

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for Rate Increase in Water and Wastewater Rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida

DOCKET NO. 160101-WS

AMENDED PETITION TO INTERVENE OF THE SUMMERTREE WATER ALLIANCE AND ANN MARIE RYAN, AN INDIVIDUAL CUSTOMER OF UTILITIES, INC.

Pursuant to sections 120.569, 120.57(1) and 367.091(2), Florida Statutes, and Rules 25-22.039 and 28-106.205, Florida Administrative Code, the Summertree Water Alliance ("Summertree Alliance") and Mrs. Anne Marie Ryan, a UIF customer, individually, through their undersigned attorney, hereby files this Petition to Intervene in the above-captioned docket. In support thereof, the petitioners, Summertree Alliance and Mrs. Ann Marie Ryan, individually as a customer of UIF, state as follows:

1. Name and address of the affected agency:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

2. Name and address of the petitioners:

Summertree Water Alliance
c/o Ann Marie Ryan
11436 Windstar Court
New Port Richey, Florida 34654

And, a customer of UIF, individually,

Ann Marie Ryan
11436 Windstar Court
New Port Richey, Florida 34654

3. Service. All pleadings, motions, orders and other documents directed to the petitioners should be served on:

Brian P. Armstrong, Esq.
Law Office of Brian Armstrong, PLLC
P.O. Box 5055
Tallahassee, Florida 32314-5055

Telephone: (850) 322-4097

Email: brian@brianarmstronglaw.com

4. Notice of Docket. Summertree Alliance members and Mrs. Ann Marie Ryan, individually as a customer of UIF, originally received notice from reviewing the above-referenced docket on the Florida Public Service Commission ("PSC") website.

5. In this docket, the Commission will decide whether to approve Utilities, Inc.'s request for a rate increase. The Summertree Alliance is located in Pasco County, Florida, and is served by the water and wastewater systems known as the Summertree Systems. Ann Marie Ryan is both a leader of the Alliance which has been recognized as a participant in several Commission sponsored meetings and service hearings to date, as well as an individual customer of UIF. Members of the Summertree Alliance are customers of Utilities, Inc. who pay substantial amounts of money to Utilities, Inc. for water and wastewater services, and this proceeding will determine the rate that such customers will be required to pay to Utilities, Inc. in the future. The customers of Utilities, Inc. served by Utilities, Inc., and Mrs. Ann Marie Ryan, individually as a customer of UIF, must be heard. See affidavits of Ann Marie Ryan, as an individual customer of UIF, and Lorraine Mack, a leader of the Summertree Alliance, attached as Appendices A and B to this petition.

6. Standing. To intervene, Mrs. Ann Marie Ryan and the Summertree Alliance must show that they will suffer an actual and immediate injury against which the proceeding is designed to protect. Ameristeel Corp. V. Clark, 691 So. 2d 473 (Fla. 1997); Agrico Chemical Co. v. Dep't of Environmental Regulation, 406 So. 2d 478 (Fla. 2d DCA 1981).

6. As customers of Utilities, Inc., the interests of the members of the Summertree Alliance and Ann Marie Ryan, specifically and individually, will be actually and immediately affected by changes to Utilities, Inc.'s rates. This proceeding is designed to set new rates for Utilities, Inc. and to ensure that those rates are fair, just, reasonable, and non-discriminatory. Ann Marie Ryan, individually as a customer of UIF, and the Summertree Alliance is entitled to participate in this proceeding to protect herself and itself from the ever increasing rates and ever degrading service provided by UIF which has once again degraded recently, not improved, as a result of the interconnect with Pasco County Utilities and Utilities, Inc.'s failed management, see affidavits attached to this petition (Appendices A and B) and copy of correspondence dated April 19, 2017 from Pasco County Utilities to Utilities, Inc. management (Appendix C).

7. Disputed Issues of Material Fact. The Summertree Alliance disputes material facts alleged in the rate increase application and supporting testimony and documents and has identified the following issues in dispute:

- Whether the revenue requirements requested by Utilities, Inc. and associated rates are excessive.
- Whether Utilities, Inc. is entitled to a return on equity consistent with the Commission established equity graph or should such return be reduced.
- Whether Florida laws and Commission rate-setting rules, including recent amendments to Florida Statutes, as well as Utilities, Inc.'s request for additional revenue recovery through the

base facility charge have reduced the risk of utility operation such that the return on equity should be reduced.

