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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20250088-WU

Application for staff-assisted rate
case in Lake County by Sun Communities
Finance, LLC d/b/a Water Oak Utility.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 1

COMMISSIONERS
PARTICIPATING: CHAIRMAN GABRIELLA PASSIDOMO SMITH
COMMISSIONER GARY F. CLARK
COMMISSIONER MIKE LA ROSA
COMMISSIONER BOBBY PAYNE
COMMISSIONER ANA ORTEGA

DATE: Tuesday, April 7, 2026

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

REPORTED BY: DEBRA R. KRICK
Court Reporter and Notary
Public in and for the State
of Florida at Large

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN SMITH: We are going to move back up
3 to Item No. 1. And I do believe we have a few
4 customers that are here to speak. We are going to
5 let our staff introduce the item and then I will
6 recognize those customers.

7 Mr. Cohn, you are recognized whenever you are
8 ready.

9 MR. COHN: Thank you, Commissioners.

10 Good morning. Josh Cohn with the Division of
11 Accounting & Finance.

12 Item No. 1 is the recommendation regarding the
13 application for a staff-assisted rate case in Lake
14 County by Sun Communities Finance, LLC, doing
15 business as Water Oak Utility.

16 Water Oak Utility is a Class C utility
17 providing water service to 1,265 residential
18 customers and 16 general service customers. The
19 utility's rates were last established over 25 years
20 ago in 1997.

21 A customer meeting was held on January 21st,
22 2026, at which eight customers provided comments.
23 There were 304 customer comments in the docket file
24 as of April 6th, 2026. The majority of these
25 comments expressed concerns with the overall rate

1 increase, while several also referenced issues
2 regarding improperly functioning meters, unbilled
3 general service customers, and the excessive
4 unaccounted for water identified in the staff
5 report. Staff addressed these topics in its
6 recommendation.

7 Staff is recommending a revenue requirement
8 increase of approximately \$294,379, or 175 percent.

9 Customers of Water Oak Utility are present and
10 would like to address the Commission regarding this
11 docket.

12 The Office of Public Counsel filed a letter of
13 observations dated February 17th, 2026, and would
14 also like to address the Commission.

15 Additionally, representatives from the utility
16 are present.

17 Staff is prepared to address any questions.
18 Thank you.

19 CHAIRMAN SMITH: Thank you.

20 Okay. At this time, I am going to go to the
21 customers that are here. First, Ms. Schiegner, you
22 can come up to the podium.

23 PUBLIC COMMENT

24 MS. SCHIEGNER: Good morning. Needless to
25 say, I am a wee bit overwhelmed.

1 My name is Dinah, Dinah Schiegner, or
2 Schiegner. I am the Vice-President of the HOA for
3 Water Oak Estate. I am a retired Registered Nurse.
4 I am also a retired attorney. I have worked in
5 Philadelphia and in Harrisburg in the prosecutor's
6 office handling workers' compensation fraud, and I
7 also handled the death claims for 9/11. So when I
8 say I understand complex issues, I do.

9 I know the law. I know what's right, and I
10 know that the people of Water Oak Estate are being
11 wronged. These are my neighbors. This is myself.
12 I am also a resident there. So, Commissioners, I
13 am asking you if you can picture something. If you
14 can picture a community of men and women 55 plus.
15 These could be your parents. They could be you
16 some day. Retired nurses. Retired teachers.
17 Retired factory workers. They are veterans. They
18 are widows. They are widowers. Many of them live
19 alone, a mere Social Security check, a few with
20 pensions. These are people that have worked their
21 entire lives. They have paid their taxes. They
22 have done everything that's right, and they chose
23 Water Oak Estate because it was a safe community,
24 it was affordable, and it was a place they could
25 call home.

1 These are not wealthy people, not at all.
2 They are living in manufactured homes. It's a
3 mobile home community. They are not powerful
4 people. They have no lobbyist. They have
5 absolutely no attorneys on retainer. They have me.
6 Just me. I am not on retainer.

7 So Sun Communities Finance has filed for this
8 175 percent base water rate increase. 175 percent.
9 That's more than double on retired people on fixed
10 incomes with absolutely no ability to absorb this.
11 However, this rate increase is only a portion of
12 the problem.

13 You see, Sun Communities, Sun Finance, Water
14 Oak Utility, whatever you want me to call it, it's
15 also the landlord. They are also the operator of
16 the utility company. Sun Communities controls our
17 rent. They now control the water.

18 Under Chapter 723 of the Florida Statutes,
19 that governs land lease communities. Water Oak
20 Estate is a land lease community. Statute 723
21 stipulates a landlord cannot double-dip, double
22 charge, and that's exactly what Sun Communities is
23 doing. They want us to pay this.

24 They are to be charging -- trying to charge
25 separately for the infrastructure of the water

1 system. We already pay a portion of that in our
2 lot rent. This is an unlawful double-dipping
3 according to Chapter 723.

4 As you know, as you have also gone through the
5 copious pages, this is not a case of one mistake or
6 one oversight. With Sun Communities, it's a
7 pattern across every item in their filing. They
8 had wrong billing. They showed wrong expenses.
9 They documented wrong taxes, wrong categories again
10 and again and again.

11 The residents of Water Oak should not have to
12 depend on the government, on the Commissioners
13 catching their mistakes. Sun Communities should be
14 fixing its broken system before asking the
15 residents to pay more.

16 So what actually was found? Well, your own
17 staff found that Sun submitted bills twice, basic
18 accounting errors submitted, and that was their
19 foundation. Basic accounting errors was their
20 foundation for this 175 percent increase.

21 Then we have the general service customers.
22 It started out as 19, it went to 17, then it went
23 to 16 general service customers. Well, that was
24 interesting. Those 16 general service customers
25 were not really customers at all. Those 16

1 customers were never billed. And according to Amy
2 Herndon, the Divisional Vice-President of Sun,
3 those 16 customers, that's actually Water Oak
4 Utility's own internal irrigation system metered
5 that's stationed on the community's common areas.
6 So Sun Communities does not bill itself for water
7 its own irrigation consumes. Instead, they want
8 its resident to absorb that cost.

9 No. 3, another big issue. How many customers,
10 how many residents are there really? Well, Sun
11 gave you Commissioners three different answers.
12 They answered it three different ways. Well, we
13 know what the actual number is. It's 1,337
14 residential customers, not 1,265. That means there
15 is 72 people, customers, residents, missing that
16 inflated the rate calculation. No.

17 Now, this one is probably one of my biggest
18 issues. Right now, as I stand here, there are 21
19 vacant empty brand new homes sitting waiting for
20 new residents. On every one of those homes, there
21 is an underground Blue Bird irrigation system.
22 That system is computerized. It's set to run seven
23 days a week, four hours a day automated,
24 computerized, set and forgotten. No staff ever
25 comes back to recalibrate it. This goes on weeks

1 on end, four hours a day, seven days a week in this
2 drought-ridden state we are in.

