

1 BEFORE THE
2 FLORIDA PUBLIC SERVICE COMMISSION

3 In the Matter of:

4 DOCKET NO. 150071-SU

5 APPLICATION FOR INCREASE IN
6 WASTEWATER RATES IN MONROE
7 COUNTY BY K W RESORT UTILITIES
CORP.
_____ /

8
9
10 PROCEEDINGS: CUSTOMER MEETING

11 COMMISSION STAFF
12 PARTICIPATING: AMBER NORRIS
 ANDREW MAUREY
13 ADAM HILL
 DICK DURBIN

14 DATE: Thursday, December 10, 2015

15 TIME: Beginning at 6:00 p.m.
16 Concluding at 6:50 p.m.

17 PLACE: Old City Hall
 510 Green Street
18 Key West, Florida 33040

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

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P R O C E E D I N G S

(Audio starts as follows:)

MS. NORRIS: -- comply with advanced wastewater treatment standards (inaudible) referred to as AWT standards, as well as plant modifications to increase the treatment capacity with wastewater treatment plant basically due to requirements from Florida's Department of Environmental Protection.

So as you'll see, I believe it's on page 4 of the Special Report, these are some sample bills based on 4,000 -- gallons usage of 4,000, 6,000, and 10,000. Again, that's on the bottom of page 4 of the Special Report you'll be able to take with you.

Here is the Special Report. Any of you that know somebody that was not able to attend tonight, please make sure to take extra copies, if you would like.

And so a sample of current rates, right now the base facility charge is 17.81 and the requested (inaudible) rates of the utility is 35.26 (inaudible) residential. Let me make sure to emphasize that. The gallonage charge per thousand gallons is 3.87 currently and the requested final gallonage charge is \$7.66.

I want to do just kind of a brief overview of the proposed agency action process, the PAA process. By

1 statute, the utility may request a PAA process for -- to
2 seek interim rates or seek rate relief. It's an
3 informal process. It costs much less than going
4 straight to a formal hearing, and it must be completed
5 within five months of the official filing date. It also
6 can be protested by any affected party.

7 And the role of the Commission -- we're going
8 to go over basically staff's investigation; customer
9 meeting format, which is what we're doing tonight;
10 staff's PAA recommendation; and the agenda conference
11 that we'll have before the Commissioners.

12 Staff's investigation, and this -- we're
13 members of the Commission staff, include an audit of the
14 books and records by our auditing staff and
15 determinations by the engineering staff of used and
16 useful plant, quality of service, and prudence of
17 utility operations. In addition, we have staff
18 accountants and economists to look over issues such as
19 billing, accounting, and other issues.

20 And so the purpose of the customer meeting
21 tonight is really to receive customer comments and
22 feedback regarding quality of service provided, the
23 utility's interaction with the customers, and the
24 proposed rate increase and any possible questions. We'd
25 really like to try to emphasize that tonight is the

1 customers' night and not the utility, so we really want
2 to get feedback regarding your experience with the
3 utility. And we also will be available after the
4 meeting, either the utility or staff, if you have any
5 additional, more specific questions.

6 The utility and the Office of Public Counsel,
7 which you may have met Mr. Erik Sayler who is the
8 ratepayers' advocate, we have both in attendance
9 tonight, representatives from the utility as well as
10 OPC.

11 And Mr. Durbin over there with the list,
12 customer sign-up, if you still would like to sign up to
13 speak, make sure to please sign up with him. It's not
14 too late. And we'll call you up in the order of the
15 sign-in sheet.

16 In addition, at the back of the Special Report
17 is a customer comment letter, and it also has a docket
18 number already on it, and you can fill that out and send
19 it back to the Commission. It's already addressed. All
20 you need to do is place a stamp on it. If you choose to
21 send any other type of correspondence, please make sure
22 to have the docket number, which is on the Special
23 Report. It's a very important component of your
24 correspondence.

25 So to go over the PAA recommendation, which is

1 the next step after staff completes its investigation,
2 we'll prepare and file a recommendation, and we'll take
3 this recommendation before the five Commissioners at an
4 agenda conference. The utilities and -- the utility and
5 the customers may speak. However, I would ask if you
6 are to come up to speak at the agenda, please let us
7 know. That way we can make appropriate accommodations
8 so you're able to speak before the Commissioners.

9 Staff's recommendation for this current case
10 is tentatively set to be filed February 18th, 2016, and
11 the agenda conference is tentatively scheduled for March
12 1st, 2016. The Commissioners may either approve, deny,
13 or modify staff's recommendation at that time.

14 Tonight if you'd like to go ahead and request
15 the PAA recommendation, if you'll see Mr. Durbin over
16 here at the desk that you signed in, he'll have the
17 Special Report, and you can fill out this form and we
18 will be able to contact you and get that recommendation
19 to you when staff does file it.

20 Another way to access this part of the
21 recommendation or even to be able to watch the agenda is
22 through our website. That is also in the Special
23 Report. Again, please make sure you have a docket
24 number handy, and you're able to pull down and find the
25 agenda conference and stream it live, if you would like.

1 Again, if you have any questions about
2 accessing the website or anything, please see us
3 afterwards and I'd be happy to go through that with you
4 in more detail.