- Whether Utilities, Inc. has acted responsibly and in the exercise of proper utility management to respond to service deficiencies such as have existed on the Summertree System and whether Utilities, Inc. equity return should be reduced if such management response has been deficient.
- Whether Utilities, Inc. investments should be included in rate base where Utilities, Inc. has failed to properly manage its assets and capital investment program.
- Whether Utilities, Inc. has properly managed its utility records.
- Whether Utilities, Inc. engagement of its out of state affiliate to perform management, accounting, financing and other services has contributed to deficient record keeping, accounting and reporting and whether Utilities, Inc. revenue requirements and/or equity return should be reduced to reflect such deficiencies.
- Whether Utilities, Inc. has pursued financing from free or low cost loan, grant and/or other funds so as to minimize debt service costs and other costs of capital investments and associated revenue and equity adjustments if it has not done so.
- Whether Utilities, Inc. failure to properly inspect and test its lines in Summertree, as requested by Pasco County Utilities, has exposed customers to unnecessary threats to their health.
- Whether Utilities, Inc. should be punished for representing to the Commission that the water quality of the water it is now serving Summertree customers meets water quality standards when in fact it does not and Utilities, Inc. knew there were problems as demonstrated by its excessive flushing since the interconnect with Pasco County Utilities was completed. All of these facts having been withheld by Utilities, Inc. from the Commission when it recently sought approval to raise Summertree rates once again.

8. Statement of Ultimate Facts. The Summertree Alliance has participated in this and other Utilities, Inc. proceedings informally as a person in interest together with various individual members of the Summertree Alliance as well as customers served by other systems owned and operated by Utilities, Inc. The Summertree Alliance recognizes that it takes the proceedings as it finds it as of the date of this formal petition to intervene. Thus, no party is prejudiced by this intervention. Review of testimony and evidence presented by Utilities, Inc. to date reveals the following material deficiencies in the rate increase application which the Summertree Alliance wishes to focus the Commission's attention upon:

- Utilities, Inc. management and services have been deficient resulting in higher costs which should not be recognized in its revenue requirement.
- Utilities, Inc. refuses to "voluntarily" reveal information which would tend to show reduced costs, but has demonstrated its proclivity to introduce reams of documents very late in this proceeding designed to increase its rates in apparent disregard of its responsibility to assure that it is providing high quality services at the lowest cost possible.
- Utilities, Inc. has failed to properly manage its assets resulting in unreasonable utility investments at unreasonable costs to customers.
- Utilities, Inc. has long failed to properly record Commission orders, failed to properly record activities related to assets, and other deficiencies in utility accounting; deficiencies which should not be rewarded by the Commission but rather recognized

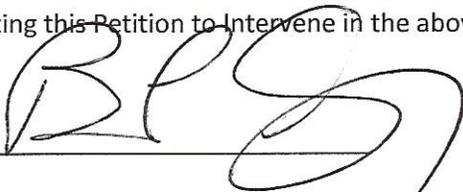
and reflected in reductions to alleged costs which Utilities, Inc. seeks to recover in this proceeding.

- Utilities, Inc. faces limited risk in utility operations due to Commission rate-setting procedures including indexing, pass-throughs, staff assisted rate proceedings, and recent law changes, in addition to the requested higher recovery of revenue requirements in base facility charges; this reduced risk should be reflected in reduced return on equity.
- Utilities, Inc. has failed to pursue low cost and no cost funding such that the utility's cost of financing investments are excessive; reductions in the authorized rate of return are proper.
- Utilities, Inc. has failed to properly and timely address poor water quality issues on the Summertree water system and recent attempts to resolve the poor water quality have resulted in even poorer quality of service.
- Utilities, Inc. failed to notify the Commission that it knew there were problems with its water service in the Summertree system after the interconnect with Pasco County Utilities, as exhibited by Utilities, Inc. extraordinary flushing activities since that time. Utilities, Inc. instead informed the Commission that its water met water standards while its customers received poorer water pressure and water that has unsatisfactory chlorine residuals and, in places, no ammonia, clear signs of nitrification occurring in the pipes.

9. Relief Sought. The Alliance and Mrs. Ann Marie Ryan, individually and as a customer of UIF, hereby request the Commission to grant their Petitions to Intervene in the above-captioned docket on the basis set forth in the paragraphs above. Though the information provided in the application, testimony and exhibits is inadequate, it is sufficient to reveal the several unsettling issues identified above which, at minimum, must be disposed of at the formal hearing.

