaker I have is Charles Imhoff.

17 **MR. IMHOFF:** I'm Charles Imhoff, and up until
18 two weeks ago I was the president of the association,
19 had my two-year stint, and so I'm off of the board right
20 now; however, obviously involved in the last two years
21 heavily. As a matter of fact -- first of all, my
22 address is 8027 County Road 109D in Oakland Hills, Lady
23 Lake. I've been a homeowner there for about ten years,
24 back in '05.

25 I -- prior to being president of the

1 association, I was the chairman, quote, chairman of the
2 water committee, and I didn't know any better. I was at
3 a meeting one day, a homeowners meeting, and somebody,
4 the president at that time said, you know, we need a
5 president or chairman of the water committee. And my
6 wife, who I think has only been to two meetings, she
7 says, oh, he'll do it. So I got volunteered to be the
8 chairman of the water committee.

9 At that time, the reason for that -- I
10 guess -- I don't think they had had a water committee
11 per se before, I don't know, but because we had a lot of
12 problems. We had dirt in the pipes. We had the boil,
13 as mentioned, the boil water alerts all the time. We
14 had low pressure. I mean, as chairman of the water
15 committee -- and they told me, well, you're not going to
16 really get many calls. I was on the board for two
17 years. I was getting calls almost daily. And they do
18 have a new well in now, and, yes, granted, and I'm not
19 chairman of the water committee anymore, but the one
20 that is now has not had that many calls. So, I mean, it
21 is better, but still, I mean, that's gone on for two or
22 three years.

23 I had asked David Simons -- and I've never met
24 him, I've talked to him on the phone -- I invited him up
25 to our meetings a couple of times, but he couldn't make

1 it, you know, to find out, to ask a lot of questions
2 about this. But, but anyway -- and he seems like a nice
3 guy, I talked to him on the phone, but, you know, he's
4 also a businessman.

5 And, you know, I'm hearing tonight some of the
6 first -- if I'm interpreting some of the comments about,
7 you know, the concrete trucks. I mean, are -- is
8 somebody else taking our water? I mean, are we -- is
9 our, is our water being gauged correctly in terms of how
10 much is really going to our, to our homes? Because,
11 frankly, the meter readers don't come around very often.
12 I think I've only seen -- I've been here ten years. I
13 think I've seen her or him four times. Several months
14 ago there was one. And, and they couldn't be reading
15 the meters, at least not on our lot. The dirt was piled
16 up this high on the meter. So about two months ago we
17 were asked to clean off the meters because they're going
18 to, quote, fine us \$50 or whatever, or charge us, so I
19 did. But there was, there was a good six inches of dirt
20 on mine and my neighbor's because he's in the same
21 thing, so they couldn't have been reading the meter very
22 often.

23 So I just don't, don't quite understand all
24 that. And also the thing that John Kroll talked about,
25 unused water, I saw that in the report too, where is

1 that going? Now, I do recall David Simons saying when
2 we were talking about the third well -- I may be wrong
3 about -- so it could be used by the fire department if
4 the fire department ever needed that. So maybe that
5 well is still active. Maybe it's going to the concrete
6 trucks. I don't know. I hadn't heard anything about
7 that, too. But maybe the, maybe the concrete trucks are
8 using our water. I have no idea.

9 I mean, the thing is -- and I guess, too, and
10 I thought maybe tonight we would be coming in and -- I
11 mean, granted, you know, we have people here that
12 probably have (inaudible), so I guess it's not, you
13 know, you're not going to get answers to everything,
14 but there's going to be lots of questions coming up
15 tonight, and what I don't want is to not get answers in
16 writing back from you folks. You know, you could send
17 it to the new president of the association, you can
18 send it -- actually you have all of our addresses. You
19 could send us answers to each of these questions. I
20 guess you're recording it and you're writing things
21 down. Is that your protocol, or do you not do that?

22 **MR. MOURING:** Generally, if there's a specific
23 question from a particular customer that wants to be
24 responded to, we will certainly respond to you.
25 Otherwise, a transcript is generated based on this

1 recorded meeting that is made available to the
2 Commissioners and Commission staff. It may or may
3 not -- there typically wouldn't be just a general
4 response that's, that's mailed out to all the customers.
5 We wouldn't do that. What we would do is on a
6 customer-by-customer basis, if you have a specific
7 question that you'd like us to respond to, we will
8 certainly do that.

9 **MR. IMHOFF:** So if I understand, there could
10 be -- the questions would be in there, but the answers
11 certainly would not be there. So it would be -- right?