3 How do I know this? I live across the street
4 from them. I see it. I have pictures with me. I
5 can show you the calibrated setup. I can show you
6 the pictures of the water running down the street.
7 Do you have any idea how much consumable water that
8 is that's just running off? That's not accounted
9 for in the documents that Sun presented to you.

10 It's -- remember those 16 customers, remember
11 also running water unbilled, unabsorbed. Here we
12 go. 21 homes, 16 customers, the faulty data is
13 starting to add up.

14 So what is it that the residents are really
15 asking for? Please, I -- please, reconsider this
16 temporary rate increase, permanent rate increase,
17 175 percent, please reconsider it based on what I
18 have simply told you. Investigate the double
19 charge with Chapter 723.

20 I realize, as an attorney, we don't know every
21 statute. We can't possibly. But I respectfully
22 ask you to look into that. Is Sun actually
23 double-dipping, trying to charge these people
24 twice? Could we possibly ask -- could we have an
25 independent audit on Sun's figures? Just put a

1 temporary stay on everything and say, hey, I feel
2 like it's a Goliath against a David, and having an
3 audit would certainly help.

4 So I am asking you directly, specifically, do
5 not rubber stamp this rate increase. Please don't.
6 Faulty data only produces faulty results. It
7 really does. Please make Sun prove their case,
8 truly, please.

9 So in closing, I thank you all. You were each
10 appointed as Commissioners to protect Floridians.
11 Thank you. Remember, Water Oak Estate, almost
12 1,400 homes, 2,500 residents in those homes, they
13 are Floridians. They are. So I respectfully ask
14 each of you, please don't let them down.

15 I thank you for your time. I thank you very
16 much. I wish you all a good day.

17 CHAIRMAN SMITH: Thank you, ma'am.

18 Yeah, yeah, Commissioner La Rosa.

19 COMMISSIONER LA ROSA: Madam, I have a quick
20 question.

21 MS. SCHIEGNER: Sure.

22 COMMISSIONER LA ROSA: In case this comes up
23 later, the 172 unaccounted customers that you
24 mentioned.

25 MS. SCHIEGNER: 72.

1 COMMISSIONER LA ROSA: So there is just 72.

2 Can you tell me how you accounted for those --

3 MS. SCHIEGNER: Yes.

4 COMMISSIONER LA ROSA: -- maybe, like,
5 methodology, or lots, or how that happened?

6 MS. SCHIEGNER: When the general manager
7 confirmed with me that there is actually 1,337
8 homes that are occupied, but the figures that Sun
9 gave you was 1,265.

10 COMMISSIONER LA ROSA: Okay. So occupied
11 homes. Are there any unoccupied homes?

12 MS. SCHIEGNER: 21 brand new ones and probably
13 about two dozen preexisting homes.

14 COMMISSIONER LA ROSA: Okay. And those were
15 not accounted for in these 72?

16 MS. SCHIEGNER: Those were not -- those were
17 not.

18 COMMISSIONER LA ROSA: Okay. All right.
19 Thank you very much.

20 MS. SCHIEGNER: You are welcome.

21 Anybody else?

22 CHAIRMAN SMITH: Any other questions?

23 Yes, Commissioner Ortega.

24 COMMISSIONER ORTEGA: Thank you.

25 And thank you for coming and sharing your

1 comments this morning.

2 MS. SCHIEGNER: Sure.

3 COMMISSIONER ORTEGA: I took a lot of notes,
4 and I really appreciate you taking the time.

5 I read through the letter in the docket file
6 from the homeowners' association, and I was just
7 curious, have you guys filed a mobile home
8 complaint with the office of business and public --
9 DBPR?

10 MS. SCHIEGNER: I didn't know I could. I am
11 the one that submitted the packets that you all
12 received in the mail.

13 COMMISSIONER ORTEGA: Okay. Great.

14 MS. SCHIEGNER: It was a lot for a retired
15 person.

16 COMMISSIONER ORTEGA: I am wondering if we
17 could help you maybe find that form on the
18 internet. That agency oversees Chapter 723, and
19 your comments about the lot rent and double-dipping
20 may be appropriate, so I would ask that staff
21 follow up to help her.

22 MS. SCHIEGNER: That would be fabulous. Thank
23 you.

24 COMMISSIONER ORTEGA: Thank you.

25 CHAIRMAN SMITH: Thank you, Commissioner

1 Ortega.

2 Commissioner Payne.

3 COMMISSIONER PAYNE: Thank you for your
4 testimony. A quick question on the number of homes
5 that you see have water irrigation running seven
6 days a week --

7 MS. SCHIEGNER: Yes.

8 COMMISSIONER PAYNE: -- one of the main
9 sticking points you talked about.

10 MS. SCHIEGNER: Yes.

11 COMMISSIONER PAYNE: Is there ordinance from
12 the county or from the water management district
13 that restricts that in your area, I would think
14 there would be, and has it been reported?

15 MS. SCHIEGNER: There is water restriction in
16 our area, yes. Has this been reported? Yes. Has
17 anything been done about it? No.

18 COMMISSIONER PAYNE: Okay. Thank you.

19 CHAIRMAN SMITH: Yes, Commissioner Clark.

20 COMMISSIONER CLARK: I just want to follow up
21 with just a couple of questions related to the
22 proposed rate increase and what's going to be
23 utilized. My understanding is there hasn't been a
24 rate increase since, I believe, the 1990s, it's
25 been a flat charge.

1 MS. SCHIEGNER: That's correct.

2 COMMISSIONER CLARK: And I understand your
3 position that some of the utility infrastructure is
4 included in your lot rent. How do you feel about
5 the necessary improvements to keep the system up to
6 standard, meeting some of the current requirements
7 such as backup generation, some of the line
8 replacement? Any idea on how that should be paid
9 for, how those funds should be adjusted between the
10 customers and the, I guess the company that owns
11 the lots and the lot rent? Is there any -- have
12 you discussed that or have any opinion on it?

13 MS. SCHIEGNER: Absolutely. It is very fair,
14 it's very giving that a rate increase be
15 administered. It's totally fair. 175 percent, no.
16 But a small one, yes. They do agree. They do
17 acknowledge that, yes.

18 However, I sternly want to point out that they
19 don't maintain the equipment that they have. There
20 is hundreds of customers currently waiting for
21 someone to address their faulty dysfunctional meter
22 or transmitter. They have waited months on end,
23 and Sun does not come out to even address it.

24 We have a brand new pool that they can't open
25 because it was -- not installed incorrectly, but

1 Sun neglected to give proper information on the
2 filtration system. Now it's stalled.

3 There is a real problem with -- what's the
4 word I am looking for? Coherent repair, people
5 looking at things and improving on them correctly,
6 there is a real problem with that.