5 After the agenda -- and as I said before, the
6 Commission may approve, deny, modify staff's
7 recommendation -- a Commission PAA order is issued
8 within 20 days. After that 20 days, there will be a
9 21-day protest period that begins where any
10 substantially affected party may protest the order and
11 request a hearing. The hearing is the more formal
12 process that we'll cover in just a minute.

13 If a party other than the utility protests a
14 PAA order, the utility may put the requested rates into
15 effect, although they will be subject to refund with
16 interest. If no party files a protest, the new rates
17 will be effective upon issuance of the consummating
18 order, and that's usually within five days of that
19 protest -- 21-day protest period. If a timely protest
20 is filed, it will be taken to a formal hearing, which is
21 approximately eight months, and will be seen before
22 three Commissioners. The utility and protesting parties
23 will litigate the issues. Customers are also able to
24 testify before Commissioners in that process as well.
25 Each party is responsible for filing testimony,

1 witnesses, cross-examination, conducting depositions,
2 and attending a prehearing conference held in
3 Tallahassee.

4 After the hearing, staff will prepare another
5 recommendation based on testimony at the hearing.
6 However, there's no participation from the utility or
7 customers at the final agenda that staff will take its
8 recommendation to. There will be a final vote and
9 order, and it is able to be appealed before the First
10 District Court of Appeals.

11 And to cover some additional resources
12 available to customers, again, the Office of Public
13 Counsel, the representative here, Mr. Erik Sayler, this
14 number, I believe, is also in the Special Report, is
15 another advocate for the consumers before the Public
16 Service Commission. And there's the website as well.
17 There's also the Florida PSC Consumer Affairs Hotline.
18 That's also in the Special Report as well as the
19 website.

20 Like I said, if you have any questions
21 regarding accessing any of these, please come see us
22 afterwards and we'll be happy to go into more in-depth
23 detail.

24 And so now we'll shift to the customer
25 feedback session part of this meeting. Please remember

1 tonight's meeting is being recorded, and I will call
2 forward participants in the order that you signed up
3 for. Please come forward to the microphone over here to
4 my left, your right, and please state your name,
5 address, and please also spell your last name.

6 Okay. So with that being said, we'll go ahead
7 and start calling forward customers. Mr. Charles Daly.

8 **MR. DALY:** First, we have no complaints with
9 the quality of the service. It's good. You can't hear
10 me?

11 **MS. NORRIS:** We're going to try to adjust the
12 microphones a little bit.

13 **MR. HILL:** And if you would, please state your
14 name and address.

15 **MR. DALY:** Okay. Can you hear now?

16 **MS. NORRIS:** Yes, sir.

17 **MR. DALY:** My name is Charles Daly. That's D,
18 as in day, D-a-l-y. I'm here with my wife, Dawn. And
19 we live at 54 Merganser Lane in a little golf course
20 community. And we are new residents. We bought our
21 last retirement home here and this is where we want to
22 stay.

23 Like some people our age, we try to live
24 within a frugal, prudent budget (phonetic). And at this
25 juncture my wife's accounting shows that we pay about

1 \$1,300 a year for electricity. We pay about \$480 a year
2 for water from the FKAA, Florida Keys Aqueduct. Right
3 now we pay Key West Resort Utilities \$400 a year for
4 sewer (inaudible).

5 So we'll begin, at the approval of this
6 request, paying as much for water and sewer as we do for
7 electricity. I find that uncommon and not something I'm
8 accustomed to. So it seems there may be something a
9 little out of kilter.

10 Also, I have a concern out of ignorance. I'm
11 told that Key West has excess sewer capacity. The City
12 of Key West annexed our little community in Stock
13 Island, so we pay city taxes. They don't pay our sewer
14 and they don't furnish us water. Maybe they have enough
15 excess capacity to take up the slack that our utility is
16 looking for or needs. I don't know. Has that been
17 investigated? And does anybody understand, who lives in
18 our community, why we don't get water and sewer since we
19 pay taxes and have been annexed? I'm not complaining.
20 I just don't know. I'd really like to know.

21 Our elected leaders just recently decided that
22 seniors over 60 could have a free bus ride anywhere.
23 I'm 77. I'd just as soon have affordable toilets as
24 opposed to a free bus ride. Thank you.

25 (Applause.)

1 **MS. NORRIS:** Thank you, Mr. Daly.

2 Next is Ann Aktabowski.

3 **MS. AKTABOWSKI:** Hello. My name is Ann
4 Aktabowski. That's A-k-t-a-b-o-w-s-k-i. I'm the
5 director and the treasurer/secretary of Harbor Shores
6 Condominium Association unit owners, which is located in
7 Stock Island. We have 69 units, primarily mobile homes
8 and a couple of stilt houses.

9 Currently the average cost -- well, let me
10 address the issues one at a time. The homeowners
11 association actually pays the sewer bills to Resort
12 Utilities, although we ourselves have no account
13 (phonetic). Each month I get cards indicating what each
14 unit has used for the month and I pay the bill even
15 though the individuals have different rates and
16 different bills and so on. I'm told that that is
17 required in the contract that was signed back in, I
18 believe, 2009, I may be off, maybe 2007, somewhere. We
19 were told at that time that if each person paid -- or
20 that the reason the homeowners association had to pay
21 one bill was because if somebody, one of the unit owners
22 did not pay their bill, if each one was getting his own
23 bill, for two months in a row, that they would shut down
24 the entire park for sewage usage. I've been told that
25 several times. I find that to be rather unique,

1 different, and strange. So that's the first issue. We
2 really wanted to address that and see why is that and is
3 that in each case?

