

**Alexus Austin**

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**From:** Joann Parsons  
**Sent:** Wednesday, June 01, 2016 8:59 AM  
**To:** Commissioner Correspondence  
**Subject:** Summertree Water Alliance Taskforce, Docket No. 150269-WS  
**Attachments:** 2016-05-27, Ltr frm Bilirakis.pdf

Please place the attached in Docket Correspondence, Consumers and Their Representatives, Docket No. 150269-WS.

Thank you.  
Joann

GUS M. BILIRAKIS  
12TH DISTRICT, FLORIDA

COMMITTEE ON ENERGY AND COMMERCE  
SUBCOMMITTEE ON  
COMMERCE, MANUFACTURING AND TRADE  
SUBCOMMITTEE ON  
ENVIRONMENT AND THE ECONOMY  
SUBCOMMITTEE ON HEALTH

COMMITTEE ON VETERANS' AFFAIRS  
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May 27, 2016

Scott A. Thomson, CEO  
Corix Corporation  
Suite 100, 11020 West Plank Court  
Wauwatosa, WI 53226

Dear Mr. Thomson:

It is with great concern that I write to you today on behalf of my constituents of District 12 in Florida. Many of my constituents live in the Summertree community and receive their water from Utilities, Inc., a subsidiary of Corix Corporation. For the past 25 years, these residents have been engaged with the Florida Public Service Commission and Utilities, Inc. with concerns over the poor quality of water they receive and uncharacteristically high rates they pay when compared with surrounding providers. A brief outline of their complaints and chronological experience is attached for your review.

After just having participated in a congressional oversight hearing regarding the water quality in Flint, Michigan, I am particularly concerned over the condition of the water my constituents are forced to purchase from Utilities Inc. I would greatly appreciate your attention to this situation and implore you to work with these residents to come up with a mutually agreeable solution to their current problem. This is a 55+ senior community, and many of these residents live on fixed incomes. They deserve to be serviced with quality water at a fair price.

Thank you in advance for your time and attention to this important matter. I look forward to hearing from you regarding the outcome of your inquiry.

Respectfully,

Gus M. Bilirakis  
Member of Congress

cc: Julie Brown, Chairperson, Florida Public Service Commission  
Richard Corcoran, Speaker Designate, Florida House of Representatives  
Wilton Simpson, State Senator, Florida Senate  
Jack Mariano, Pasco County Commissioner

**TO:** Congressman Gus Bilarakis  
**DATE:** May 10, 2016  
**FROM:** Ann Marie Ryan, Leader  
Summertree Water Alliance Taskforce

**RE: Utilities, Inc. of Florida Docket NO. 150269 – WS**

- (1) Tuesday, April 12, 2016 – FPSC Summertree Customer Meeting at Summertree Recreation Facility
- (2) Thursday, April 21, 2016 – Summertree Customer Survey Ballot Tally

(1) **LOCATION:** Our Summertree Water Alliance (SWA) Taskforce and Summertree (STR) residents hosted the Public Service Commission Summertree Customer Meeting this Tuesday, April 12, 2016 in the Summertree Recreation Facility Auditorium, 12005 Paradise Pointe Way, New Port Richey, FL 34654.

**ACKNOWLEDGEMENTS:** The Florida Public Service Commissioners: Chairman Julie Brown, Commissioner Ronald Brise', Commissioner Lisa Polak Edgar, Commissioner Art Graham, Commissioner Jimmy Patronis and the Public Service Commission Staff; Senator Wilton Simpson, Jared Ochs Legislative Assistant to State Representative Richard Corcoran, Brian Goff Legislative Assistant to State Representative Amanda Murphy, Mike Fasano Pasco County Tax Collector, Pasco County Commissioner Jack Mariano, J.R. Kelly and Erik Saylor - Office of Public Counsel attended the Summertree Customer Meeting giving the Summertree Water Alliance Taskforce and Summertree residents the opportunity to voice our comments and concerns with Utilities, Inc. of Florida's proposed limited rate proceeding, continued poor secondary water quality and broken customer relations.

**Background:** Summertree is a 55+ community of over 1200 homes off SR52 in New Port Richey that receives water/wastewater services from Utilities, Inc. of Florida (UIF). We have five homeowners' associations, a condominium association, and recreation facility in Summertree (STR).