12 **MR. MOURING:** That's correct.

13 **MR. IMHOFF:** So, I mean, so we still don't
14 have the answers. I guess that's my point.

15 **MR. MOURING:** That's --

16 **MR. IMHOFF:** I mean, unless -- you know, I
17 thought it might be just taking advantage of -- we're
18 all over 65 or whatever, we're on Social Security,
19 taking -- what's the word? Anyway, using -- there's 50
20 or 60 people here asking, asking the same ten or 20
21 questions.

22 **MR. MOURING:** Uh-huh.

23 **MR. IMHOFF:** Why couldn't those questions be
24 answered in writing back to the association or back to
25 each one of us? But I won't go on with that. I just --

1 it just -- you can see there are some people that are
2 upset.

3 You know, when I first heard -- as a matter of
4 fact, the lady -- no, David Simons called me. He says,
5 oh, by the way -- this was back in October, November --
6 he says, I'm going to be asking for a rate increase and
7 you'll be hearing from the PSC, or you can call the PSC,
8 and he gave me her number. I forget her name now. She
9 was a very nice lady who I talked to on the staff in
10 wherever, Tallahassee or wherever.

11 And, and I found out, which was alluded to
12 tonight, you know, we were told a year ago if there was
13 ever a rate increase, our rates can't go up more in the
14 State of Florida than 2 to 3 percent a year. Now we
15 find out, if I'm interpreting all this right, now I'm
16 finding out, well, there was never any base rate set.
17 If there had been a base rate set years ago, then, yes,
18 it would be going up 2 percent a year or whatever that
19 figure is, if I'm correct. But since it was not set,
20 you know, that's not through any part of ours, that's,
21 that's through the developer's fault, you know, Cedar
22 Acres, and for them to not do that over the last six or
23 eight years or whatever, I think you mentioned '09 and
24 2013, whenever, and then all the sudden in 2015 the base
25 rate is being set. Well, why wasn't that set seven or

1 eight years ago or longer? And in that case, there
2 would only be 1.5, 2.5, 3 percent a year or whatever.

3 So, I mean, here we're talking 300 percent,
4 600 percent, 1,000 percent. You know, we -- our
5 homeowners association fee is \$36 a year. We have only
6 about 70 or so members out of 300 homes. And one of the
7 reasons that I hear constantly is some people don't join
8 because they can't afford \$36 a year. So, I mean, here
9 they can't afford 36 a year, yet -- and when I first saw
10 this, brought it up a few months back, I said, okay,
11 fine, it may go up to \$15 or \$18 a month. That's fine.
12 But then I see \$26 a month and \$38 a month and \$52 a
13 month -- I just -- it, it just doesn't make sense. I
14 don't see how, how that can happen really ethically.
15 (Inaudible) to a community like this, and even if it
16 wasn't a community like this where we have older folks,
17 to all of the sudden just come in and increase rates
18 from \$9 to \$40 a month or something like that is just
19 unreal. So, okay. Let me see.

20 You're going to hear other people, I'm sure,
21 talk about the same thing, so I'm not going to go on any
22 further about adjacent communities, about what their
23 rates are. But I am curious to see, and I guess this
24 can only be answered by you folks at some point, what is
25 the average price or cost per gallon throughout Central

1 Florida, in The Villages, in all these different
2 communities and -- or is it all different? I mean, it's
3 all the same water. So, so I don't know.

4 But, anyway, okay, I think that's about --
5 that's all I have. But I appreciate you coming, and,
6 and hopefully we'll get some answers.

7 **MR. MOURING:** Thank you for your comments.

8 (Applause.)

9 **MR. IMHOFF:** Yeah. All of the sudden, you
10 know, you say we can go to Tallahassee. I don't know
11 how many of us are going to be able to go to
12 Tallahassee. But all of the sudden I find out anything
13 ahead of time the Commission says, yeah, we're going to
14 be charging you \$60 a month, it's, you know --

15 **MR. MOURING:** Well, and let me, let me first
16 kind of touch on what you had asked about will there be
17 specific responses given to general concerns that are
18 raised repeatedly. And like I said, we're not going to
19 respond to, to everybody, to every customer. We're not
20 going to send out just a phone book worth of responses.
21 But when there are repeated issues brought up -- so far
22 I've been hearing a lot of metering issues, billing
23 issues, things like that -- those will be reviewed by
24 our engineering staff and they will incorporate that
25 into their determination of quality of service that's

1 used in our staff's evaluation of the utility. So
2 though there may not be a direct response out to, to the
3 body of ratepayers, they are being taken into
4 consideration, particularly on actionable items like
5 billing and other quality of service issues. They are
6 taken into consideration. Also, you -- I'm not aware of
7 any, any rule or law limiting a rate increase to 2 or 3
8 percent.