4 The other issues are related to some of the
5 expansion that is being created. Let me just say, we
6 are not necessarily against growth or expansion. We're
7 not even necessarily against the utility company, in
8 this case Resort Utilities, receiving a raise. We all
9 know that nothing gets cheaper or most things don't get
10 cheaper, and so, yes, utility companies are also
11 entitled to get raises. What we're having difficulty
12 with is understanding what this money that is being
13 requested -- and believe me, this is a huge amount of
14 money. We are joining with the homeowners association,
15 we currently pay \$110 a month in homeowners dues or
16 fees. That includes, as I just pointed out, the sewer
17 charges.

18 Now the average homeowner in Harbor Shores is
19 paying just almost identical with what the yellow sheet
20 says here, just about \$36 to \$37. If this raise goes
21 through, we'll be talking about having to up those fees,
22 assuming we continue to pay the surcharges on behalf of
23 our unit owners, we're now talking about upgrading,
24 upping those fees by at least 35, if not more, dollars a
25 month. That's a huge jump and it makes no sense.

1 When you look at Stock Island -- I'm not sure
2 where you folks are from. Yes.

3 **MR. HILL:** Tallahassee.

4 **MS. AKTABOWSKI:** Tallahassee. Not local.

5 Okay. Stock Island, I think somebody pointed this out
6 to me, it's a good analogy, Stock Island is to Key West
7 what West Palm Beach is to Palm Beach. Do you
8 understand what I'm saying there? It's -- Key West is a
9 high-priced tourist community. Stock Island is
10 primarily affordable housing, low income people, and a
11 high percentage of minority and Hispanic people.

12 Actually I believe, looking at some of the statistics, I
13 believe the percentage of Hispanic and minority is over
14 60 percent. So we're now taking that community and
15 literally hitting them with an almost 100 percent raise
16 in sewer. I know in my unit, one mobile home park down
17 the street from us, they've already received a letter.
18 They've been told that they're most likely going to have
19 a raise -- their rent raised by \$50 a month. We're
20 talking working people. We're not talking about
21 developments or huge condominiums, marinas, and
22 restaurants, which is primarily what this raise
23 seemingly is going to. The expansion that we refer to
24 here is for Oceanside Marina, Sunset Marina. There are
25 two others, there are two -- four large multimillion

1 dollar private developments. Private developments.

2 And what is really interesting to me, and
3 really I don't quite understand it, is the people that
4 own Resort Utilities are also involved in the
5 development of a number of these massive multimillion
6 dollar developments that are going on that require the
7 expansion.

8 Why are the current users of the sewer system
9 and Stock Island being charged with paying for future
10 expansion of private multimillion dollar developments?
11 That makes no sense to me.

12 As I said earlier, we're not against a utility
13 company getting their fair share and maybe a raise to
14 accommodate their expenditures, their current
15 expenditures for their current customers. To suggest
16 that the current customers have to stand -- have to
17 double their money, their rates doubled because
18 multimillionaire people who own Resort Utilities and the
19 golf course, who are getting the excess water, the
20 wastewater, and these multimillion dollar units that are
21 being built, so we're funding those private developments
22 at the expense of the working class people in Stock
23 Island, primarily mobile homes and affordable housing.
24 That makes no sense. That literally, no pun -- well, I
25 should say pun intended, that stinks. That absolutely

1 stinks.

2 And that leads me to my last point, the stink.
3 There are times (inaudible) that you gag walking into
4 your house. And that's not an exaggeration. I
5 understand it has to be, it has to be run under certain
6 pressure, but when it does, Holy mackerel. So is any of
7 this money going to reduce the odor or is it strictly to
8 finance big developments? Again, we're not against new
9 developments, we're not against a raise, but it has to
10 be reasonable. I believe the legal term everyone likes
11 (phonetic) to throw around every now and then, this is
12 arbitrary and capricious this 98 percent raise. Come on
13 folks. I really believe that what has happened, this is
14 my own personal belief, I believe that what this is all
15 about is throwing up a huge number there and let's see
16 where it sticks and let's see what number they come back
17 with. That's what I believe. Thank you for your time.

18 (Applause.)

19 **MS. NORRIS:** Next is Ms. Carol Burns. I think
20 we're going to try -- just so the camera is able to
21 capture best the audio. Thank you.

22 **MS. BURNS:** My name is Carol Burns. That's
23 B-u-r-n-s. I live at 172 Golf Club Drive on Stock
24 Island. I bought my house in -- October 1st of 2002,
25 which makes me a "freshwater conch" for 13 years. We

1 make our mortgage payment to a local bank, Wells Fargo.
2 We pay all of our utilities every month. We live here
3 12 months a year. We don't go up north in the
4 summertime. We frequent the grocery stores, the drug
5 stores, the restaurants; everything in town we support.

6 On January -- in January 2012 I was lucky
7 enough to retire with social security and a small
8 pension. Even with that, I qualified to buy a new car.
9 My credit score is 840. I have no criminal arrests in
10 this town. I'm the type of person, and this gentleman
11 over here and the lady who was just speaking are the
12 type of people you need to keep here. Unfortunately
13 you're pricing us out of town.