7 COMMISSIONER CLARK: Thank you.

8 MS. SCHIEGNER: Thank you.

9 Thank you very much.

10 CHAIRMAN SMITH: I am sorry, we have one more
11 follow-up question from Commissioner La Rosa.

12 COMMISSIONER LA ROSA: I am sorry --

13 MS. SCHIEGNER: No, that's okay.

14 COMMISSIONER LA ROSA: -- thank you, Madam
15 Chair, for the second bite of the apple, but
16 something was mentioned and I just want to make
17 sure that I am clear and understanding.

18 So the irrigation that's running -- and this
19 is to Commissioner Payne's question, and I
20 apologize if I don't understand the exact
21 operations of your entire community, so I just want
22 to make sure I don't make this incorrect
23 assumption. I am assuming that's on common area,
24 and is there an association that manages that?
25 Maybe let me start with that question. Is that on

1 common area, the irrigation that's running every
2 day?

3 MS. SCHIEGNER: The one I reported, no, that
4 is not common area. It's in our new section that
5 they are developing, and it's 21, could be 22 or 23
6 right now, vacant brand new homes, sod has been --
7 well, not just recently laid. Sod was laid in
8 January. They set the irrigation, and off they
9 went.

10 COMMISSIONER LA ROSA: Okay. So that answers
11 that question for me. So I appreciate that. I
12 understand.

13 Can we talk about maybe the communication?
14 That hasn't necessarily been mentioned by you, but
15 is there communication from the utility company to
16 the residents, or the management to the residents
17 of anything regarding the utilities, whether it be
18 upgrades, or whether it be just general
19 communications that you would have with an operator
20 living within a community?

21 MS. SCHIEGNER: A monthly bill. That's the
22 communication.

23 COMMISSIONER LA ROSA: Okay. So no discussion
24 or no --

25 MS. SCHIEGNER: None.

1 COMMISSIONER LA ROSA: -- discussion about
2 upgrades?

3 What about when there is a problem, if there
4 is maybe a line blows out, or there is a break
5 somewhere, is any of that ever discussed or
6 mentioned in the community -- to the community?

7 MS. SCHIEGNER: Coincidentally, as I stand
8 here right now, I received a phone call from my
9 husband a few hours ago at the hotel, we are
10 without water today. There seems to be a problem
11 throughout the community that started out with
12 zero -- very little water pressure, and now there
13 is no water.

14 As I was speaking with you, I got notified on
15 my phone that Sun now realizes there is a water
16 problem. It's 10:00 a.m. They now realize there
17 is a water problem, and they are going to address
18 it. So some three hours later, they did notify
19 people.

20 COMMISSIONER LA ROSA: Okay. And then
21 specifically my last question, as it relates to
22 outages or issues within the community,
23 specifically boil water notices, are you notified
24 of any boil water notices, and has that changed in
25 any recent amount of time? I am assuming you have

1 lived in the community for a little bit of time.

2 MS. SCHIEGNER: We are notified. It can be a
3 sporadic notification. We are notified. And I
4 forget what was the last part of your question?

5 COMMISSIONER LA ROSA: So I am assuming that
6 you have lived in the community for some time?

7 MS. SCHIEGNER: I have only lived in this
8 particular community about eight months. I was in
9 another Sun Community prior to that.

10 COMMISSIONER LA ROSA: Okay. All right.

11 Thank you.

12 MS. SCHIEGNER: Sure.

13 Anybody else?

14 Okay. Thank you. Have a good morning.

15 CHAIRMAN SMITH: Thank you, ma'am. Thank you
16 for being here.

17 MS. SCHIEGNER: Thank you very much.

18 CHAIRMAN SMITH: All right. I am now going to
19 recognize, Mr. Dan Kemp.

20 Thank you very much for being here, sir. You
21 are recognized whenever you are ready.

22 PUBLIC COMMENT

23 MR. KEMP: Thank you. My name is Dan Kemp. I
24 live in Water Oak. I have lived there for five
25 years.

1 The Water Oak people, we don't -- we don't --
2 we know that Sun has to make a profit. We
3 understand that the people aren't in business to
4 just give things away, but this goes beyond. I
5 don't think this little bit of water increase is
6 going to affect their net income of 1.36 billion in
7 2025. It's not going to add a lot to that. But I
8 am telling you what it's going to do. It's going
9 to very much impact the people that have been there
10 for 20 -- 15, 20, 30 years. We have one lady
11 that's been there for 40 years. She was crying to
12 her son about the water increase and she's going to
13 have to leave her house. She doesn't realize that
14 her son has been subsidizing her for a couple of
15 years now, but -- and that's -- and that's not an
16 isolated incident. There are more people in there
17 that are getting subsidized by their families.
18 When this increases through, I don't know that we
19 can do that.

20 I belong to the Veterans Club. We have two
21 veterans in Water Oak that were facing eviction
22 until we came along and we subsidized their rent.
23 We give them a debit card so they can feed
24 themselves, so a lot of people right on the edge.

25 Just to reiterate. The water restriction, The

1 Villages has now had to shut down a bunch of their
2 golf courses because they can only water once a
3 week, and that's the same restriction that we have
4 with the St. Johns Water Authority. I thought I
5 would throw that in there.

6 There is also -- we run fundraisers, bake
7 sales. We do golf outings, and we take every bit
8 of the money that we have and we give it -- we plow
9 it back into the residents that are hurting. I am
10 particularly involved with the veterans, and there
11 is a lot of veterans that are getting closer and
12 closer to the edge. I don't think that's the way
13 we should treat our veterans.

14 So I would like to say, once again, this water
15 increase isn't going to have of an impact on \$1.36
16 billion net income. If you allow this rate
17 increase to go through, you are going to destroy a
18 lot of lives. People will lose their homes with no
19 recourse. Some people don't have a family. Some
20 people -- we can't -- we can't subsidize
21 everybody's rent.

22 We are not asking for anything. We are just
23 asking not to do this, because we have been
24 faithfully paying our five percent increase every
25 year, so...

1 I will tell you, I will just close with what
2 Roy Rogers used to say. Let your conscious be your
3 guide and may the Good Lord take a liking to you.

4 Thank you. Any questions?

5 CHAIRMAN SMITH: Yes, Commissioner La Rosa has
6 a question.

7 COMMISSIONER LA ROSA: Mr. Kemp, thank you for
8 being here today.

9 As a resident of the community for five years,
10 I am going to ask a similar question that I asked
11 the speaker before you.

12 MR. KEMP: Yes, sir.

13 COMMISSIONER LA ROSA: What type of
14 communications have you received from the utility
15 company specifically to boil water notices or
16 anything else that's happened in the community.

17 MR. KEMP: None. None that I know of.

18 COMMISSIONER LA ROSA: Outside of the bill, do
19 you get text messages? Is there a bulletin that's
20 posted anywhere around the community?