9 **UNIDENTIFIED SPEAKER:** It's in the --

10 **UNIDENTIFIED SPEAKER:** It's in your --

11 **UNIDENTIFIED SPEAKER:** It's in the State or
12 Public Service --

13 **MS. NORRIS:** Are you referring to the 1.41?

14 **UNIDENTIFIED SPEAKER:** Yes.

15 **MS. NORRIS:** That is a rate, really, mechanism
16 that utilities are -- have an option of taking advantage
17 of every year. It's a price index application. It's a
18 less formal, more cost-effective kind of for that
19 normal -- it's based off of normal indexing type
20 inflationary for each year. As far as an actual rate
21 case, there's not a limit per se as far as a rate
22 increase.

23 That's kind of a total combined look,
24 wholistic look, you know, quality of service as well as
25 kind of auditing books and records. That 1.41 that

1 you're referring to is what our -- an index we set every
2 single year, but it's not specific to rate cases, a
3 full-blown SARC or a file and suspend.

4 **MR. MOURING:** Correct. Yeah. That -- and
5 those are just if a utility applies for that, they can
6 do it every year. It's based on the Consumer Price
7 Index. They can index their rates up. The idea is to
8 avoid having to continually come back.

9 **MR. IMHOFF:** That's my point as far as had
10 we -- had this been done years ago, it would only be
11 going up 1 or 2 percent a year.

12 **MR. MOURING:** It's possible. It's possible.

13 **MS. NORRIS:** It does, it does -- I think in
14 reference to as far as not taking advantage of that, you
15 know, (inaudible) now is not, you know, taking advantage
16 of that mechanism. At the same time, that's the
17 utility's option in that year. And what they don't
18 index in those years is more of a loss to the utility as
19 well because that's, you know, that would be their
20 option for keeping up with those expenses on their side
21 certainly.

22 **UNIDENTIFIED SPEAKER:** But the problem with
23 the rate that they're asking to increase it, (inaudible)
24 just a couple of years and then they won't even have to
25 decrease. They'll be raking us over the coals for

1 decades.

2 **MS. NORRIS:** But -- well, I guess --

3 **UNIDENTIFIED SPEAKER:** That's a monopoly.

4 **UNIDENTIFIED SPEAKER:** I mean, even, even if
5 you do the math, had they done this, you know,
6 preempted, you know, the way they can do every year, if
7 they did it in '87 for this many years, 25, 26 years,
8 you multiply it and you've got the numbers.

9 **MR. MOURING:** It's a different percent every
10 year. They set it every year.

11 **UNIDENTIFIED SPEAKER:** Yeah. But even if they
12 did it, they'd only be at this point on the map, and
13 they're asking to go clear to California.

14 **UNIDENTIFIED SPEAKER:** It doesn't add up to
15 635 percent.

16 **MR. MOURING:** I -- and where we're at with
17 your comments about base rates, I want to be clear on
18 that. Base rates were not established during the
19 transfer in 2008, 2009. What they did was they adopted
20 the existing rates and charges that were set in
21 approximately 1987 by Sumter County. We have no idea if
22 those rates were cost based and compensatory at the time
23 they were set, so.

24 **UNIDENTIFIED SPEAKER:** Can we not use them as
25 base rates then?

1 **MR. MOURING:** Those would have been considered
2 base rates. We just adopted the existing rates and
3 charges. It -- I want to be clear about that. There's
4 no -- setting base rates, when we make the comment of
5 base rates have never been set, they've never been set
6 by us. We've never done an audit. We've never --

7 **UNIDENTIFIED SPEAKER:** (Inaudible.)

8 **MR. MOURING:** I'm sorry?

9 **UNIDENTIFIED SPEAKER:** Who dropped the ball?
10 Was it PSC or was it Cedar Acres? Who dropped the ball
11 that they didn't set base rates?

12 **MR. MOURING:** Base rates were set.

13 **UNIDENTIFIED SPEAKER:** At \$9?

14 **MS. NORRIS:** It's -- we have different rules
15 and statutes that apply as far as when a utility applies
16 for an original certificate or any type of certificate.
17 So that's -- at that point that's based on their
18 application. If they meet the requirements to be able
19 to grandfather in those rates, that's where that whole
20 process of determination is made at that point,
21 especially if those set rates were set by a municipality
22 or a county.