14 In September of this year, Wells Fargo came to
15 me and said, "You don't have enough in your escrow
16 account, so we're going to raise it \$96.26 a month."
17 That's \$96.26 of food off my table. Now you're going to
18 raise 98 percent for my Key West Resort Utilities?
19 That's another \$30 off of my food table every month. I
20 don't get a raise from social security, I don't get a
21 raise with my pension.

22 With all the hubbub about workplace housing,
23 with all the hubbub about raises for people who earn
24 minimum wage, what about us retirees? I speak for
25 everyone in this room who's on a fixed income. I think

1 I speak for everyone from this town who's on social
2 security or some kind of fixed income. You're pushing
3 us out of town. Please don't do that. Thank you.

4 (Applause.)

5 **MS. NORRIS:** Next is Mr. Ed Campbell.

6 **MR. CAMPBELL:** Good evening. My name is Ed
7 Campbell, C-a-m-p-b-e-l-l, and I live at 6800 Maloney
8 Avenue, Lot 36, which is in Harbor Shores where Ann
9 Aktabowski was speaking about earlier.

10 She mentioned that the way we understand the
11 reason for the increase is they're predicting growth
12 based on four criteria that we found in their document
13 they submitted: The Stock Island Marina Village,
14 Oceanside Marina, Sunset Marina, and Bernstein
15 Development.

16 On Bernstein Development, I mean, I don't know
17 the ins and outs of all that, but I did read in the
18 paper an article where he's approximately ten years away
19 from even developing that property. What he's done
20 recently is go before the county and get his development
21 rights extended for a ten-year period.

22 Sunset Marina I haven't been able to find
23 anything about. I mean, I know there's already condos
24 out there, so I don't know if they're adding additional
25 condos or what's going on out there.

1 Oceanside Marinas, we can throw a rock and hit
2 it from where we live, and they are currently under
3 construction. So I'm assuming that they've already paid
4 their impact fee or whatever it's called down here based
5 on their ERCs use. So it's going to be -- I think it's
6 \$2,700 they charge, and then multiply it by the
7 customers or gallonage or however they do it. So I'm
8 assuming there's going to be over, I think, 80 some
9 different, maybe 100 condos and a hotel there. Four
10 swimming pools is what they're showing on their plans
11 down there. So I think the authority -- the Resort
12 Utilities is probably going to collect somewhere close
13 to at least a half a million dollars, you know, off of
14 that.

15 So they've been paying -- for every new
16 customer, like a single family, they get \$2,700, like a
17 tap fee, or I'm not sure what y'all call it down here.
18 But over the years, instead of taking that money,
19 because it says it's the reserve capacity, from what
20 I've read in the documents, they're just submitting that
21 into their general fund and using that as operating
22 money. They're not escrowing any money or they don't
23 have a separate pile of money for future development or
24 future capacity that they've, you know, been taking
25 their customers in along the way.

1 The other thing that I've noticed here on the
2 sheet, they're -- on the yellow sheet, they have a
3 charge in here that they're going to go through
4 dewatering sludge ponds of \$4.64 per thousand gallons.
5 They're proposing 9.19. My question on that is if all
6 they're doing is washing out the sludge ponds, why can't
7 they use the reclaimed water that you're generating, or
8 if they're going to AWT, use that water? Because they
9 do sell water back to the golf course and to the jail
10 that they use for, I guess to water the golf course,
11 but, you know, it's not potable to drink but can be used
12 for other things. So I'm not sure why they can't use
13 that water to de-sludge the ponds instead of, you know,
14 using water out of the tap that's potable. I don't know
15 how much that would affect it, but I think that's
16 something I would like you all to consider.

17 And the last point I have is it looks like
18 they're licensed to do 499,000 gallons of capacity. The
19 yearly amount I saw for 2014 that they actually
20 processed was 166,000 gallons. So technically I don't
21 think that they are in default or even coming close to
22 reaching their max capacity. I understand there's
23 something to do with the DEP requirement of they have to
24 have two or three times the amount or something like
25 that in reserve for an emergency or whatever, but

1 essentially on the information they've provided for the
2 last several years they're not even coming close -- in
3 this last five-year period they haven't even come close
4 to using 200,000 in a year. So while they may be in
5 technical default, maybe that is something that they
6 could ask for a variance from or something like that
7 from the DEP because just based on the math right now,
8 they're only using 33 percent. Last year they only used
9 33 percent of the capacity of their current facility.
10 Thank you.

11 (Applause.)

12 **MR. DURBIN:** Ms. Burns said she had something
13 she forgot to tell us.

14 **MS. NORRIS:** Oh, okay. Ms. Burns.

15 **MS. BURNS:** Sorry. Carol Burns again,
16 B-u-r-n-s, 172 Golf Club Drive. This morning I was
17 shocked to get up to an email coming from Key West
18 Resort Utilities. For the 13 years we've lived here
19 I've paid \$30 to \$40 a month, \$40 being the most we have
20 ever paid them. This morning my bill was \$73.16. Now I
21 thought this was going to be approved before I was
22 billed. And speaking to Mr. Saylor, he said, "You need
23 to mention this." So it's not right, and tomorrow I'm
24 going to get on the horn and find out why and also
25 canvass my neighbors and see if they've been billed that

1 too. A lot of people have it automatically deducted. I
2 don't. I pay it through email. So just to tell you,
3 I'm already being billed double right now.