21 MR. KEMP: No.

22 COMMISSIONER LA ROSA: Okay. Thank you.

23 MR. KEMP: You are welcome.

24 CHAIRMAN SMITH: Thank you, sir.

25 Any other questions?

1 Thank you very much for being here.

2 MR. KEMP: Thanks a lot for the opportunity.

3 I really appreciate it.

4 CHAIRMAN SMITH: Thank you.

5 MR. KEMP: Thank you.

6 CHAIRMAN SMITH: I am now going to go to OPC.

7 Mr. Rehwinkel, you are recognized.

8 MR. REHWINKEL: Thank you, Madam Chairman and
9 Commissioners. My name is Charles Rehwinkel. I am
10 appearing from the Office of Public Counsel, and
11 oftentimes we do not appear in staff-assisted rate
12 cases because of the, what I call the rate case
13 expense conundrum, as more advocacy means higher
14 rates at times, just given the magnitude of what
15 potential rate case expense.

16 I have remarks to make about the quality of
17 service today, but I am impressed by the testimony
18 you have heard from the customers who came all the
19 way up here to talk to you, and urge you to give
20 strong consideration to what you heard on the
21 revenue requirement side.

22 We have sent what we call an observation
23 letter that you are aware of, I think, questioning
24 some of these billing discrepancies. So I would
25 urge that you take that into consideration,

1 especially what you -- given what you have heard
2 from the customers today.

3 Our principle reason for appearing here today
4 is for -- was for the limited purpose of asking you
5 to consider finding that the quality of service
6 that Sun Communities Finance provides to the
7 customers through its Water Oak Utility as
8 unsatisfactory. The Public Counsel is concerned
9 that, as the docket has progressed, Sun Communities
10 Finance has not been overly forthcoming with
11 information about the quality of service, customer
12 complaints and reportable incidences of boil water
13 notices or BWNs.

14 At the outset of the case, the utility had
15 portrayed itself seemingly as historically having
16 only one service complaint and no BWN notices
17 affecting more than 10 percent of its customers.
18 As of March 2nd, the Commission's docket file
19 reflected at least 74 customer complaints of
20 discernible service issues, service quality, meter
21 issues, improper billing issues and BWN/service
22 interruption issues.

23 Three days after that, the company
24 affirmatively told you that they had no service
25 interruptions affecting more than four percent of

1 its customers. Public Counsel discovered three
2 unreported BWNs affecting more than 10 percent of
3 its customers. And staff discovered one additional
4 one. And today, you heard some testimony that they
5 are currently experiencing a, what the customers
6 told you, was a system-wide outage. As your
7 recommendation notes, this failure to report these
8 events is a violation of the Commission's rules.

9 Now, granted, the violations occurred four to
10 five years before the case was filed, but the lack
11 of reporting to you and inconsistencies with
12 affirmative statements, plus the number of customer
13 complaints you received does not, to us, square
14 with the recommendation.

15 Material inattention to the rule requiring
16 reporting and material BWN events could well be an
17 indicator that service quality is not much of a
18 priority for Sun Communities Finance.

19 The Public Counsel does not believe that the
20 rate setting process should rely exclusively on
21 weather the utility has, quote, adequately
22 demonstrated its ability to address customer
23 satisfaction. That kind of a standard would seem
24 to ring hollow with the customers, especially from
25 what you have heard today.

1 When their experience historically, and
2 contemporaneously with the rate case, is continued
3 service failures that are somewhat obscured or fall
4 below a level of affirmative candor to this agency,
5 there should be consideration of the recent
6 history, the rule compliance commitment, or lack
7 thereof, and whether there is a sincerely
8 demonstrated intent to provide satisfactory service
9 in addition to the demonstrated ability in your
10 determination of service adequacy.

11 Somehow, to us, it seems, having the ability
12 that goes unused is worse. Accordingly, on these
13 facts, the Public Counsel ask that service be
14 deemed unsatisfactory. Doing this will put future
15 staffs and commissions on notice that there is a
16 history that needs to be closely scrutinized in
17 future proceedings in addition to this one.

18 We also request that you impose an ROE penalty
19 of at least 15 basis points to reinforce and
20 emphasize any determination that service quality
21 has been inadequate. This would send the correct
22 signal to Sun Communities Finance that the
23 Commission is serious about the issue.

24 And that concludes my comments about quality
25 of service. I am here to answer any questions on

1 this or the other issues that you have heard today.
2 Thank you.

3 CHAIRMAN SMITH: Thank you, Mr. Rehwinkel.
4 Commissioners, questions for OPC?

5 Okay. Seeing none, we are going to move now
6 to the utility.

7 Mr. Wharton, your response.

8 MR. WHARTON: Thank you, Madam Chairman. John
9 Wharton, Dean Mead on behalf of Water Oak.

10 You know, I guess the first thing I would note
11 is -- and I am going to say this very quickly.
12 First of all, since I went to work for the PSC in
13 1985, I bet you almost every new utility in the
14 state was started by a developer. So this
15 developer/utility relationship being a conflict or
16 something untoward has -- it's -- I understand
17 maybe how someone who is not familiar with the
18 subject that might occur to them, but there is
19 nothing there. And I could click off a bunch right
20 now that sometimes belong to mobile home parks, et
21 cetera.

22 The idea here about double billing and fake
23 meters, and et cetera, which are all things
24 designed to make more money, is difficult to
25 reconcile with the fact that staff's recommendation

1 of a \$294,000 annual increase basically can be
2 turned on its head to say that's how much the
3 customers are being subsidized. I am not saying
4 it's their fault. I'm not saying it's not some of
5 the utility's fault. But the idea that this
6 utility is grabbing more money, they have been
7 bleeding money in the related companies. They
8 haven't had a rate case in 29 years.

9 It's amazing to have your staff, your
10 professional staff, to go down there, look them
11 over, ask for tons of information, have a
12 back-and-forth with them, have a customer meeting,
13 talk to the staff and to come up with a high
14 quality of service, to say this is the way that we
15 look at quality of service. These are the tests we
16 apply. We did that to this utility. They looked
17 good in the test year under DEP and on quality of
18 service. They looked good for the multiple years
19 around there. The complaints were zero or minimal.
20 I think there was one DEP complaint. You would
21 think quality of service would be the first thing
22 to go when a utility hasn't had a rate increase in
23 29 years.

24 And I understand why the customer would sit
25 there and would come in and say, we are not asking

1 for much, but the fact is that everything from
2 common sense to the Constitution says this kind of
3 a yearly deficit, this kind of a yearly subsidy to
4 the utility so that it can continue to operate and
5 from the utility to the customers can't possibly go
6 on.

7 And your staff went down. They looked at the
8 operation and maintenance expenses. They looked at
9 the capital projects. I am surprised to hear today
10 about hundreds of meters that are having problems.
11 Your staff apparently didn't catch that. People
12 aren't getting notices and boil water and other
13 things, none of those things are in the staff
14 recommendation.

15 And to my client, having represented so many
16 water and wastewater utilities over the years, they
17 were put through the ringer by staff. Staff asked
18 for a lot of information, and then followed up on
19 those requests.