23 **UNIDENTIFIED SPEAKER:** But it's still their,
24 their fault that they never raised rates prior to that.

25 **MR. MOURING:** Okay. Well, if -- I want to try

1 to make sure we stay, stay on track here instead of just
2 going back and forth. We'll go ahead and move forward.
3 But you did have one last concern, Mr. Imhoff, about
4 the, you asked about what the average price --

5 **MR. IMHOFF:** Price per gallon.

6 **MR. MOURING:** Right. And that's -- it varies
7 wildly, whether they're municipal, whether they're
8 privately owned. The size of the utility can have a
9 huge impact on it. The source of the groundwater can
10 have an impact on it. That's not something that we use
11 in setting rates. We, we design rates that are cost
12 based for a utility and not necessarily related to what,
13 what the neighbor, neighboring municipality charges for
14 their rates. We don't, we don't use that in our
15 analysis. So we -- that's not something that we have
16 readily available. That's -- and what we do have are
17 jurisdictional utilities, and, again, they're all over
18 the place in terms of the price. So, again, we could,
19 we could give you some kind of number, but we don't use
20 that in our rate setting for rate setting purposes, so.

21 **UNIDENTIFIED SPEAKER:** Can you give us the
22 formula that you used to establish \$4.68?

23 **UNIDENTIFIED SPEAKER:** Yeah. Where did that
24 come from?

25 **UNIDENTIFIED SPEAKER:** Where did that come

1 from?

2 **MR. MOURING:** That is a question I will have
3 to refer to our, our economics folks. That -- that's --
4 I'm not able to answer that for you here today. But
5 right now we're going to move on to -- is it Carolee
6 McReynolds?

7 **MS. McREYNOLDS:** Carolee McReynolds,
8 8144 County Road 109D-1, Lady Lake, better known as
9 Oakland Hills.

10 Thank you for being here tonight. We really
11 do appreciate it. I put together our neighborhood
12 newsletter. We distribute it to 300 or -- yeah, 320
13 homes, so I have the opportunity to talk to a lot of
14 folks. 85 percent of our homes are owned by senior
15 citizens on a limited income. The other 15 percent are
16 working families with a lot of children.

17 So as I read your recommendations, and if I
18 understand them correctly, you are recommending -- last
19 week it was 260 percent, but now it looks more to me
20 like 400 percent because \$9 goes into \$36 four times.
21 Well, I want to tell you, I wish my Social Security
22 would go up half that much a year. Or even every ten
23 years if it would go up that much, I would be thrilled.
24 Therefore, I believe this is an excessive increase.

25 Cedar Acres, which is owned by an attorney,

1 had the option and the opportunity to go for a rate
2 increase yearly, which they did not. If they had, then
3 they would go by the 1.4 this year and the 2.55 another
4 year and whatever it is, I've got it all down, our
5 monthly bill would be about \$12.03, a far cry from 36.
6 So if you give the highest passthrough that you've ever
7 allowed, which was in the year 2009, and that was a
8 53 percent increase, that would bring our bill to
9 \$18.04.

10 Also, I'm not sure if what you're proposing is
11 our base or with usage on, with usage on top of it, or
12 if it would cover everything. Our (inaudible) dollars
13 right now covers everything, period. We all agree
14 they're entitled for a return on their money. But as
15 it's been so eloquently said earlier, don't blame us for
16 poor business habits.

17 And I've already heard you say you don't go by
18 surrounding areas. I'm sorry to hear that because I do
19 have Ovelia's (phonetic) water bill and Smythe Brothers
20 (phonetic), and this bill was \$18. I have a
21 neighborhood right behind us, Spruce Creek, which is
22 also all senior citizens, and their bill was \$19. So
23 \$36 is excessive. You know, we're not in South Miami,
24 we're not in --

25 **UNIDENTIFIED SPEAKER:** Hollywood, Florida.

1 **MS. McREYNOLDS:** Right. Thank you, John.

2 And I do have copies for you, if you would
3 like one. I'd love to share one with you.

4 **MR. MOURING:** Okay.

5 **MS. McREYNOLDS:** Everybody at Cedar Acres --
6 oh, I already said that.

7 I've had many businesses in my life, and
8 whether I'm running a business or a home, everyone has
9 to live on a budget. That's common sense. So if I have
10 a deficit, I say where can I trim, not who can I rape.
11 So I really believe looking, thinking at it that way,
12 and I don't want to really (inaudible), but I'm going
13 over some of your recommendations. You're saying, oh,
14 their mailings should be increased.