4 **MS. NORRIS:** You are correct in that the
5 rates, as we said, should not be implemented until after
6 the Commission agenda or post-hearing, so certainly we
7 encourage you to follow up on that. But just to
8 clarify, they should not be implemented currently.
9 Thank you.

10 Ms. Brenda Conroy.

11 **MS. CONROY:** Good evening. My name is Brenda
12 Conroy, C-o-n-r-o-y. I live at 6800 Maloney Avenue, Lot
13 No. 31, also part of the Harbor Shores Condo
14 Association. I was before you guys in 2007 when we
15 first went through suing, and that's how we
16 decommissioned our own plant on the property because we
17 were informed we had to bring it up to AWS [sic]
18 standards. So it was cheaper in the long run, easier in
19 the long run, and also through coercion to hook up to KW
20 Resort Utilities. We hooked up, decommissioned our
21 plant assuming that one of the deals was to meet
22 AWI [sic] -- yeah, AWT, I'm sorry. Anyway, so I found
23 out that we're still not AWT, that one of the proposals
24 of this rate increase was to bring the plant up to AWT,
25 AWT standards.

1 I found out earlier today, which I really
2 should have thought about, the reason we weren't up to
3 AWT standards is because they do use a lot of the
4 reclaimed water to water the golf course. If you use
5 AWT standard of water, the golf course would have to
6 spend money to put the nitrates and everything back in
7 the water in order to be able to water the golf course.
8 So in that essence we're saving money for the golf
9 course, which I think is rather ironic that the same
10 people who own the golf course are involved with the
11 utility. So, meanwhile, they want to raise our rates,
12 and yet we've saved them money since 2007, which also I
13 know that they got the extension in 2012. So you're
14 looking at nine years. They should have been able to
15 figure out how to save money in their budget to do what
16 they originally promised they were going to do, which
17 was advanced water treatment.

18 And the other thing I want to reiterate -- two
19 points that was brought up from the previous speakers.
20 One, that you are pricing fixed income, retired veterans
21 out of housing. I have friends that their income is
22 \$1,100 a month. You increase their sewer bill by
23 100 percent, they don't get their (inaudible) this
24 month. They will live without them because they can't
25 afford them.

1 I have association with an outreach mission on
2 Stock Island. Right now they service between 150 to 250
3 people a day from the food pantry. You up their rates
4 \$30 a month, double their rates, you're going to see an
5 increase to 500 people a day trying to get food to feed
6 their families.

7 It is a working class on Stock Island, and
8 working class in Key West means \$8, \$10 an hour. A lot
9 of these people are working two jobs. They're lucky if
10 they bring home 20,000 a year. And it's like Ann
11 mentioned about one mobile home park already increasing
12 the rates, you have families of eight, ten, 12 people
13 living in a two-bedroom 800 foot -- square foot mobile
14 home. It's a tough way to raise a family.

15 And then one other point that was brought up
16 was the smell. There are restaurants on Stock Island
17 that I really like to frequent because the food is
18 really good, but there are times where you can't eat in
19 there because the smell from the sewer plant is so
20 atrocious you really wonder what's sitting next to you.
21 Thank you for your time.

22 (Applause.)

23 **MS. NORRIS:** Next is Mr. Joseph O'Connell.

24 **MR. O'CONNELL:** My name is Joseph O'Connell,
25 O-C-o-n-n-e-l-l. I'm the manager of Safe Harbor Marina,

1 LLC, and we manage two marinas nextdoor to the sewer
2 company. I know the owner, I know the people who run
3 the sewer company. And, you know, my feeling on this is
4 that we'll be directly impacted and so will the tenants
5 of our marina. But the money issue to them is more
6 critical than it is for me. We have to pay for the
7 right type of sewer system, we have to be able to have
8 the quality of the water that's returned to the golf
9 course that's required by government, we have to have it
10 paid for; however, a 100 percent rate increase is kind
11 of unheard of. And it's difficult to figure that if
12 it's a negotiated item, okay, that some rate increase --
13 a rate increase is justified and some of them aren't.

14 Right now I'm in a negotiation with the
15 utility company over additional impact fees, which, you
16 know, we will pay our fair share, we'll pay our fair
17 share of the rates. We'll pass those rates on to a lot
18 of people that really can't afford it because Safe
19 Harbor Marina is a floating apartment complex basically.
20 We're the first marina to tie on to the facility even
21 before they bought the facility in 1998. No. Excuse
22 me. They had that facility there but we were the first
23 marina to tap on. So my point being, they've already
24 made most of the issues and a lot of those issues are
25 different, but it's my feeling that, you know, the

1 utility will expand to a different tank to take care of
2 the expansion, they'll receive impact fees from the
3 developers, and I don't know if anything has been
4 credited towards the impact fees they'll receive and I
5 don't know if the operation of that sewer with an
6 additional tank would create just one-third more of the
7 odor that we have.

