

10/28/2016

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Office of Commission Clerk  
Florida Public Service Commission (PSC)  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Reference: Docket No. 150010-WS Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.

Dear PSC Staff,

This letter is a request to the PSC asking the "Staff" to explain the decision process and key decision factors leading to the PSC's Staff recommendation to authorize an almost 100% increase in the consumption rate charge for non-potable water at Aquarina. I am making this request because I believe the PSC staff does not have a complete understanding of the economic impact of this decision. I contend that if the PSC recommendation is implemented it will trigger a series of community actions that will lead to litigation, the possible closure of a community golf course, and a reduction of community property values, that will ultimately impact the Brevard County tax base.

Background and Discussion:

Since the Aquarina Utilities Inc. started operation in 2012, it has provided non potable water service to the Aquarina Golf Course irrigation system. The golf course is owned by the Aquarina Community Services Association (ACSA) that manages community operations for Aquarina residents. Golf operations are managed separately, but the care and maintenance of the golf course common grounds are paid for through an annual supplemental Aquarina resident assessment. The residents pay this assessment because they collectively believe that the preservation of the golf course is singularly the most important factor in keeping community property values stabilized.

Currently the Aquarina Golf Course pays Aquarina Utilities approximately \$50,000. annually for non-potable irrigation water. The proposed rate increase could increase this figure to approximately \$100,000 to \$170,000 plus, annually. This increase in cost will most likely force



the closure of the golf course unless an alternative water source is secured and approved by the Aquarina residents. The most feasible alternative for the community would be for the Aquarina Golf Course to stop purchasing non potable water from Aquarina Utilities, Inc. and to start drawing golf course irrigation water from the numerous retention ponds and lake on Aquarina's common property. This will require the community to dig a well after securing a consumption allocation from the State. In this event, Aquarina Utilities will most likely counter this community supported action by filing a law suit against the Association. **That's what the management of this utility does.....as well documented in PSC and Brevard County court records.** The Utility will incorrectly claim that they own the golf course irrigation system. In fact, ownership of this system is no different than the irrigation systems that service each home in Aquarina. Once past the Utilities meter, irrigation systems are installed, owned, and maintained by each individual resident/sub community. ACSA purchased the golf course irrigation system when it purchased the golf course in 2010.

Further, Aquarina Utilities, Inc. is unable to keep up with the non-potable water demands of the community residents, golf course, and water suppression reserves. On numerous occasions over the past four years, non potable service has been interrupted without notice for days at a time (most recently, last week). The PSC should not approve a rate increase that will require our community/customers to pay more for unsatisfactory service when we can install a cheaper alternative. The cost of creating and maintaining an alternative irrigation water source, on our land, for our golf course falls well below the potential annual cost that will result from this current PSC rate increase recommendation. The decision to proceed with this alternative water source is being directly triggered by the PSC's Staff recommendation. **The PSC must take direct responsibility** for any negative economic impacts to Aquarina residents and Brevard County, and for any litigation resulting from this action.

Therefore, I formally request that the PSC provide the residents of Aquarina and the State representatives that are copied on this letter, the rationale behind the decision process and key decision factors leading to this PSC Staff recommendation. I further request that the PSC revisit this recommendation/decision to find a more reasonable course of action.

Respectfully,

  
Ed Muendel

Copy Furnished:

The Honorable Governor Rick Scott

The Honorable Senator Thad Altman, District 16

The Honorable John Tobia, State Representative District 53