15 Well, let me tell you, if I paid 10 cents a
16 copy for our newsletter for every page, I'd be fired,
17 and I don't get paid anyway. But if you took 10 cents a
18 copy, which you can get at Staples or anywhere, that
19 would be a \$159 a year savings. Then if we look at the
20 office space for J.S.R., who nobody knows who they are,
21 I'm wondering is their address a Hollywood address? Do
22 they share it with Mr. Simons, who's an attorney? And
23 then I have to ask about the salary of 50 some thousand
24 dollars for the lady. She doesn't read meters, she
25 doesn't do the billing.

1 I had a 70-unit mobile home park in Key West
2 on water. Do you know how many tests I had to
3 coordinate? We had our own sewer plant. You know,
4 water, sewer, rents and everything, it didn't take me
5 four weeks a month. Who's kidding who in this day and
6 age? So I'm just saying let's look at our budget and
7 let's cut our costs, not let's just add more onto the
8 poor people who live there. Not that we're poor, we're
9 getting by, but please help us. I really appreciate
10 your consideration in this. Thank you.

11 (Applause.)

12 **MR. MOURING:** Thank you for your comments. If
13 you'd like to -- if those are copies that we can have of
14 those bills, if we can hang onto those, we'd be happy to
15 take those.

16 The next speaker I have is Guinea Apollos.

17 We'll come back to you.

18 **UNIDENTIFIED SPEAKER:** I just want to ask one
19 question.

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

21 **MS. APOLLOS:** My name is Guinea Apollos,
22 A-P-O-L-L-O-S, 13720 County Road 109H, Lady Lake,
23 Florida 32159.

24 I don't have any facts and figures. I have
25 this question. I would like a breakdown of their

1 \$80,000 a month expenses for sending out someone every
2 other month. And if that's what it costs them to send
3 someone out to read the meter, can you ask them to hire
4 me? Because otherwise I won't be able to afford
5 tripling of my water bill. As it is now, being on
6 Social Security and having nothing else in my pocket, I
7 find myself with more month than money, and now you want
8 to triple my water bill.

9 According to my water bill, I used 7,400 and
10 some odd gallons in the last two months, and that's BS.
11 I don't use 25 gallons a day, period. So I don't know
12 where they came up with their numbers. I don't know if
13 they make them up out of whole cloth. All I know is I'm
14 struggling and they want to make it worse. I've
15 listened to these other people and they have all got
16 very, very pointed and very, very significant questions
17 with numbers to back them up, and I certainly want to
18 hear the answers to every one of those questions. Thank
19 you.

20 (Applause.)

21 **MR. MOURING:** Thank you for your comments.

22 **MS. APOLLOS:** I told you I'd be quick.

23 **MR. MOURING:** All right. The last, the last
24 speaker that I have is Donna Luty. Once, once she's
25 finished, that's the last speaker, and then we can --

1 thank you.

2 **MS. LUTY:** I'm not going to embarrass you all
3 by asking you to test, to test this now or taste it now,
4 but that's our water. That was at my mom's. I washed
5 it out with soap and I put our water in it. And here's
6 some little cups. Okay?

7 And the reason I do that is because we don't
8 drink our water. My mom lived in The Villages for a
9 long time and moved into our community a couple of years
10 ago, and she seems -- she thinks there's a difference
11 even in the coffee, even when you make coffee with it.
12 So I think that is significant.

13 **MR. MOURING:** Are we talking about an odor, a
14 smell, what?

15 **MS. LUTY:** It's taste.

16 **MR. MOURING:** The taste?

17 **MS. LUTY:** The taste more than anything.

18 **MR. MOURING:** Okay.

19 **MS. LUTY:** What did you say, mom?

20 **UNIDENTIFIED SPEAKER:** Taste.

21 **MS. LUTY:** Taste, yes. I think it's
22 interesting that Guinea said "hire me," because as I
23 read through some of this paperwork, and I don't know
24 how you guys do the jobs, I really don't, this is some
25 of the most boring stuff I've ever read, but I made

1 comments as I went through. And on page 12 where they
2 talk about the lady that makes \$51,923 a month -- I
3 mean, a year, I wrote in the margin "hire me."

4 And then the question, does she have a degree?
5 And the reason I put that question is I'm a retired
6 teacher, and even in Florida with credit for years of
7 teaching in New Mexico and years of teaching in
8 Maryland, I never made that much per year, and I'm
9 certified in math. So that just tells you, that says
10 something.