20 So I think that if -- I can understand
21 lowering the rate of return even if a utility has
22 otherwise demonstrated its entitlement on quality
23 concerns. I don't think they are appropriate in
24 this case. It sounds more like punishment than
25 encouragement.

1 The staff specifically wrote in the staff
2 recommendation about how when things were brought
3 to their attention, they did follow up with the
4 customers. They seemed to be responsive, et
5 cetera.

6 Unless there is something the Commission has
7 heard that goes adversely to staff's findings with
8 regard to the substantial elements of rate base,
9 which is on what these numbers in this
10 recommendation occurs, I think that staff's
11 recommendation should be approved; that the utility
12 has demonstrated that it is entitled for these
13 rates to be approved; that obviously they should --
14 they will continue, I believe, and from everything
15 I have heard from them, to be responsive to
16 customer complaints and to improve the system as
17 it's needed and I guess that's all I would say.

18 We stand by staff recommendation. We don't
19 have any concerns with staff's recommendation. And
20 obviously, for this utility, it's been a long time
21 coming. If the dissatisfaction with the result is
22 so widespread, the Administrative Procedures Act
23 contemplates a time and place in which evidence of
24 these things, and cross-examination, and et cetera,
25 could be deduced for the creation of a record to

1 see if it is consistent with what -- we didn't hear
2 it with the prior, we didn't hear any complaints,
3 we didn't hear in the customer meeting that we are
4 hearing today, and that is obviously there is an
5 opportunity under Chapter 120.

6 But today, based on -- essentially, it was an
7 audit by your professional staff. They were saying
8 they thought an audit would be a good thing.
9 That's really what that was. We would support the
10 staff recommendation and ask that it be approved.

11 CHAIRMAN SMITH: Thank you, Mr. Wharton.

12 Commissioners, are there questions to Mr.
13 Wharton?

14 Yes, Commissioner La Rosa.

15 COMMISSIONER LA ROSA: Okay. Thank you, Madam
16 Chair.

17 So help me better understand, right. So you
18 said 29 years since their last rate case. I
19 understand you have a rate case. You make
20 improvements. You are operating. But what's
21 happened in 25 years that the utility has been
22 bleeding so much, and why now? Why today do we
23 see -- I mean, there is 160 some odd thousand loss
24 annually. Was it all of a sudden? Was it 10 years
25 ago? Was it 15 years ago? Was it 20 years ago? I

1 just can't get my head around that aspect.

2 MR. WHARTON: And I appreciate that,
3 Commissioner La Rosa. I swore I would not say that
4 I am pinch hitting, but I am pinch hitting, Mr.
5 McGill, the attorney that worked on the file, the
6 whole thing, is overseas, but -- and I had Amy
7 Herndon, the Divisional Vice-President coming here,
8 who has not made it in the room, unless she's here
9 now. Oh, there she is.

10 So perhaps -- who I have not met before,
11 perhaps she is the person to respond to that. But
12 I do not know. I do not know. I know that I don't
13 believe we were owning the utility for a lot of
14 that time. But as far as now, I think it was just
15 a matter of coming to appreciate that there was an
16 entitlement there, and that it was best to go into
17 the process, qualifying for staff assistance and
18 determine whether or not their -- a rate increase
19 was appropriate given the amount of money that was
20 having to be put in the utility that was not being
21 covered by rate -- revenues from rates.

22 COMMISSIONER LA ROSA: Madam Chair, I would
23 ask that Ms. Herndon could approach the stand. I
24 would certainly have questions for her if the
25 Commission is okay with that.

1 CHAIRMAN SMITH: I would agree.

2 Ms. Herndon, would you mind coming to one of
3 the mics so that the Commissioner can address his
4 questions directly?

5 MR. WHARTON: And introduce yourself.

6 MS. HERNDON: Sorry. I was late.

7 CHAIRMAN SMITH: That's okay.

8 MS. HERNDON: Driving from Homosassa, it was a
9 long drive in the rain.

10 CHAIRMAN SMITH: Thank you for being here.

11 Yeah, so if you could just introduce yourself
12 and your title, and then maybe Commissioner La Rosa
13 can reiterate his questions directly.

14 MS. HERNDON: Yeah. My name is Amy Herndon.
15 I am the Divisional Vice-President for Sun
16 Communities.

17 COMMISSIONER LA ROSA: Thank you, Ms. Herndon.
18 I think you were in the room when I asked a
19 question of your counsel.

20 Can you just help us understand what's
21 happened in the last 25 years, and why today? Why
22 is today the day, or the year, or, you know, last,
23 you know, 24 months the time where you are asking
24 to make these upgrades?

25 MS. HERNDON: So we recently, a few years ago,

1 installed a new water treatment plant, I think it
2 was roughly three or four years ago, and our
3 company owns and operates manufactured housing
4 communities. We have almost 600 communities
5 throughout the United States. There is only five
6 that are Public Service Commission. So our first
7 operations is manufactured housing.

8 So it was never one of the things where they
9 wanted to go in for it. They just kind of left it
10 as is. But as utilities and things, the cost to
11 run the plant have increased since COVID
12 specifically have gone up, chlorine, operating
13 expenses, having to build the new plant to
14 accommodate the residents to take the old plant
15 off-line, those expenses have just gone up
16 considerably.

17 So we attempted it. I think it was in '23 we
18 were starting the process, and then realized how
19 cumbersome it was, and the things that we needed to
20 gather, and so we went back and started to do all
21 of that and kind of paused it. And then once we
22 had everything, we moved forward last spring. So
23 it took that long to get here.

24 COMMISSIONER LA ROSA: Okay. Can you walk me
25 through the operations with the residents? And I

1 understand the developer rule and, frankly, even
2 maybe appreciate the housing environments that you
3 guys create, but what type of communications do you
4 have with the residents of your community as there
5 is upgrades being made? It sounds like we are
6 hearing that there was upgrades recently. Are
7 those communicated to the residents? What happens
8 when there is an emergency situation, or I think
9 the example I was using boil water notices
10 previous? Can you walk me through how you guys
11 handle that and how you operate on the ground?

12 MS. HERNDON: Yeah. So we send out email
13 blasts prior to, we used to use Text-Em-All. Now
14 our system does it. We put it in newsletters. We
15 communicate with the HOA. This HOA board is newer.
16 We send out boil water notices, but we are in a
17 loop system, so we are able to isolate any point
18 repairs.

19 So it's not -- since 2001, it's not the whole
20 community. It's a section. So if you don't have
21 an issue, you are not going to receive a boil water
22 notice because your area was not shut down. We
23 just have to shut down a section to do a main line
24 repair, or a homeowner needs to do a repair on
25 their line, so we would have to shut down that

1 section for them to be able to do that.

2 A lot of times, the homes are older, we have a
3 historic district, we call it, and so their shutoff
4 valves may not work, so you have to shut down that
5 road, those few homes so that you are able to
6 replace those. But those boil water notices go out
7 to those specific folks that it applies to only,
8 not to the entire community.

