


State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 21, 2015
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Todd M. Brown, Public Utilities Supervisor, Division of Accounting & Finance 
RE: **Docket No. 140174-WU** – Application for approval of transfer of Certificate No. 117-W from Crestridge Utility Corporation to Crestridge Utilities, LLC, in Pasco County.

Docket No. 140176-WU – Application for approval of transfer of Certificate No. 116-W from Holiday Gardens Utilities, Inc. to Holiday Gardens Utilities, LLC, in Pasco County.

Please add the following documents, received earlier today, to the above referenced docket files.

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15 JUL 21 PM 3:00
COMMISSION
CLERK

FINANCIAL ABILITY.

A history of my utilities that demonstrate financial ability.

1. West Lakeland Wastewater. I was appointed the court ordered receiver of this utility. When I took over, the sewer plant and collection system was severely out of DEP compliance.

I was able to obtain a \$20,000 interest free loan from Polk County to make repairs and bring the system in compliance. I was able to make repairs, repay the loan in full and recently DEP renewed the plant operating permit for 10 years.

2. Pinecrest Utilities. The Commission previously determined that I had the financial ability to own this utility. When I purchased this system from the owner, he was on the verge of personal bankruptcy and the system was out of compliance with the Polk County DOH. I was credit worthy enough to assume the first mortgage that was held by Centerstate Bank. I obtained a second loan from Old Florida National Bank to rehab the tank, replace some customer meters and other miscellaneous items that needed to be done. This loan was repaid in full and the utility is in good shape.

3. Charlie Creek. On or about January 2015, I purchased Charlie Creek. On May 14, 2015, I obtained a loan for \$12,000 from Iberia Bank. I have used this money to pay two years back taxes and the current year tax to Hardee County (\$ 4,278), rebuild both high service pumps (\$1,292), bring one of the primary wells back on line with completed clearance samples (\$7,657), replaced customer meters (\$1,412). I have ordered new parts to complete a re-plumbing project at the well site that will consist of a new chlorine injection point.

Both above ground storage tanks have been cleaned.

4. East Marion. On or about January 2015, I purchased East Marion. Thru the cash flow of the system and personal loans from me, I have completed the past due refunds from the previous owner and tank inspection and cleaning (\$1,800). When I got the system there was one lift station pump and one surge tank pump out of service. I have repaired and reinstalled them (\$2,247). Filed with the Florida Public Service Commission for a transfer \$(1,500). Removed two trees at the water plant (\$1,050), installed the correct chlorine pump at the well (\$529), and replaced old rusted pipe at the well with new schedule 80 and moved the chlorine injection point.

5. Crestridge Utilities. I obtained a loan for \$ 13,200 to replace the tank at well #4 and buy a lawn mower (split with Holiday Gardens).

6. Holiday Gardens. I obtained a loan for \$ 8,700 and loans from me, to replace customer meters, buy a new lawn mower (split with Crestridge) install new flow meters and check valves.

I believe the definition of "financial ability" should include financial responsibility. The first thing I do when I get a utility is purchase a proper insurance policy for that utility. This helps to spread the risk and guarantee that in the case of failure, funds will be there. This happened in Pinecrest where the primary well was struck by lightning and the insurance company paid to have new well pump installed. Had the previous owner of Crestridge done this, we would not be dealing with the well#3 situation.

COMMUNICATION.

My communication efforts with the customers are broken down into sub parts. The sub parts in there totality are not the limit of my communications and are always being reviewed for efficiency and practicality.

The sub parts are as follows:

1. **Postcards to Envelopes.** In the past, I mailed the regular customer invoices via a postcard. While this is the least expensive option, the postcards were constantly getting lost in the mail and we spent more time fielding phone calls from customer concerning lost postcards that we had to re-mail out anyway. I chose to change to envelopes so that I could include "envelope stuffers" that are more than utility self-serving materials. Attached are actual examples of informational stuffers we have already mailed to customers. These include but are not limited to materials from the statewide "811, call before you dig program" multiple and various materials from the South West Florida Water Management District (SWFWMD). In Crestridge Utilities, The Crestridge Gardens Community Center people asked us to send out a copy of their monthly news letter in our billing envelopes, which I agreed to. They are also going to let me pen a monthly article. I will begin submitting articles when the monthly letters resume in the fall.
2. **Annual customer meetings.** When I was first appointed the court ordered receiver for West Lakeland Wastewater, Inc, I was approached by a customer at the sewer plant one day that said she didn't know anything about what was going on with the sewer system. I decided then to have annual customer meetings. This year's annual meeting with the customers of West Lakeland was number 5. Generally I try to have the meetings in the winter time when most customers are in residence. This past winter time, I had meeting with the customers of West Lakeland Wastewater, Crestridge Utilities, Holiday Gardens, Charlie Creek and most recently East Marion. The West Lakeland, Crestridge and East Marion meetings are on my YouTube channel.
3. **YouTube channel.** One of the least expensive and most successful efforts I have made is the creation of a YouTube channel. Here I am able to video everything from customer meetings to various projects we have done, for all of the utility companies. This gives customers who are interested, the ability to see what is going on with their utility. Recently I have permission to link my YouTube channel on the website of the East Marion/ Lakeview Woods HOA website. One can see the videos at www.youtube.com/floridautilityservices.