11 I'd also like to refer a little bit further to
12 what Carolee said about the figures for mailing the
13 notice of this meeting. It may have cost them money to
14 copy two sheets of paper, but those two sheets of paper
15 were stuffed in with the water bill, so there was no
16 additional postage and it was no cost for envelopes.

17 That's, that's just -- I've got a lot of other
18 comments here, but the only other thing I really want to
19 say is that I understand what you say about this index
20 is determined every year, and if they apply every year,
21 that this is the recommended. But I mentioned that I'm
22 certified in math and I couldn't resist. I took the
23 4.35 -- well, I started with a nice round figure so it
24 wouldn't make it too tough to do. I used \$10. I
25 increased by 4.35 percent, then I increased by

1 4.12 percent, and when I got done, I divided by 10 and I
2 got 181 percent -- or 182 percent. But even so, that's
3 a far cry from 260 or whatever the percentage is. And
4 that's -- the 260 is the average, isn't it?

5 **MR. MOURING:** I do want to be clear about --
6 there's a lot of, seems to be a lot of confusion about
7 the increase.

8 The 260 percent, what that represents is the
9 test year revenues were -- let me give you an exact --

10 **MS. NORRIS:** 35,000.

11 **MR. MOURING:** 35,000. What staff is
12 recommending is 127,000. The difference between those
13 two is the 270 -- or 260.38 percent. The difference
14 that's -- the 300 to 600 percent is based on a
15 post-repression adjustment revenue requirement, the idea
16 being there is a significant rate increase here and
17 there's going to be a repression in usage. I mean, when
18 the rates go up significantly in one shot, there's rate
19 shock. Customers will adjust their usage, they will use
20 less, and fixed costs don't change regardless of, of
21 whether or not customers are using less water. That's
22 something our economists look at.

23 When there was a question about how is the per
24 thousand gallon rate determined, I'm not sure. That's a
25 question that our economics folks will have to address.

1 And there -- that will be -- a breakdown of that will be
2 provided in staff's recommendation, which again is going
3 to be tentatively scheduled to be filed on July 9th.

4 But when you calculate the total bill and you
5 have the -- you know, I keep hearing 300, 600 percent --
6 if you calculate the total bill, the total base charge
7 plus the gallonage charge at the higher tiers and the
8 higher usage levels, shifting from a 4.5 cents per 1,000
9 gallons rate, which is, you know, better than
10 22,000 gallons for a dollar, that's not cost based.
11 That probably wasn't cost based when it was originally
12 implemented, and it's certainly not conservation
13 oriented.

14 So in designing rates, that's something our
15 economists do look at. The Commission does support
16 conservation-oriented rates, so that's why you're
17 probably -- why there's an emphasis placed on base
18 facility -- on the gallonage rate as well. That's why
19 that went from 4.5 cents to \$4. That's a huge increase.
20 That's a lot more than 260 percent. And that's where
21 you get the, the higher percentage increase in total
22 bills, and that, that is a function of the large
23 increase from the 4.5 cents per 1,000 gallons to the
24 \$4 in -- is it -- the \$4 recommended gallonage charge.

25 **MS. LUTY:** There are few, if any of us, that

1 believe that Mr. Simons does not deserve a rate
2 increase, but I think what you heard over and over again
3 from us is that it's too much. It's too much to go from
4 what we're at now to what is recommended. Thank you.

5 **MS. NORRIS:** Thank you. And just to kind of
6 touch base too, you know, the information we get from
7 these customers meetings such as, you know, with the
8 customer notice being sent out, that's more information
9 that we incorporate in the final recommendation, you
10 know, when you're touching on meter reading and
11 services. And just to kind of give you as far as being
12 a preliminary recommendation, our further analysis
13 includes looking into things like the managerial
14 services and what the duties and responsibilities, time
15 commitment, all those, kind of a wholistic look, and
16 that's what we incorporate in the final recommendation.

17 So just to kind of go back over comments here
18 are helpful in furthering our analysis and sending out
19 discovery to the utility to really kind of get a more
20 wholistic look at the services being provided, and as
21 far as ensuring those are compensatory with what
22 services you're receiving certainly.

23 **UNIDENTIFIED SPEAKER:** Somewhere in here it
24 said something about a site visit. Has that been done?

25 **MR. MOURING:** That was done earlier today.

1 Yes, ma'am.

2 And, Ajonelle, there weren't any other names?

3 **MS. POOLE:** Did anyone else want to speak on
4 the record?