9 CHAIRMAN SMITH: When those boil water notices
10 go out to the community, is the Public Service
11 Commission notified of those?

12 MS. HERNDON: We -- I recently just took this
13 portfolio over two years ago. I was not aware that
14 the Public Service Commission needed to be notified
15 if more than 10 percent needed to be shut down. We
16 are well aware of that now, and has implemented a
17 policy that if that does happen moving forward,
18 because it hasn't happened since '21, that when we
19 notify the DEP, we will make -- we have a process
20 and a form that we have created that we will also
21 notify the Commission.

22 COMMISSIONER LA ROSA: Okay. Do you have a
23 compliance contract or consultant that oversees and
24 helps? Because it sounds like you have more than
25 just one community here in Florida that's under

1 Public Service Commission regulations.

2 MS. HERNDON: Yeah, so each community has
3 different operators, but we work with U.S. Water at
4 Water Oak.

5 COMMISSIONER LA ROSA: Okay. Do they assist
6 in what the compliance requirements are here?

7 MS. HERNDON: They handle the boil water
8 notices, the recent notices, they send them to us.
9 We send them out.

10 COMMISSIONER LA ROSA: How long have they been
11 on the ground with you?

12 MS. HERNDON: They have been there for years,
13 probably 10, 12 years maybe.

14 COMMISSIONER LA ROSA: So it's fair to say
15 that they would understand our process and what's
16 required when there is requirements to notify us as
17 the commission?

18 MS. HERNDON: They are aware now. Yes. I
19 don't believe they were aware, or understood
20 that -- that the community was publicly under the
21 public commission, because they are an operator, so
22 they don't have anything to do with the
23 administrative side of things. They handle the
24 operation of the plant. So if they have to shut
25 down a section for repair -- or we shut down a

1 section for repair, they handle the notices. They
2 handle the testing, but --

3 COMMISSIONER LA ROSA: Okay. Can -- I want to
4 turn my attention to what I believe staff was
5 mentioning, and, staff, please back me up if I have
6 got this incorrect. There is a requirement to
7 notify us after a certain threshold of water is,
8 frankly, lost, or unaccounted for, and I believe
9 the number was close to 40 percent, if I am not
10 incorrect. I think that threshold is 10 percent
11 for us to be notified, is that an accurate
12 statement?

13 MS. RAMIREZ-ABUNDEZ: I don't know if they
14 have to notify us, but that's our threshold for the
15 10 percent for the EUW regarding the system.

16 COMMISSIONER LA ROSA: Okay. So -- but it was
17 found within this case that there was a large
18 amount of loss of water that was unaccounted for.

19 MS. RAMIREZ-ABUNDEZ: Yes. The utility wasn't
20 able to provide additional information regarding
21 that, so they just provided flushing, and that was
22 what staff ended up with.

23 COMMISSIONER LA ROSA: Okay. All right. I am
24 going to turn, then, to the utility.

25 Can you help me understand where that loss

1 came from, and was that recognized by you guys? Do
2 you have protocols in place? How do you monitor
3 that?

4 MS. HERNDON: Yeah, so we are currently
5 auditing the infrastructure, making sure all the
6 meters are working. All our common space have
7 meters. All the residents have meters. The vacant
8 homes have meters. It's an old -- some of the area
9 is an aging infrastructure, so sometimes when we
10 have water line breaks, they are under the roads,
11 and it takes a minute for it to come up.

12 What we recently found is we think our
13 calculator, when we had an issue, we were
14 calculating the loss incorrectly that we were
15 basing it off of the time and the pressure at the
16 time the point repair was done versus how long it
17 potentially could have taken to come to the surface
18 and, you know, gone underground. It could have
19 been a long time. The community is quite large, so
20 it takes a minute for somebody to recognize that
21 water is coming out from underneath the road, or
22 driveway, or something like that, and then bring it
23 to our attention so we can take care of it.

24 COMMISSIONER LA ROSA: How long would you say
25 that that's been happening that you noticed that?

1 MS. HERNDON: I couldn't tell you. I don't
2 know. I have only been at the community two years
3 now.

4 COMMISSIONER LA ROSA: Okay. Madam Chair, I
5 think I am good. I don't have any further
6 questions. Thank you.

7 CHAIRMAN SMITH: Yeah, Commissioner Clark.

8 COMMISSIONER CLARK: Yeah, I have a question.
9 I need a clarification on something that was said.
10 I am going to ask Mr. Rehwinkel, if that's okay,
11 Madam Chair, if he made it.

12 Mr. Rehwinkel, did you make the statement that
13 there were a couple instances of unreported boil
14 water notices that affected more than 10 percent?

15 MR. REHWINKEL: Yes. The staff rec notes that
16 there were three that we reported to them through
17 our letter. And then after that, they discovered
18 another instance. Now, this was back in the
19 2020-2021 timeframe.

20 COMMISSIONER CLARK: Okay. So her statement
21 was correct, since 2021, you have not had any boil
22 water -- that was where I was going to, you made
23 this the statement that you had not had any since
24 2021. I want to see if yours was after or before
25 that.

1 MR. REHWINKEL: That's correct. That was what
2 I was saying.

3 COMMISSIONER CLARK: Thank you.

4 CHAIRMAN SMITH: Can I ask a question -- I am
5 just going to ask this question of staff, because
6 we are on sort of the topic, kind of going back to
7 Commissioner La Rosa's point about this excessive
8 water use.

9 When Ms. Schiegner was -- mentioned that there
10 were the vacant lots had the irrigation systems
11 running four days a week, seven hours a -- four
12 days -- four hours a day, seven days a week, was
13 that water usage captured in that excessive water
14 use in Issue 3?

15 MS. RAMIREZ-ABUNDEZ: That we know of, no,
16 because we were not aware of the excessive amount.
17 The utility didn't provide any additional
18 information regarding that. And if it's
19 irrigation, if it's all water, it's treated, so it
20 depends on the information we get provided by the
21 utility.

22 CHAIRMAN SMITH: Would the utility know the
23 answer to that question?

24 MS. HERNDON: So all irrigation is metered.
25 It runs through the same meter, whether they have

1 it in the house or outside. We water for 30 days
2 for new plantings on brand new homes, and then the
3 irrigation should be adjusted. We did not have
4 these homes or that area fully developed during the
5 test years, so that would not be part of this
6 either.

7 CHAIRMAN SMITH: Okay.

8 MS. HERNDON: These are new homes they just --
9 that are there right now.

10 CHAIRMAN SMITH: Right. Yeah. I mean, she
11 said this started in January, so 30 days, you think
12 you would have made adjustments on the irrigation
13 system.

14 MS. HERNDON: Yeah, so we have homes coming in
15 all of the time right now. There is -- they did a
16 300-site expansion, and so we are adding 20, 30
17 homes every couple months up there. So you will
18 see, as new plantings come in, they will water for
19 30 days, then they get readjusted, but you will
20 have other homes that will water for 30 days and
21 then get readjusted, so that the plant material
22 will grow and take. And then during the cold
23 snaps, we try and overwater them so we don't lose
24 them. But it is metered, and we capture that.

