

CHARLIE CREEK UTILITIES, LLC

December 12, 2016

RE: Docket No. 160143-WU. Application for Staff Assisted Rate Case in Hardee County by Charlie Creek Utilities, LLC (CCU).

Below is CCU's response to Staff's Second Data Request in the above mentioned proceeding.

1. General System Information:

- a. There are 35 vacant lots.
- b. No. This is not a mobile home park. The lots are owned by Individuals. The subdivision is mostly comprised of mobile homes, but there are some site built homes.

2. Customer Complaints

The Company has no customer complaints for 2014. Please remember we did not do our first billing until January 2015. We took over operations only for the month of November 2014 because the previous owner refused to do anything, so I had little choice.

3. Pumped & Metered Water

- a. The differences for Sep, Oct and Dec are due to calculation and tabulation errors in each of the respective months. A review of the MOR's using the actual monthly beginning and ending meter readings from the well head indicate that CCU's actual pumped water for test year 2015 was 8.1 million gallons as opposed to the 14.5 million gallons that was recorded in the 2015 Annual Report, SARC filing, and as reported to FDEP. See the table below.
- b. No action is required

Period	Meter Read		Pumped / Actual	Days	Avg/Day	Pumped / MOR	Over(Under)
	Beg	End					
Jan-15	38,929	39,460	531	31	17.1	531	(1)
Feb-15	39,460	39,956	496	28	17.7	497	1
Mar-15	39,956	40,570	614	31	19.8	615	1
Apr-15	40,570	41,225	655	30	21.8	672	17
May-15	41,225	41,819	594	31	19.2	594	0
Jun-15	41,819	42,458	639	30	21.3	639	0
Jul-15	42,458	43,112	654	31	21.1	654	0
Aug-15	43,112	43,975	863	31	27.8	863	0
Sep-15	43,975	44,773	798	30	26.6	1,642	844
Oct-15	44,773	45,637	864	31	27.9	3,806	2,942
Nov-15	45,637	46,270	633	30	21.1	611	(22)
Dec-15	46,270	47,028	758	31	24.5	3,411	2,653
			8,099	365	22.2	14,534	6,435

In 000's of gallons

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CLERK

4. Water Sold-

The difference between the Billing Summaries provided in response to staffs data request and the Annual Report for January through March for the amount of water sold is a combination of the following.

- a. When CCU began billing for services in January 2015 we did not have accurate customer records that identified each customer to be billed. Therefore, many customers were not billed until the following months as they were discovered.
- b. When CCU began reading the meters we discovered approximately 40 meters that did not register any usage because the meters no longer worked. All of these meters were changed out in the test year.
- c. The Annual Report reflects the MOR's which are based on well site meter readings on the last day of each month while the billing summaries are based on individual customer meter readings that fall several days before the end of the month.

The January – March water sold amounts in the Annual Report are the sum of known billed usages from CCU's billing system and the estimated usages for those customers described in a & b above.

5. Water Utilized for Other Purposes

The differences between amounts reflected in the MOR's and CCU's Annual Report for water sold and utilized for other purposes in the months requested can be largely attributed to the issues described in Items 3 and 4 of this response.

6. Contractual Services

The \$24,077 reflected in the SARC filing and Annual Report is a combination of \$1,840 direct for Professional, \$5,532 direct for Testing and \$15,234 direct + \$1,471 allocated for Contractual Service costs. The audit staff reviewed the invoices provided by CCU and included the following adjustments with additional adjustments by the staff for the Preliminary Staff Report.