5 **MR. MOURING:** Well, okay. All right. Go
6 ahead. If you would, if you would, just so that we make
7 sure we get it on the recording.

8 **UNIDENTIFIED SPEAKER:** You know, you guys are
9 here and we're there, and a lot of this talk is about
10 Cedar Acres and about Mr. Simons. You know to this day,
11 I would venture to say that many people out here don't
12 even know who Mr. Simons is if he -- I understand he's
13 here today, and I would like as part of the meeting for
14 you guys to invite him up. Maybe he can address the
15 group and help clarify and settle up -- settle down some
16 of the things that we're talking about instead of
17 sitting in the back of the room.

18 **MR. MOURING:** Mr. Simons is in attendance here
19 tonight. This is our meeting. We're here to get
20 comments from you. We're not, we're not here to
21 facilitate a meeting between the customers and the
22 utility. He is here. If you'd like to speak with him,
23 you can do that.

24 **UNIDENTIFIED SPEAKER:** I know the congregation
25 would like to hear from him.

1 **MR. MOURING:** That's, that's -- you guys can
2 do that, but it's not going to be part of our, our
3 meeting here.

4 **UNIDENTIFIED SPEAKER:** We don't know him.

5 **MR. MOURING:** He is here today. He's sitting
6 in the back.

7 Okay. I'm sorry. We do have one, one more
8 person that signed up to speak. Tim Herman.

9 **MR. HERMAN:** Good evening. Yes. My name is
10 Tim Herman, 8254 County Road 109D-1 in Oakland Hills.
11 Last name H-E-R-M-A-N.

12 I've really only got one thing to say because
13 everybody has pretty much said everything. I think my
14 biggest concern is just having confidence in the company
15 itself, in Cedar Acres, confidence in the water meters,
16 if they've been read, how they've been read, which has
17 also been said.

18 I've been here since 2006, and there's no
19 doubt that the services could be much better and also
20 that the rates could be higher. I might get shot for
21 that. But we've only -- I've been here since 2006 and
22 have only gotten flat meter rates. Sometimes I've
23 gotten negative usage on my water, which I don't
24 understand how that could be. I've had anywhere from my
25 wife and I living there to, you know, my kids coming

1 back home and stuff, and at times the meter rates are
2 negative. So I'm fine with paying an increase if it's
3 justifiable and within means or within numbers. But not
4 knowing whether or not those are actual numbers being
5 read, then that's my biggest concern is am I paying for
6 the services that -- the water that I'm using? That's
7 pretty much it.

8 **MR. MOURING:** All right. Thank you.

9 If, again, if you would, just to make sure
10 that the recording is clear.

11 **MR. MANNING:** I'll be real quick with this.
12 Mike Manning again, 7647 County Road 109D in Oakland
13 Hills.

14 You said you would give answers to direct
15 questions, that I could get a response. I want a
16 response to the direct question, with the rate increase
17 that you're asking for, I find it to be totally
18 unacceptable, so I want to know directly a yes or no
19 answer, will they relinquish the water rights and allow
20 us to drill our own wells? I need to have a clear
21 answer on that. Because I still, as a business owner, I
22 can never recoup the rates because, well, I made a
23 mistake and I'm underpriced for ten years. You can't
24 recoup that. So it's either that, or I suggest you go
25 with the current rates in the low -- you know, in the

1 area. For instance, something close to Lady Lakes,
2 which is for the first 1,000 to 3,000, 2.26 a gallon.
3 That would be acceptable. Because it's not our fault
4 and it's not our responsibility to make up for lost time
5 or lost wages.

6 **MR. MOURING:** And just so that there's not
7 any, any misunderstanding, what staff has proposed here
8 does not include any back billing. It's all set
9 prospectively on a going-forward basis. There's no
10 recovery of prior losses.

11 **UNIDENTIFIED SPEAKER:** Are you related to
12 these people?

13 (Laughter.)

14 **MR. MOURING:** No, ma'am.

15 **MR. MANNING:** How can, how can, how can they
16 say it's going to cost \$4 a gallon -- excuse me --
17 \$4 per 1,000 gallons in Oakland Hills when Lady Lake,
18 the same town, is only 2.26?

19 **MR. MOURING:** Again, it depends on how their
20 rates are structured, whether they're cost based, and
21 the revenue allocation between base charges and
22 gallonage charges. It depends on the size of their
23 operation. There are a lot of different factors.