8 At our marina on North Stock and at the
9 Hogfish Bar & Grill, Bobby is not here because he had a
10 medical kind of test that he had to go to, that owns the
11 Hogfish, a lot of times we have customer complaints,
12 they leave the dock, and this happens when we have, you
13 know, a mild north wind. We don't and have not
14 complained because, you know, we all live on a very
15 small island. But what is all this money going to be
16 used for, you know, and is it a reasonable -- and you're
17 the staff, you're the people that have to figure that
18 out. So, you know, we want -- I want to pay our fair
19 share, you know, but sometimes requests for a utility
20 company at 100 percent rate increase and some of the
21 other things they've requested from me I don't think is
22 reasonable or correct. So that's our standpoint at the
23 marina.

24 (Applause.)

25 **MS. NORRIS:** Thank you, Mr. O'Connell.

1 Our next speaker is Mr. Jimmy Greene.

2 **MR. GREENE:** My name is Jimmy Greene. I live
3 at 32 E. 12th Avenue. I live there alone. And it's
4 hard when you see your bills, your utilities and taxes
5 and insurance and all this other stuff is more than your
6 mortgage. And the other half, I watch the paper for
7 sales. Houses in midtown Key West are going for
8 millions, no water, just a pool in the backyard. Stock
9 Island, we can't get nothing for our houses, no
10 increase, no nothing, so you couldn't even sell out to
11 get out from under it. And another bill 100 percent,
12 what do you do? Walk off from it, leave? And I do --
13 and I live alone. Thank you.

14 (Applause.)

15 **MS. NORRIS:** Thank you, Mr. Greene.

16 Next is Ms. Wendy Tucker.

17 **MS. TUCKER:** Good evening. My name is Wendy
18 Tucker. I am a retired planner and journalist, and I
19 own property on Stock Island. I do not live there. The
20 property that's there was developed from raw rock by the
21 late Don Pender, who was a staff photographer for the
22 *Key West Citizen*. So I've been watching that property a
23 long time. He and I were good friends.

24 My goal while working with the city in
25 planning and zoning and now as a private resident has

1 been to actually accomplish and see accomplished
2 affordable housing. We've all talked about it, but what
3 do we do about it?

4 I have to say that physical problems on my
5 part precluded me from doing any investigation in the
6 tale of what I hear; however, I question, just based on
7 what I'm looking at, that the PSC cannot control the
8 timing of the customer meeting being dependent upon when
9 a utility files its application. I would rather believe
10 it's an interesting timing that ends up right before
11 Christmas with this kind of a hearing.

12 And also you have made this very difficult,
13 I'm sure, for people from Stock Island to get to
14 downtown Key West in mid-December when the town is busy
15 with its tourism. I'm not sure this was the best place
16 and time to actually allocate this kind of a meeting. I
17 don't know why you didn't perhaps consider the
18 (inaudible) Building if you're going to be in Key West.
19 That's a county building and they've got parking. The
20 parking out here is locked up for city employees.
21 Myself, I'm about four blocks away, and I paid \$7 or
22 \$8 for a parking place.

23 But I'm here because I care about this
24 community, I care about what's happening. I'm not up to
25 speed on the details, but if development mandates the

1 impact fees, that's what impact fees are about. And I
2 certainly concur with every speaker tonight who tried to
3 tell you that this level and degree of rates is going to
4 severely and negatively impact the entire community of
5 existing residential affordable housing, if you want to
6 call it that. So I would encourage this (inaudible),
7 but I also question the time and location of this
8 meeting. Thank you.

9 (Applause.)

10 **MS. NORRIS:** Thank you. Next is Ms. Gigi
11 Varnum.

12 **MS. VARNUM:** Good evening. Thank you for
13 allowing me the chance to speak. My name is Gigi
14 Varnum. I live at 1300 15th Court. I don't actually
15 live on Stock Island; however, I have several friends
16 who do. And like everyone has gotten up tonight and
17 said, Stock Island is not where the rich people live.
18 These are people who are working class, two or three
19 jobs. I've been going to the board meetings and
20 affordable housing meetings, and let me tell you a
21 minimum wage full-time job in this county is just under
22 \$17,000 a year. Affordable housing down here is pretty
23 much a joke. To be affordable, it has to be 30 to 35
24 percent of your income. Otherwise, (inaudible). I
25 (inaudible) to meet someone who is making \$17,000 a year

1 and can afford anything in the Keys on 30 to 35 percent
2 of that amount.

3 All I'm saying is the people this is going to
4 hurt are the people who are really truly the backbone of
5 this community. Without these people, the beds don't
6 get changed, the burgers don't get flipped. Really,
7 truly this is a bad idea for these people to have this
8 much additional burden. There's got to be another way.
9 There's got to be.

10 (Applause.)

11 **MS. NORRIS:** Next is Mr. Steve Breiner.

12 **MR. BREINER:** Good evening. My name is Steve
13 Breiner. I live at 6800 Mahoney Avenue in Stock Island.
14 Sorry. I'm a snow bird. I just came down with a
15 northern cold, so I'm hoping you can hear me.

16 I'm assuming I'm one of the last speakers, and
17 actually everything I have to say I'm just going to
18 repeat. Everybody else has said it eloquently, and so
19 I'm just here to repeat what they said.

20 A 98 percent increase is just counter to any
21 kind of public interest. No elected official should
22 tolerate anything like that towards the people that they
23 supposedly work for.

24 I'm assuming I'm talking to the Public Service
25 Commission staff?

1 **MS. NORRIS:** Yes, sir.

2 **MR. BREINER:** And you're not the PSC
3 Commissioners who I see here in this picture?