4. **PSC Customer Complaints.** All customer complaints filed with the Florida Public Service Commission or filed directly with the utility office are all handled by me personally. I make personal contact with the customer and work out there issue. This has proven to work very well because the customer knows they are speaking with someone in charge and it is a great opportunity for me to learn and make adjustments at the management level.

5. **Emergency e-mail notice.** For the customer who voluntarily gives us there email address, we make a great effort to contact customer via email of any emergency notices, such as a boil water notice, rescission of boil water notice, emergency leak repair, etc.

6. **Banners and signs.** I have "811. Call before you dig" banners hanging on the fence at every water plant and sewer plant. I have updated the signs to include an emergency phone number that is clear and easy to read.

7. **Dialing for Dollars.** About 3 days before we actually make disconnection for non-payment, we call each customer on the list and remind them we have not received their payment. This works very well in multiple ways. First, it allows us to collect payments for customers who failed to pay their bill and this keeps us from having to send a field person to do the disconnection and reconnection work. Secondly, it gives us advanced notice of a situation in where someone may have moved out and not notified us, we can then disconnect the water at the vacant home. Thirdly, it gives us the opportunity to talk with the customer directly and update our database.

In summary, my vision is for a growing family of utility companies that is transparent and accountable.

I feel it is for the betterment of the customers and utility team members to have a higher than normal level of communication with the customers. All of the above have proven successful for the utility and customers. In future, I would like to further add to this. I would like to add a "reverse 911" type computer program in which we could make recorded calls to the utility customers. Also, I have been working with companies like Amscot, Western Union and others that would allow customers to go into the store and make payments.

CRESTRIDGE UTILITIES

I inherited a system in which the former owners started to make repairs to the system but they ran out of money and the desire to repair the system.

In the almost year I have owned the system, we have spent a substantial amount of time doing leak detection and repairing system leaks. We have tested all fire hydrants, calibrated all flow meters and verified all check valves where operating correctly.

I was told that originally, Crestridge had 5 wells. As the story goes, the subdivision was built in phases and each time a new phase was built, they added a new well. I was also told that over 30 years ago, well #1 and well #5 were taken off line because of saltwater intrusion. I have not been able to independently verify this, although I am working with the water management district to see if these two wells can be brought back on line. Currently the well house at well #5 has been converted into a maintenance and equipment storage building. The people I bought the utility from where feeding the system with well #2 and well #4 and using well #3 as a back up well. Shortly before I bought the system, well # 3 took a direct lightning hit and is currently off line. I have had an electrical inspection and most of the electrical systems are in operating order.

Well #2

The previous owners had well # 2 tank replaced along with partial replacement of some of the lines. I had a well company repair or replace the components of the well motor and made some minor adjustments to the electrical panels. I asked the Florida Rural Water Association to calibrate all of the flow meters and the flow meter at well #2 failed. I have already replaced it. (See YouTube Video).

Well #3

Well #3 was struck by lightning. I have had the electrical components checked and they are in working order with the exception of the surge arrestor and one panel box. I am unable to test the well motor until electrical service can be restored. I will convert this well to a back up well.

Well#4

Well # 4 is in great condition as I have had the well serviced and removed, cleaned and replaced the check valve with new gaskets. Well #4 will have to have a new tank. I am in the process of having a new tank built. This will be paid for with a \$13,200 loan I obtained from Iberia Bank on May 14, 2015 and from by business line of credit.

In the past when the previous owner had to make repairs they shut down the entire system. I was able to replace one and repair the other isolation valves. Now in such a case I can isolate parts of the system so as to not inconvenience all the customers.

HOLIDAY GARDENS

I inherited a water system that had not been maintained very well and that was out of compliance with the water management district and DEP.

Since I have owned Holiday Gardens (HGU), I have made great strides in returning the utility to compliance with government agencies and assure delivery of clean water to the customers.

The previous owners had replaced the hydro tanks at well #1 & #2 and installed the mixing line from well #1 to Well #2. One of the big issues I had to immediately address was the "over-pumping" that the water management district determined was happening. After careful inspection, I determined the utility was not over pumping, but water pumped was going back down the well (and basically being counted twice) because the check valves were not operating correctly. The check valves at both wells were replaced. (See YouTube video on how this was done). Secondly, I wanted to make sure we were accurately being able to measure both the water being pumped and the water being sold to the customers. I asked Florida Rural Water Association to calibrate the flow meters. We found the flow meter at well # 2 was bad and it was replaced. The flow meter at well #1 calibrated accurately. The flow meter at well #1 was taken out, cleaned and replaced with new gaskets. All of the above was financed with the cash flow and loans from me.

I obtained a \$8,700 loan from Iberia Bank on May 14, 2015 to buy a new lawn mower (shared with Crestridge Utilities) and to purchase and install new customer meters. We had estimated that there is/were around 150 customer meters that were not functioning properly. To date we have replaced around 100 customer meters and have repaired or replaced around 90 customer shut off valves with lockable curb stops where applicable.

Further inspection of the system, we discovered 3 isolation valves that were in the off position. We turned them to the on position. This improved the water age and chlorine residual as well as pressure.

We have tested and painted all of the fire hydrants. (See YouTube video) Also, we have started a new flushing program.

In the last almost year that I have owned the system, the system is in overall good shape, able to provide reliable safe drinking water and fire flow protection.

The utility is currently in compliance with all government agencies and will continue to replace customer meters and shut off valves.