UIF has made minimal capital improvements to our water system since 1991 when they purchased the Summertree system. In 2005 and 2006, UIF failed 7 out of 8 quarters for primary water quality. In 2006, UIF could have made a bulk water agreement with Pasco County but chose to go to chloramines instead. This option resulted in many secondary water issues. One maintenance protocol resulted in the need for excessive flushing. However, this protocol does not remove a buildup of biologics causing algae and biofilm to build up in our pipes caused by the use of chloramines. UIF then has to treat the system with a "free chlorine burn" which leaves particulates in our water which is horrible. Summertree residents dealt with primary water failures in 2005-2006 and endured severe secondary water attribute issues for twenty-five years under Utilities, Inc. of Florida's failed maintenance and failed customer relations.

**HISTORY:** The Summertree Community went to Tallahassee in 2010 and again in 2013 to petition the Florida Public Service Commissioner to deny Utilities, Inc. of Florida rate increases.

As taxpayers and voters, we believe we should have the right to the same Pasco Utilities water quality, rates and services as our neighboring communities. The Summertree Water Alliance (SWA) Taskforce was formed to represent the Summertree residents to work with the Office of Public Counsel on the guidelines set forth by the 2014 Florida Public Service Commission (FPSC) PAA Order.

UIF should be classified as a serial rate case-ist. Every three years they raise our rates. Pasco County's rates have increased (2%) only once in eleven years. Our STR rates go up regardless of the whether the economy is good or bad. We believe that Utilities, Inc. sees us as a revenue stream (a cash cow) rather than people. For example, in 2010 UIF filed for a 146% rate increase and in 2013, UIF filed for a 48% increase. Then in October 2015, they filed for an indexing rate increase. On December 30, 2015, UIF filed a 2-Phase Limited Rate Proceeding with the FPSC to recover lost revenue

as a result of Summertree's ability to reduce our total water consumption by approximately 46% by changing from UIF supplied potable water for irrigation to HOA operated wells. The Office of Public Counsel filed a document regarding questions and concerns about many of UIF's rate requests. UIF has asked for \$186,000/year to recuperate these lost revenues. This is grossly unfair, Summertree changed their irrigation supply at their HOA's expense in order to reduce costs and make the interconnect with Pasco Utilities affordable.

The 2014 FPSC PAA Order required an engineering study to determine best solution for improving Summertree's secondary water quality. As a result, an UIF engineering study determined that the best solution was to interconnect with Pasco County. Also in January 2014, John Hoy, President of UIF, at UIF/Summertree Meeting made \$2.5M proposal (Investor-based) to Summertree Taskforce for the Pasco County interconnect for bulk-water with an estimated additional cost of \$38 month/22 yrs. /Summertree customer. John Hoy worked with the Taskforce to try to secure a \$300,000 SWFMD grant for the project but was unsuccessful.

Our residents were outraged when Utilities, Inc. of Florida filed a **2- Phase Limited Rate Proceeding** on December 30, 2015 to raise our rates without written notice to the rate payers and before improving our secondary water quality. **Phase 1:** increase rate between \$6 and \$16 to recoup lost income (\$186,000 per year). Lost (revenue) income resulted from three HOAs changing from potable water services to HOA well systems for irrigation (reducing Summertree's overall water consumption around 46%), engineering study expenses, and rate case fees. **Phase 2:** increase rate between \$2 and \$5 for increase costs from bulk water rate after completion of interconnect w/Pasco. (Cost spread lower range includes 1,900 Orangewood plus 1,200 Summertree customers; upper range 1,200 for Summertree customers only.)

To offset these proposed costs, the Summertree Water Alliance Taskforce initiated efforts to pursue alternative funding for the Pasco County interconnect and were successful. We approached the Pasco Board of County Commissioners for help which resulted in creation of a Steering Committee giving SWA Taskforce the opportunity to work with various state and county agencies toward our alternative funding goals. Summertree cut our overall water consumption by approximately 46% which reduced our Pasco County impact fees. We also worked with Pasco County Utilities to reduce impact fees, take on the engineering and construction costs, and construct the interconnection to Pasco County to help Summertree make an affordable transition. The County received a state grant to help with these expenses. They worked with the Taskforce to work out an agreement. Utilities, Inc. of Florida did nothing to negotiate a solution with Summertree. EVERYTHING that was favorable to Summertree resulted from the Taskforce efforts.

The Summertree Water Alliance (SWA) Taskforce discussed our issues with Florida State Senator Wilton Simpson and State Representative Richard Corcoran who worked to pass the Consumer Water Protection Act (Senate Bill 272) which became law in 2014 addressing secondary water quality attributes. In 2015, Senator Simpson and Representative Corcoran secured a \$1M state grant to help reduce the costs for impact fees, engineering and construction to interconnect with Pasco County Utilities. Both the 2014 Consumer Water Protection Act and the 2015 state grant benefiting Summertree were signed by Governor Rick Scott.