4 **MS. NORRIS:** No, sir.

5 **MR. BREINER:** You're much better looking than
6 these people I see in this picture.

7 Again, I want to repeat if this is for future
8 expansion, then I don't understand why the developers,
9 who are going to be making a profit, a substantial
10 profit, can't pay for this action and build it into the
11 price of their condos and their hotels and whatever
12 they're doing. I see no reason why I should be paying
13 it. I'm not going to be getting any of the profits, I'm
14 not getting a drink in their hotel, I'm not going to be
15 allowed to use their pool. There's no reason for me to
16 pay for their sewage. That's such a good line.

17 Also, I'm told, it hasn't been mentioned, that
18 I think part of this money that they're requesting is to
19 pay for lawsuits that have been brought by environmental
20 groups. Obviously if Key West Resort Utilities is more
21 environmentally astute, they wouldn't be having these
22 problems. And, again, to have the public pay for those
23 kind of issues on a corporate basis again is just wrong.
24 It's obscene. It's unheard of really.

25 Thank you for your time, and I'd appreciate it

1 if you can fight the fight for us. I'm sure you, as
2 workers at the Public Service Commission, understand
3 these things maybe more than any Commissioners would.
4 And we appreciate your help. Thank you.

5 (Applause.)

6 **MS. NORRIS:** Next is Ms. Diane Beruldsen.

7 **MS. BERULDSEN:** Beruldsen.

8 **MS. NORRIS:** Okay. Sorry. Beruldsen.

9 **MS. BERULDSEN:** Hello. It doesn't make sense
10 what's going on. First of all, I don't understand how
11 it is that a utility is allowed to just increase the
12 rates before any approval. And also we should be
13 looking at the numbers. You know, Stock Island is the
14 most dense area in the entire keys. They're bringing in
15 a lot of money. It's true that the people who live on
16 Stock Island are really not what you see here. The
17 meeting is here in Key West. Maybe you Commissioners
18 think this is the way the people on Stock Island live.
19 You should come over, check out some of the trailers,
20 the conditions that the people live in. \$50 is
21 definitely going to increase somebody's rent. The owner
22 of the apartment is not going to take on that extra
23 financial burden. It's going to fall on the little guy.
24 That's us. And it is like a gentrification, and you
25 have a chance right now to think about the community

1 that is being impacted.

2 Now this utility earlier had tried to increase
3 the rates. And when it was brought to court, the court
4 says, no, you've got to decrease the rates. So you've
5 got to be careful with this company.

6 You have to also look at other things. The
7 service, you heard a lot of people explain about the
8 smell, you know, the quality of their sewer treatment.
9 We live in an environmentally sensitive area and they're
10 not addressing it.

11 I don't understand how it's legal to increase
12 the rates by 100 percent also. And I think one woman
13 put it concise, she said she thought that perhaps the
14 utility was just going to try to attempt to grab some
15 money. And what they're doing right now, I think that's
16 true. I think (inaudible). And what are they paying
17 for? They're paying for their lawsuits, they're paying
18 for future development. You know, we should be getting
19 stocks. We are not investors in this company. We need
20 to get compensation. You know, ask us, give us a
21 profile of the -- of what we're buying into. This is
22 not normal business.

23 If you own -- if you own a business and you
24 want to expand, you have to get investors. You don't
25 squeeze blood out of a rock. That's exactly what

1 they're doing. And we can't afford it. We can't afford
2 it. And the way they're going about it -- and look at
3 the golf course. Why does the golf course get special
4 favors? Why do you take money out of the little guy?
5 So we need to be protected for all these reasons.

6 So I say if -- it doesn't make sense that this
7 should be approved. This has to be disapproved. And I
8 would look at the numbers. I would, in fact, see if we
9 are being overcharged still. And you have to also look
10 at the quality of the service. We're not being -- we're
11 not getting good water treatment.

12 And also -- okay. I just wanted to make sure
13 I touched upon all the points. I think that honestly
14 what's going on, I know this is a public meeting, I know
15 you've heard a lot of repetition, but the facts remain,
16 everything that some person has stated up here, it is
17 correct. There is no justification for this increase.
18 They should get a penalty for already increasing the
19 rates without approval. Their actions are not proper.
20 So I just hope that -- they should suffer repercussions
21 for this. If we are paying for future investments, we
22 need to get stock certificates because we become
23 investors, and that's a fact. Thanks very much.

24 (Applause.)

25 **MS. NORRIS:** I want to reiterate one more time

1 that right now rates should not -- the preliminary
2 request for rates should not be implemented. So if you
3 are having any type of billing issues, to contact the
4 utility directly because the issues -- or the rates that
5 have been requested should not be implemented at this
6 time. Staff is still in the process of the
7 investigation. The final recommendation has not been
8 taken before the Commission yet.

9 Our last speaker is Ms. Micheline Wolfe.

10 **MS. WOLFE:** Great. You pronounced it right.
11 Thank you. Hi, Micheline Wolfe. Last name W-o-l-f-e.
12 I've been in Harbor Shores for like 31 years. I've been
13 here since everything was corrupt in Key West. It was
14 common knowledge that the sheriff's department employees
15 were picking up dope right up the keys. You know, there
16 was corruption in every form in the government here.
17 Everything has turned around so much in the last 20
18 years. But when we got into this deal with Key West
19 Resort Utilities, we weren't asked if we wanted to
20 participate. We just paid a ton of money to get our
21 sewage treatment plant revamped. That was like two
22 years before we put in all new pipes in our condo park.
23 And myself and our neighbors are working class people.
24 We didn't have many rental units at the time. It was
25 mostly people that were either snow birds that came

1 down, you know, middle class snow birds that were
2 relishing their place in Key West through the winter or
3 people that were working two jobs.