Acct Description	SARC/AR	G/L	Adj	Audit Report	Adj	Staff Report
631 Professional	\$1,840	\$1,592	\$0	\$1,592	\$0	\$1,592
635 Testing	\$5,532	\$5,532	\$0	\$5,532	\$0	\$5,532
636 Other	<u>\$16,705</u>	<u>\$16,705</u>	<u>(\$5,967)</u>	<u>\$10,738</u>	<u>\$76</u>	<u>\$10,814</u>
	\$24,077	\$23,829	(\$5,967)	\$17,862	\$76	\$17,938

We contested the removal and still maintain our position for \$2,574 of the audit staff's \$5,976 adjustment in CCU's response to the audit which was filed on October 18, 2016. We accept the audit staffs and staff's adjustments in all other matters. CCU's initial response to Staff's First data request was incomplete and we apologize for the error.

7. Purchased Power

The \$3,926 reflected in the SARC filing and Annual Report is a combination of \$3,772 of direct and \$154 of allocated PP cost. Audit staff reviewed the invoices provided by CCU and increased the \$3,926 by a net \$392 to \$4,318 for the test year. We accepted the audit staffs adjustment in CCU's response to the audit which was filed on October 18, 2016. CCU's initial response to Staff's First data request was incomplete and we apologize for the error.

8. Chemicals

The \$1,994 reflected in the SARC filing and Annual Report is a combination of \$1,829 of direct and \$165 of allocated chemicals cost. Audit staff reviewed the invoices provided by CCU and decreased the \$1,994 by \$165 to \$1,829 for the test year. We accepted the audit staffs adjustment in CCU's response to the audit which was filed on October 18, 2016. CCU's initial response to Staff's First data request was incomplete and we apologize for the error.

9. Pro Forma- Company does not have any pro forma items yet has I have to have the engineering completed first. I have enclosed a copy of the engineering contract for approval in this rate case.

10. Customer Class- As previously stated in the company's response to staff's first data request, the Gourley Plastering account at 6895 SR 64 E. Wauchula, FL. 33873 is a general services account with a 5/8 x 3/4 meter. The only new home was added in April 2016 at 1236 Cardinal Rd.

11. Misc. Service Charges

- a. The \$30 Disconnect and Reconnect fee was charged to those customers who, after proper notification, CCU disconnected for non-payment of an outstanding water bill. The water service was reconnected when the payment was received. This action required two trips to the customer's residence. A combined Disconnection and Violation Reconnection Charge of \$30 was charged for each occurrence. CCU acknowledges that there is no approved tariff for disconnecting a customer and that the proper authorized tariff for this action is the currently approved \$20 Violation Reconnection Charge. CCU respectfully requests that the Commission review and establish a Violation Reconnection Charge in this proceeding.
- b. The cost justifications for the requested late payment charge and for the credit card convenience fee are attached.

12. Meter Tampering Charge Meter Tampering Charge

A meter tampering charge of \$50 was charged to one customer in 2015. CCU acknowledges that there currently is no miscellaneous service tariff to support such a fee. CCU respectfully requests the Commission to establish a meter tampering charge in this proceeding.

On behalf of the utility,

"S"/Michael Smallridge



Mike Smallridge

Cost Justification for McLeod Gardens Utilities

Meter Tampering Charge

Labor Costs- \$17.25 per hour x ½ hour Labor=	\$17.25
Travel Costs- 14 miles round trip x \$1.50/ mile=	\$21.00
Replacement Lock=	\$10.49

Total Initial Connection Charge=	\$48.74
+	
Mark up for RAF (4.5%)	\$ 2.19

Total Meter tampering charge	\$50.93

Total Meter tampering charge Requested by Utility= \$50.00

COST JUSTIFICATION FOR LATE PAYMENT FEE.

Office personnel time to search accounts to determine delinquent accounts.	\$2.25
Prepare, print and sort delinquent notices for mailing and transport to the post office.	\$2.50
Postage from United State Postal Service.	\$. 47
Envelopes, paper and supplies.	\$. 06

Total = \$ 5.28

Utility requests a late payment fee of \$5.25



Water and Wastewater Consultants

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Casselberry, FL 32707
Telephone: (407) 260-2292
www.Excelengineers.com

Via email: mike@fus1llc.com

Florida Utility Services 1, LLC
Mike Smallridge
3336 Grand Boulevard
Suite 102
Holiday, Florida 34690

**Subject: Charlie Creek Utilities, WTF, Hardee County, Florida
Water Treatment Facility Improvements**

Dear Mike;

It's my understanding that you are experiencing detrimental calcification of the water distribution system at the subject water treatment facility. The facility is currently utilizing hypochlorite solution for disinfection. The calcification has caused deposition in valves, water meters and appurtenances causing them to fail. Therefore, you would like to implement a cost effective way to correct this situation.