24 **MR. MANNING:** The size of the operation should
25 never have an effect on how much we, the consumer, that

1 we're forced to pay. That shouldn't have anything to do
2 with how much we're forced to pay.

3 **MR. MOURING:** There are economies of scale
4 involved in -- for variable costs.

5 **MR. MANNING:** What about my economy, my
6 personal economy? I have bills. I have a family. I've
7 got children to feed. And if -- what I'm basically
8 saying is if you're going to extort money out of me, let
9 me drill a well. I'll pay \$5000 to drill a well and
10 I'll recoup my money in two years.

11 **UNIDENTIFIED SPEAKER:** That's right. That's
12 right.

13 (Applause.)

14 **MR. MOURING:** Whether or not you'll be able to
15 drill a well is outside of the purview of this
16 Commission. That's going to be a Department of
17 Environmental Protection --

18 (Inaudible. Simultaneous conversation.)

19 **MR. MANNING:** We're supposed to be free. This
20 is extortion. I'm sorry, but \$4 -- a 600 percent
21 increase, that's --

22 **MR. MOURING:** I can't give you an answer on
23 the wells. That's a -- would be the Department of
24 Environmental Protection.

25 **MR. MANNING:** I'm just saying that the Mafia

1 used to make better deals.

2 **UNIDENTIFIED SPEAKER:** Why are we paying four
3 times the amount, four times the amount than anybody
4 else around here? Four times the amount.

5 **MR. MOURING:** Okay. Are there any other
6 comments or questions? Would anyone like to address --
7 make comments for the record at this time?

8 **MR. MANNING:** When is the meeting in
9 Tallahassee again?

10 **MR. MOURING:** It's tentatively scheduled for
11 July 21st.

12 **MS. NORRIS:** And I don't know if we mentioned
13 before, the recommendation that will include a breakdown
14 of staff's final recommended rates will be out July 9th.
15 You can access on the website that we went over earlier,
16 and that will kind of give a longterm -- what we've
17 discussed here as far as including any further analysis
18 I was, you know, referring to earlier, that will have a
19 breakdown of that. So like he stressed earlier, this is
20 a preliminary recommendation. There are possible other,
21 you know, I guess additional discovery that would be
22 included in the final recommended rates.

23 **UNIDENTIFIED SPEAKER:** So when will the next
24 step be available on the website?

25 **MS. NORRIS:** July, July 9th is going to be

1 when the recommendation, will be the initial --

2 **MR. MOURING:** If you log on to the website and
3 you look up the docket number and you go under the
4 Clerk's Office tab, there's an event schedule on there
5 that'll list all of these and where they're at. Right
6 now if that changes, they'll be updated on there.

7 **UNIDENTIFIED SPEAKER:** Can you repeat the
8 website again?

9 **MR. MOURING:** It, it should be on your -- it's
10 Floridapsc.com. It should be on that yellow --

11 **MS. NORRIS:** It's on the --

12 **MR. MOURING:** Yes, sir.

13 **UNIDENTIFIED SPEAKER:** Curt?

14 **MR. MOURING:** I'm sorry. If you would, I just
15 want to make sure that we know who's -- when they go
16 make a transcript of this, they need to know who's
17 speaking and make sure that it's clear.

18 **UNIDENTIFIED SPEAKER:** Curt, I couldn't see
19 the name of the engineer. I didn't see it up there.
20 What was the name of the engineer that you're referring
21 to?

22 **MR. MOURING:** That is Moni Mtenga.

23 **UNIDENTIFIED SPEAKER:** Moni?

24 **MR. MOURING:** Yes.

25 **UNIDENTIFIED SPEAKER:** Was it up there?

1 **MS. NORRIS:** It's on, it's on the Special, the
2 Special Report, the yellow one. Yes, sir.

3 **MR. MOURING:** It was not on the presentation,
4 no, sir, but it's on the yellow --

5 **UNIDENTIFIED SPEAKER:** I'm glad I had the
6 opportunity to come back here to ask that question.

7 **MR. MOURING:** Thank you.

8 All right. Are there any other comments?

9 All right. Seeing none, I will thank you all
10 very much for coming here and giving us your comments,
11 and I will adjourn this meeting. Thank you all.

12 (Customer Meeting adjourned at 7:30 p.m.)

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

4 I, LINDA BOLES, CRR, RPR, Official Commission
5 Hearings Reporter, Hearing Reporter Services Section,
6 Office of Commission Clerk, do hereby certify that the
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14 DATED this 2nd day of June, 2015.

15 *Linda Boles*

16 _____
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