4 So we were bullied by Key West Resort
5 Utilities that we had to sign up under duress saying our
6 property would be worthless if we kept our sewage plant
7 and we didn't sign up to the, what we called the city
8 sewage treatment. And the people that we had involved
9 in the board of directors at the park at the time made
10 the best deal they could thinking that Key West Resort
11 Utilities would keep their promises and that the
12 expenses that we paid and were incurred at the time, you
13 know, to transfer over and use their service, that they
14 would be good for their word, that they would give us
15 the advanced water treatment, the AWT. And we never got
16 it, you know.

17 So here we got the corruption is over and then
18 we find out, you know, who's in bed with who, it goes
19 down the line, and now we're hit with this rate
20 increase. So since 2007 we haven't gotten what we paid
21 for. Now had we been a conglomerate of people that were
22 going to do expansion on Harbor Shores with actors like
23 some of the people maybe from Safe Harbor, you better
24 believe we would have been suing Key West Resort
25 Utilities to get what we paid for back in 2007. But

1 we're a small group of homeowners, and the only ones
2 that we can appeal to are you. So we haven't gotten
3 what we paid for is the bottom line. We can cross
4 everything else off. I'm in agreement with everything
5 that's been said here tonight. But they didn't keep
6 their first contract with us, and that was to -- the
7 monies that we paid in the beginning were supposed to be
8 for the AWT, the advanced water treatment, that we never
9 got. So in my opinion, if we were in a position to hold
10 the company responsible and accountable for what they
11 promised us, we'd be suing them to get a return on the
12 monies they made off this for the service that we
13 haven't received. (Applause.)

14 Unfortunately you're looking at my neighbors
15 who can't afford to do this. So our only hope is that
16 you all listen to us tonight and investigate as much as
17 you can. I know your time is valuable too. But if
18 there's any way that you can help us, you know, and hold
19 this company accountable, it would be most appreciated.
20 Thank you for your time.

21 (Applause.)

22 **MS. NORRIS:** That concludes this part of the
23 meeting, unless anybody else would like to sign up to
24 speak. If not -- yes, ma'am.

25 **MS. AKTABOWSKI:** I just forgot to mention one

1 point. Just --

2 **MS. NORRIS:** Can you make sure you come up to
3 the mic. That way we can get it recorded. Thank you.

4 **MS. AKTABOWSKI:** Just a very minor point, but
5 three times I've asked for various reasons to go to the
6 facility to pick up a copy of the contract or some other
7 issues, and I have been told that it is a closed
8 facility and that it is not open to the public and I
9 cannot go there. My question -- the documents show me
10 that it is supposed to be open, we're supposed to be
11 able to access some office to pick up documents or
12 whatever we may need. That's just one point.

13 **MS. NORRIS:** Ma'am, do you mind stating your
14 name?

15 **MS. AKTABOWSKI:** Oh, I'm sorry. I'm Ann
16 Aktabowski.

17 **MS. NORRIS:** Okay.

18 **MS. AKTABOWSKI:** Thank you.

19 **MS. NORRIS:** Thank you, ma'am.

20 (Applause.)

21 **MS. WARD-GRANT:** My name is Peggy Ward-Grant,
22 410 County Road, Stock Island. The house that we live
23 in -- that I live in now on Stock Island, been there for
24 53 years. 53 years, that's a long time. And as I've
25 heard everyone say here -- I'm really ashamed of myself

1 for not being more prepared to speak. So the only thing
2 I can actually speak on is for how this increase will
3 definitely affect me and most of the neighbors that
4 surround me. As has been said, most of us work two
5 jobs, live on very fixed incomes, trying to help support
6 children, grandchildren, great grandchildren, and this
7 will make a really big difference in our incomes right
8 now. I know it certainly would in mine. So I just
9 wanted the opportunity to say that so you can really see
10 the people that you're making decisions for that you
11 haven't talked to, you know nothing about. You know,
12 it's important that you see us as -- for who we are and
13 not just pieces of paper and numbers that increase
14 profits for everyone else except us. All we're doing is
15 trying to live on a island that we choose to live on and
16 we love. And it's become almost totally out of our
17 reach as it is. This is just a closer step with
18 everything else that will definitely at this point be
19 pushing me out of a home that I have been in, like I
20 said, for 53 years. Please, please make sure that our
21 messages are heard by the people that you report to and
22 please try to remember our faces. Remember us as people
23 that are struggling and here soliciting your help to
24 help us. Thank you.

25 (Applause.)

1 **MS. NORRIS:** On behalf of Commission staff, we
2 truly appreciate you coming out to participate in this
3 part of the process. And, again, we'll be here after
4 the meeting if you have any additional questions or
5 correspondence that you would like to continue. And
6 that concludes our meeting tonight, and thank you and
7 have a safe trip home.

8 (Customer meeting adjourned.)
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