25 CHAIRMAN SMITH: Commissioner Ortega.

1 COMMISSIONER ORTEGA: Thank you. I had a
2 quick question for staff.

3 Are there any of the proforma projects that
4 are addressing the excessive unaccounted for water
5 for this utility?

6 MS. RAMIREZ-ABUNDEZ: That would be more
7 correlation towards the water main leaks that they
8 provided two additional projects regarding to
9 repair to their main -- into their mains, so that
10 would be correlation if there was any leakage
11 regarding the water, that would be one of -- two of
12 the projects that would benefit, the boil water
13 notice, if that was one of the main concerns.

14 COMMISSIONER ORTEGA: And are those already in
15 service?

16 MS. RAMIREZ-ABUNDEZ: Yes, and they went in
17 service in 2025.

18 COMMISSIONER ORTEGA: Did we -- if I can. Did
19 we look at data from when they were placed in
20 service to the end of the test year? I am not sure
21 FTE timing works out to see if --

22 MS. RAMIREZ-ABUNDEZ: No, the test year ended
23 at the end of 2024.

24 CHAIRMAN SMITH: If -- do you have any other?
25 Okay. I just want to, because I know we have

1 been talking about excessive water use, but I do
2 kind of want to follow up again, Commissioner La
3 Rosa made a lot of good points, and so I am just
4 going back to something he mentioned about some of
5 the investments, the utility not having this rate
6 increase in so long, and why now, and all these
7 things.

8 For staff, like, are there other avenues that
9 the utility could have availed itself to keep up
10 with these increases, like, you know, the price
11 index? We've seen that before. Did they -- have
12 you -- has any of that happened, or did they even
13 talk to you about that?

14 MR. COHN: So the utilities had a number of
15 indexes every year up until around 2023, but they
16 haven't had a full comprehensive rate case since
17 around 1997.

18 CHAIRMAN SMITH: Okay. So they have that
19 index, okay.

20 MR. REHWINKEL: Madam Chairman?

21 CHAIRMAN SMITH: Yes, Mr. Rehwinkel.

22 MR. REHWINKEL: Can I just add a little
23 footnote to that Q&A you just had just briefly?

24 In 2000, they were actually found to be
25 overearning, so I was going to point out the price

1 index and pass-throughs. So it's not been, you
2 know, poverty the whole time.

3 Thank you.

4 CHAIRMAN SMITH: Thank you, Mr. Rehwinkel.

5 Commissioner Ortega, do you have a follow-up?

6 COMMISSIONER ORTEGA: I just wanted to go back
7 to the quality of service. And so we heard a
8 little bit about the communication, but I am
9 interested to hear what type of services are you
10 offering your customers for helping payment for
11 their bills? Do you have a bill assistance
12 program? Are you connecting them with other
13 opportunities in the community to help offset some
14 of the costs? Can you talk to us about how you are
15 addressing some of the issues from the residents on
16 payment?

17 MS. HERNDON: So we haven't done that
18 specifically for water. If a resident has a high
19 water bill, we do allow them to pay that over time
20 if they need to.

21 Typically, we see more of the residents having
22 issues paying their rent, and so there is several
23 agencies that we try and hook them up with, St.
24 Vincent de Paul, Children and Families, others,
25 there is different programs in the area, each

1 community manager has those things and works
2 one-on-one with that particular customer just to
3 help overall with those expenses, and that's kind
4 of how we handle that, but not specifically for the
5 utility.

6 CHAIRMAN SMITH: Commissioner Clark.

7 COMMISSIONER CLARK: Yeah. Thank you, Madam
8 Chairman. My question is for staff, and, again,
9 going kind of -- staying on this quality of service
10 issue.

11 I understood we held some customer meetings in
12 this service territory. Can somebody just kind of
13 give us a little rough overview of what was the
14 result of the customer meetings? How many
15 customers? What kind of complaints did you get
16 when you were on-site?

17 MS. RAMIREZ-ABUNDEZ: We did have a customer
18 meeting on January 21st. It was a virtual meeting.
19 It was mostly regarding the rate increase and, at
20 the time, the unaccounted for water for the staff
21 report that came out, and the billing -- not the
22 billing, the meter issues that were also brought up
23 in the docket.

24 COMMISSIONER CLARK: How many customers were
25 in attendance?

1 MS. RAMIREZ-ABUNDEZ: Eight.

2 CHAIRMAN SMITH: Any other follow-up
3 questions?

4 Okay. The only thing -- I mean, I don't know
5 if we want to start getting into the, you know, the
6 nuts and bolts of what we are going to do here. I
7 guess maybe a question is especially addressing
8 what we have heard from those customers today about
9 just balance of investments probably being needed,
10 but also recognizing the rate impact about
11 potentially phasing these sort of rates in or doing
12 it over an extensive period of time. Have you
13 guys -- you know, has that actually been calculated
14 about the possibility? Because, you know, we do
15 bring that up a lot, so as an option to kind of
16 think about the affordability aspect of it.

17 MR. COHN: Staff reviewed the information and
18 decided that phased in rates were not appropriate
19 in this docket, as expressed in the staff report.

20 CHAIRMAN SMITH: Is there -- I mean, why not?
21 Just because it needs to be happening right now, is
22 that the answer? This needs -- we need this? I
23 mean, my question is why?

24 MR. COHN: I believe it was because the
25 increase, itself, was necessary, and the -- all

1 operating expenses were calculated correctly and
2 verified.

3 Why exactly the phased in rates were not
4 deemed necessary, I couldn't tell you at this time,
5 though.

6 CHAIRMAN SMITH: Thank you.

7 Okay, Commissioner Clark.

8 COMMISSIONER CLARK: Thank you, Madam Chair.
9 I kind of was hung up on the rate issue too. I
10 have looked at the typical bill comparison, the
11 typical rates, and I certainly do not think that it
12 is a excessive amount, the staff recommended rates,
13 I certainly can support. I realize it's a very
14 large percentage increase, but you are talking
15 about the average \$35 a month water bill that's --
16 I am certainly not going to try to debate, and hope
17 we don't get into trying to debate the affordable
18 aspect of it. That is not our assignment. Our
19 assignment is reasonable and fair. And I certainly
20 think a \$35 average bill is certainly reasonable,
21 in my opinion, based on the revenue requirement.

22 Based on the amount of infrastructure
23 enhancements that are needed in this system, I
24 think the system has probably been significantly
25 under-maintained, in my opinion, and I will take a

1 little responsibility. I probably didn't dig into
2 this aspect of it as much as I should, but I think
3 that there has been some underinvestments that need
4 to be compensated for, but I also think I probably
5 didn't do my due diligence in digging into the
6 customer service aspect of this, and I think that
7 there may be some pretty significant issues when it
8 comes to quality of service. I think that those
9 may have been not hit as hard as I think I probably
10 personally could have.