In order to accomplish this assignment we will visit the site, review water quality tests, perform engineering calculations, prepare a permit application package for FDEP, certify the construction and file the final certifications with FDEP. With this in mind, we propose the following scope of services:

I. Scope of Services

In order to assist you with this assignment and provide a quality project we propose to provide you with the following scope of services:

1. One site visit to observe and review the WTF.
2. Perform engineering analysis of the water quality parameters.
3. Perform engineering calculations.
4. Prepare the permit applications.
5. Prepare an engineering report with exhibits and schematic diagrams.
6. Final Certification- Once the construction is complete we will visit the site to observe the finished construction and prepare an as-built certification.
7. Update the O & M Manual.

II. Professional Fees

We propose to provide you with this scope of services for a lump sum fee of \$ 4,197.00. Permit fee is not included in proposal and will be paid by Permittee or others.

III. Other Direct Costs

There will be no additional charges for all other direct costs including items such as printing, drawings, travel, deliveries, and etcetera which are included in the proposal.

IV. Additional Services

Any Additional Services requested that are not a part of this proposal will be invoiced either on a time and materials basis, in accordance with the enclosed Schedule of Charges (Exhibit 1), or on a mutually agreed upon fee.

V. Services Not Provided

The following services are not provided in this proposal:

Design, engineering and permitting of any improvements, or repairs to any part of the facilities except as specifically noted in the proposal.

Field verification of any underground utilities.

All tasks associated with preparation and execution of the construction work at the wastewater treatment facility will be performed by others.

This proposal, together with the General Terms and Conditions, which have been received and reviewed, represents the entire understanding between Florida Utility Services 1, LLC and affiliated companies and Excel Engineering Consultants, LLC, with regard to the referenced project. We will start work immediately upon receipt of an approved agreement and a \$ 1,125.00 retainer. This proposal together with the General Terms and Conditions is the total understanding between you and us and may only be modified in writing.

We appreciate the opportunity of working with you on this project and hope that you will consider Excel Engineering Consultants, LLC as an integral part of your team.

Sincerely,
Excel Engineering Consultants, LLC



Julian R. Coto, P.E.
President

JRC/mr

Approved and accepted this 22 day
of June, 2016.

Charlie Creek Utilities
Florida Utility Services 1, LLC

By: 
Signature

Mike Smallridge, Managing Member

Enclosures: Exhibit 1 – Schedule of Fees & Other Direct Costs
General Terms & Conditions

PRP16036- Charlie Creek Utilities-Smallridge.docx



The following schedule of fees and other direct cost are an integral part of the Agreement being signed and should be thoroughly understood by both parties.

Exhibit No. 1
Schedule of Fees & Other Direct Costs

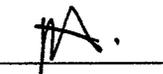
Schedule of Fees

Expert Witness	\$200.00
Principal Engineer	\$175.00
Project Manager	\$125.00
Project Engineer	\$95.00
Engineering Technician	\$65.00
Project Coordinator/Clerical	\$55.00

Schedule of Other Direct Costs

Plotting (24x36)	\$1.50 per sheet
Printing (8 1/2 x 11 & 11 x 17)	\$.15 per sheet
Mailing (USPS)	Cost + 20%
Overnight (UPS)	Cost + 20%
Courier (local deliveries)	Cost + 20%
Mileage	\$.60 per mile

Initial:  Date: _____

Initial:  Date: _____