On January 14, 2016, Erik Saylor, J.R. Kelly (Office of Public Counsel) and the Summertree Water Alliance (SWA) Taskforce hosted informational meetings for the Summertree residents. Topics included monthly phone conferences discussions with UIF, the state grant for our interconnect with the county, the UIF Indexing (pass through) increase in October 2015, the limited rate proceeding UIF filed with the FPSC on December 30, 2015. Also on January 14, 2016, the Taskforce distributed a Summertree Resident Questionnaire (see page 5). On March 2, 2016, the SWA Taskforce and the Office of OPC hosted another three session marathon of community meetings to answer any remaining questions prior to the March 15, 2016 mailing of the UIF/Summertree Customer Survey Ballot.

To finalize the 2014 FPSC-PAA Order, a Customer Survey Ballot was required. After over two years of negotiations with UIF, in January, the cover letter and Summertree Customer Survey Ballot documents were approved unanimously by UIF and SWA Taskforce. The Taskforce held two community meeting (January 14 and March 2) hosted by OPC and Taskforce to prepare for the balloting. On March 7, 2016, on our scheduled UIF phone conference, without warning, John Hoy refused to sign the cover letter (because he suddenly decided he did not like the terminology "lost revenue" (result of reduction in water consumption due to three HOA's changing from potable water to HOA wells for irrigation) and the Survey Ballot, John Hoy wanted to remove Part 2. Question, "Do you want UIF to continue to negotiate in good faith for a sale."), thus creating an impasse. When asked how long UIF knew they would not sign the documents, he said several weeks; yet the Taskforce, OPC and County were informed just 7 days prior to sending out the Ballots.

To move from impasse created by UIF, save the negotiations and finalize the 2014 FPSC-PAA Order, the Taskforce took on the task of amending the Customer Letter and Customer Survey Ballot; presented changes for approval from OPC, and FPSC Staff and UIF. The taskforce funded the printing and mailing of the ballots in just 5 days. UIF was mandated by PSC staff to provide the Taskforce with customer labels. Additionally, an unauthorized UIF company letter from John Hoy was inserted into an official PSC Customer Hearing mailing. This letter caused confusion during our balloting process. The Taskforce and Summertree community believe UIF deliberately took this actions to sabotage our efforts; we sent a written request for the PSC Commissioners to address this issue.

**(2) The Summertree Customer Survey BALLOTS** were counted on Thursday, April 21, 2016 at the Summertree Recreation Facility by OPC, UIF and SWA Taskforce. The outcome finalized Summertree community's decision to interconnect to Pasco County Utilities.

**RESULTS:** Approximately 900 Ballots received;  
Number of Valid Customer Survey Ballots Counted: 876

1. **98% voted "YES to Interconnect"** and 2% voted "NO to Interconnect" with Pasco County Utilities for better quality water.
2. **85% Vote "UNSATISFACTORY" for quality of water services** provided by Utilities, Inc. of Florida, 12% voted "MARGINAL" and 3% voted "SATISFACTORY".
3. **Affidavit** was signed Thursday, April 21, 2016 by Summertree Water Alliance Taskforce, Office of Public Counsel, Public Service Commission Staff and Utilities, Inc. of Florida and filed by PSC on April 22, 2016.

Adding insult to injury, we learned that Utilities, Inc. of Florida is in the process of reorganizing and have alluded to filing a consolidated rate case with the FPSC in October of 2016. This would mean three rate increases in less than twelve months. We are **opposed** these measures.

We learned that **the British Columbia Investment Management Corporation (bcIMC)** is a private Canadian multi-billion dollar investment company who are the primary owner of **Corix Corporation. Corix is the parent company and owner of Utilities, Inc. and average 14 percent return on their investments.** (Reference page 6 attached). We believe Utilities, Inc. of Florida's business practices with our community are not operating in Corix corporation's or Summertree's best interests.

We've heard that CORIX's philosophy does not want to serve customers who do not want to be served by them. UIF is a CORIX subsidiary; we want Corix to know that Summertree does not want Utilities, Inc. of Florida, your subsidiary, to

continue as our utility company, we want Pasco County Utilities as our future service provider. Over the last two years, the SWA Taskforce worked with Erik Sayler, Office of Public Counsel, John Hoy and Patrick Flynn, Utilities, Inc. of Florida without a favorable outcome. All progress and initiatives were generated by the Summertree Water Alliance Taskforce and Summertree community, our state legislators, county officials and county agencies. All UIF cares about is rates.

UIF needs to admit their failure to provide palatable water or quality service to Summertree for over 25 years. All efforts to rectify these issues were negotiated by Summertree Water Alliance Taskforce and Community residents. We want UIF to sell to Pasco County at rational and fair price. We have NO confidence or trust in UIF continuing as a pass through provider. UIF will continue their 25 year pattern to seek unjust increases instead of charging ONLY for water we consume and services that truly benefit Summertree not UIF and its investors.

