

Brevard Waterworks, Inc.

March 6, 2015

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Docket No. 140186-WU – Application of Brevard Waterworks, Inc. for staff assisted rate case in Brevard County

Dear Commission Clerk,

Brevard Waterworks, Inc. (BWW) submits its supplemental response to its original letter submitted on December 9, 2014 concerning Outside Contractual Services. BWW has again researched past Commission decisions on similar operational costs and offers the following relative to the existing contract.

In a recent Commission order, Order No. PSC-14-0626-PAA-WS, issued October 29, 2014, the Commission approved the rate increase request of Little Gasparilla Water Utility, Inc. This water utility is interconnecting with Charlotte County to provide purchased water service to 371 customers.

In the above order, the Commission approved the following operating expenses:

Salaries and Wages (Employees) -	\$ 22,665
Salaries and Wages (Officers) -	\$ 70,710
Pensions and Benefits -	\$ 11,672
Contractual Services – Professional -	\$ 4,660
Contractual Services – Other -	\$ 9,257
Transportation Expense -	<u>\$ 6,359</u>
Total	<u>\$124,783</u>

BWW provides purchased water service to 236 customers. BWW's USWSC contract dated March 29, 2013 is in the amount of \$40,931.93 for water. This equates to \$172 per customer for water. Pursuant to the Contract BWW employed the services of USWSC in three distinct functions; the operation, maintenance and billing/collection (OM&BC) of the utility systems. This includes (a) Water System Operations; (b) Wastewater System Operations; (c) Maintenance; and (d) Customer Service. In addition, BWW is requesting \$5,000 in Officers Salaries, which would bring this amount to \$45,931.93, which is considerably below the total amount of similar costs approved in the above referenced order.

Below is a table reflecting the salaries of the operations and maintenance personnel allotted to BWW.

Operational Expenses for Brevard Waterworks

Water:

Employee:

Brevard Waterworks, Inc.
Supplemental Information on Outside Contractual Services

Operations & Maintenance

\$ 720 / month (2 days/month @ \$45/hour)

These are all inclusive costs including pensions, benefits, vehicles, etc. for the operations of the water facilities. If BWW was required to establish a stand-alone utility with personnel for maintenance, customer service, accounting, regulatory compliance, etc. the costs would far exceed the amount in the current USWSC contract.

In addition, U.S. Water Services recently reviewed and analyzed its actual required operation and administrative costs related to BWW. These costs amounted to \$48,252 for required services. Thus, the current amount in this rate case does not recover the actual costs required.

If you have any additional questions or concerns, please do not hesitate to contact me at (727) 848-8292, ext. 245.

Sincerely,



Troy Rendell
Manager of Regulated Utilities
// for Brevard Waterworks, Inc.

Cc: Office of Public Counsel