11 But I would like to know where we are in the
12 timeline of this case, and what kind of room we
13 have in terms of making a decision on this. I
14 would certainly spend a little more time doing due
15 diligence if we had it available.

16 MR. MARQUEZ: So, Commissioner Clark, we are
17 on a statutory clock. The last day in which the
18 Commission is able to render its decision would be
19 November 8th. However, we need to take into
20 account that we are currently in the Proposed
21 Agency Action phase, and that any delay eats into
22 time that if someone were to file a formal protest,
23 we would need to complete that hearing with
24 testimony, evidence within the timeframe that's
25 left.

1 COMMISSIONER CLARK: So what you are telling
2 me is 30 days wouldn't kill us?

3 MR. MARQUEZ: Might not.

4 COMMISSIONER CLARK: Good answer.

5 CHAIRMAN SMITH: Okay. Commissioner La Rosa.

6 COMMISSIONER LA ROSA: It sounds like we got
7 six months, right, and six months of runway, right,
8 understanding we have got to back down a date into
9 that.

10 I have more questions today post hearing this
11 than I did going into it, frankly. I don't want to
12 debate the affordability aspect. I don't know what
13 each household, what affordability is.

14 CHAIRMAN SMITH: I might -- maybe -- I retract
15 saying that, okay --

16 COMMISSIONER LA ROSA: No. No. No.

17 CHAIRMAN SMITH: -- I just am trying to
18 recognize --

19 COMMISSIONER LA ROSA: Madam Chair, but that's
20 a great point, because at the end of the day --

21 CHAIRMAN SMITH: I shouldn't have said that
22 word.

23 COMMISSIONER LA ROSA: -- it affects somebody,
24 right, and it may affect one household different
25 than another household. And I think that really

1 matters. And I think we have to proceed with
2 caution with everything that may be happening. And
3 I know we are here just talking about utilities,
4 but there is a lot more that's happening than just
5 this. So I think we have to be conscious about
6 this.

7 I see a triple digit increase in percentage.
8 That concerns me, because I do not believe the
9 spirit of the law that would grant them the ability
10 to come in for a rate case and earn recovery was
11 intended to have a 25-year gap. And I think that's
12 really what the main issue is here.

13 And I am not -- I am not going to speculate on
14 what I think, because I want to dig deeper into it.
15 But time isn't always friendly, especially when we
16 are talking about an underground infrastructure
17 that we cannot see and then we ingest into our
18 body.

19 With that said, I would be very much in favor,
20 which I believe Commissioner Clark was going, is
21 that can we -- is there a way to have more time?
22 Is there a way for us to deliberate through staff
23 in asking questions and understanding more so we
24 can make a more informed decision? That's the
25 direction I would be in going if that was somehow

1 possible.

2 CHAIRMAN SMITH: Yes, Mr. Futrell.

3 MR. FUTRELL: Madam Chair, if you and the
4 Commissioners would like to, you know, consider a
5 deferral, perhaps next agenda we could be able to
6 give you -- you would have time to more deliberate
7 on it, and we could work with you and your offices
8 to provide some more information and answer
9 questions you may have.

10 CHAIRMAN SMITH: Yeah.

11 COMMISSIONER LA ROSA: So I would commit that
12 what you would get from my office is more questions
13 that my hope is that the utility could maybe answer
14 and respond to, and then that, obviously, can be
15 shared in whichever the legal, you know, process is
16 necessary that everyone sees it as part of the
17 docket. That's what I would -- that's what I will
18 do from my office, is certainly dig deeper with the
19 additional questions that I now have hearing the
20 testimony, or the discussion points that have been
21 had today.

22 MR. WHARTON: Commissioner -- Madam Chairman,
23 is the intent the questions would be limited to the
24 quality of service issue, which is an issue of some
25 scope?

1 COMMISSIONER LA ROSA: You might want to turn
2 your microphone on.

3 CHAIRMAN SMITH: Yeah.

4 COMMISSIONER LA ROSA: I can't promise that
5 they would just be a quality of service issues.

6 MR. WHARTON: So we could get whole new data
7 request letters about different subjects and --

8 COMMISSIONER LA ROSA: I don't want to --

9 MR. WHARTON: We will respond --

10 COMMISSIONER LA ROSA: I don't want to make
11 any promises.

12 MR. WHARTON: Okay.

13 COMMISSIONER LA ROSA: But when you are
14 regulated by the Commission, there is questions
15 that we have to ask. I think that's our
16 responsibility. And hearing the things we heard
17 today, I think that there is, at least for me, my
18 perspective, I have more questions than I did
19 coming out of this than I did going into it.

20 And I think staff has done a phenomenal job,
21 frankly. I think you have dug deep. And I don't
22 think we can -- I don't think we can know what we
23 don't know, but I think there is some -- now there
24 is some additional avenues to go down, which there
25 may be more evidence for us to consider if the

1 answers are different.

2 CHAIRMAN SMITH: Yeah, I would agree. I
3 think -- I mean, I am going to have questions about
4 that excessive water use question that I don't
5 think we fully dug into the -- staff was able to
6 get at a solid answer from you.

7 I would probably, if we are deferring this,
8 also because I know I probably won't be at the May
9 agenda, so I will get my question out now. But I
10 would like to see if you could explore about the
11 phased in approach, and then, you know, these four
12 can debate that in May about whether that's going
13 to be appropriate or not. But I just want, you
14 know, if we can at least have that information
15 available would be helpful I think.

16 COMMISSIONER LA ROSA: And I think I am right
17 there with you. The phased in approach is
18 something I have been thinking this entire time. I
19 really appreciate you bringing that up, because it
20 was top of mind but it got hit with everything
21 else, so I would be part of that if that's the only
22 question I ask.

23 CHAIRMAN SMITH: Okay. Thank you.

24 Yes, so I will need a motion. Yeah.

25 COMMISSIONER CLARK: I move to defer the item

1 for 30 days, Madam Chair.

2 COMMISSIONER LA ROSA: Second.

3 CHAIRMAN SMITH: Hearing a motion and a
4 second.

5 All those in favor for a deferral please say
6 aye.

7 (Chorus of ayes.)

8 CHAIRMAN SMITH: Any opposed?

9 (No response.)

10 CHAIRMAN SMITH: All right. Seeing none.

11 So this item shall -- Item No. -- yeah, where
12 are we? 1 -- Item No. 1 -- thank you -- it will be
13 deferred until the March Agenda -- or May Agenda.

14 Thank you very much.

15 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

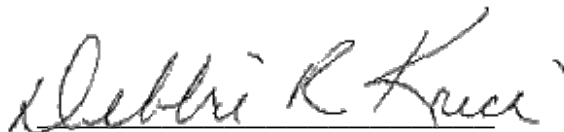
STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

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

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

DATED this 21st day of April, 2026.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028