We realize that this PSC Board inherited these issues from past decisions and we know they are working to find ways to meet these challenges. Summertree residents NEED the PSC Commission to realize that Utilities, Inc. of Florida has NOT improved our water quality or services and to deny UIF any rate increase.

**DIRECT PURCHASE:** We are willing to work with Pasco County to secure a direct purchase by Pasco Utilities as new utility provider. Pasco already provides our bulk wastewater and will soon be supplying our bulk drinking water. We understand what is involved and are willing to repay the county for the acquisition through a surcharge on our Pasco Utility bill. Twenty-five years of poor quality water and services at exorbitant rates is enough.

**SUMMERTREE POSITION:** If UIF cannot manage with the volume of water that Summertree currently requires without increasing our rates then they should SELL. Our residents will NOT accept paying for a product and services that we DO NOT use. How pathetic that UIF management cannot make adjustments by downsizing their staff and expenses to provide the services and product we need...not pay for UIF's corporate and investors unjust profits. We have lost confidence in UIF management and customer service. We do not want Utilities, Inc. of Florida to manage our Summertree system. We want UIF to negotiate in good faith with Pasco County Utilities for a sale of the Summertree system. **We are NOT GIVING UP! We are ready to protest, involve the media, work to change laws, whatever it takes to SAVE Summertree from this greedy monopoly.**

Thank you,



Ann Marie Ryan, Leader  
Summertree Water Alliance Task Force  
11436 Windstar Court, New Port Richey, FL 34654  
(H) 727-856-2203; (C) 727-267-7162

**Summertree Water Alliance Task Force Members:** Ann Marie Ryan, Lorraine Mack, Joe Mitchell, Richard Nielsen, Lee Robida, Ed Youngs; **Associate Task Force Members:** Maria Cristiano (PW), Chuck Hoehn (GR), Ken Jennings (CC), George Metz (Villas), Fred Stall (ARB), Bill White (ARB), Violet Weeks (SRF)

# Summertree Water Alliance Taskforce – Resident Questionnaire

Distributed January 14, 2016 final return date March 30, 2016. We received 846 questionnaires.  
 (Form & Tally results below).

The average response showed 838/846 residents were:

- (1) dissatisfied with UIF's secondary water quality, customer service, and utility rates for the Summertree system;
- (2) do not you want UIF to continue as Summertree's utility provider;
- (3) prefer Pasco County to be the utility provider for the Summertree Community;
- (4) want the Florida Public Service Commission deny Utilities, Inc. of Florida any rate increases until UIF provides satisfactory water quality.

## 846 Questionnaires deadline March 30, 2016 TALLY RESULTS



Summertree Water Alliance  
 Summertree Resident Questionnaire  
 Dated: Thursday, January 14, 2016

- |                                                                                                                                                                                                                                          |               |                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------|
| <p>1) Are you satisfied with Utilities, Inc. of Florida's secondary water quality, customer service, and utility rates for their Summertree system?</p> <p><input type="checkbox"/> YES<br/> <input type="checkbox"/> NO</p>             | <p>TOTALS</p> | <p>2 YES<br/>                 841 NO<br/>                 3 Undecided</p> |
| <p>2) Do you want Utilities, Inc. of Florida to continue as Summertree's utility provider?</p> <p><input type="checkbox"/> YES<br/> <input type="checkbox"/> NO</p>                                                                      | <p>TOTALS</p> | <p>4 YES<br/>                 838 NO<br/>                 4 Undecided</p> |
| <p>3) Would you prefer Pasco County to be the utility provider for the Summertree Community?</p> <p><input type="checkbox"/> YES<br/> <input type="checkbox"/> NO</p>                                                                    | <p>TOTALS</p> | <p>838 YES<br/>                 3 NO<br/>                 5 Undecided</p> |
| <p>4) Should Summertree request that Pasco County utilize all available resources to pursue the purchase the Summertree system from Utilities, Inc. of Florida?</p> <p><input type="checkbox"/> YES<br/> <input type="checkbox"/> NO</p> | <p>TOTAL</p>  | <p>839 YES<br/>                 2 NO<br/>                 5 Undecided</p> |
| <p>5) Should the Florida Public Service Commission deny Utilities, Inc. of Florida any rate increases until UIF provides satisfactory water quality?</p> <p><input type="checkbox"/> YES<br/> <input type="checkbox"/> NO</p>            | <p>TOTAL</p>  | <p>843 YES<br/>                 1 NO<br/>                 2 Undecided</p> |