10. Petitioners note that the Commission routinely allows the intervention of the South Florida Hospital Association and the Florida Industrial Power Users Group in rate proceedings of Florida Power & Light as well as other groups with unincorporated status (see dockets of Florida Water Services Corporation and Southern States Utilities, Inc.) without objection of the utilities involved. UIF being an exception to other utilities' good faith desire to allow their customers to be heard by the Commission.

WHEREFORE, the Summertree Alliance respectfully requests the Commission to enter an order granting this Petition to Intervene in the above-captioned docket.



Brian P. Armstrong, Esq.
Law Office of Brian Armstrong, PLLC
P.O. Box 5055
Tallahassee, Florida 32314-5055
Florida Bar No. 888575
Email: brian@brianarmstronglaw.com
Counsel for Summertree Water Alliance

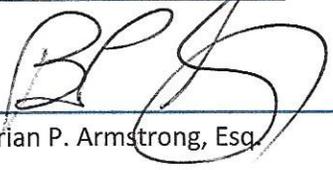
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by e-mail to the following on this 27th day of April, 2017:

Director, Division of the Commission
Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(via e-filing: filings@psc.state.fl.us)

Martin S. Friedman
Friedman & Friedman, LLP
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746
(via e-filing: mfriedman@sfflaw.com)

J.R. Kelly, Esq.
Erik Saylor, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400
Kelly.jr@leg.state.fl.us
Saylor.Erik@leg.state.fl.us



Brian P. Armstrong, Esq.

APPENDIX A

AFFIDAVIT OF ANN MARIE RYAN

Under penalties of perjury and having been duly sworn, Mrs. Ann Marie Ryan deposes and states:

1. I am the leader of the Summertree Water Alliance.
2. The Summertree Water Alliance was formed to help Summertree residents unite our efforts to resolve poor secondary water quality, unsatisfactory customer service, continual rate increases, and management concerns encountered with Utilities, Inc of Florida (UIF), our water/wastewater provider.
3. The Summertree Water Alliance and prior committees of Summertree customers have tried for years to establish an effective and honest working relationship with management of Utilities, Inc. of Florida with seriously disappointing results.
4. The Summertree customers who are the Alliance members' and the Alliance Task Force's initiative is solely responsible for successfully working with our state legislators to secure a \$1 million state grant to help pay for the Summertree /Pasco County Utilities water interconnect. The Summertree Alliance was successful securing an affordable solution to a horrible water problem that UIF allowed to fester for 25 years.
5. By refusing to allow Pasco County Utilities to perform a diligent inspection of the Utilities, Inc. of Florida water pipes serving our community, and apparently after failing to perform such inspection and testing itself, UIF has managed to also turn a \$1 million gift into a disaster as well.
6. After interconnect by Utilities, Inc. of Florida - Summertree System with Pasco County Utilities, we initially saw a short-term improvement in water quality. However, within barely a month's time, Summertree customers witnessed lower water pressures and nearly constant high volume flushing by UIF to the point that our pond on Merganser Way was overflowing.
7. We knew something was wrong and the flushing confirmed that Utilities, Inc. of Florida knew something was wrong too.
8. Despite the fact that problems obviously existed, UIF acted as quickly as possible to raise our rates while apparently failing to identify the existence of any problems with the water UIF was supplying to our community.
9. Due to low water pressure issues and high volume flushing concerns, the Alliance decided to secure the services of a recognized water expert who in a period of only hours determined that the water Utilities, Inc. of Florida was providing to us was failing primary drinking water standards with deficient chlorine residuals and other potential health threatening issues such as the absence of ammonia. "Nitrification" was occurring, as described by the expert.
10. Upon further investigation, the Alliance and I realized that Utilities, Inc. of Florida, in an apparent rush to abandon its well and associated facilities, apparently permitting UIF to recover associated abandonment costs in this rate proceeding. Consequently, UIF had removed the facilities necessary to perform the chlorine "burns" needed to adequately manage our water system.
11. These actions are consistent with what I and the other members of the Alliance have recognized as the paramount focus and goal of Utilities, Inc. of Florida management to raise our rates so as to make more money while overlooking prudent preventive maintenance measures.
12. It long has been clear to me that Utilities, Inc. of Florida management has never been properly focused on ways to achieve the best quality service possible and to find ways to provide that high quality at the lowest cost possible. A simple yet effective business practice they fail to implement.
13. The Commission must understand that I and the other customers have experienced the hostility of Utilities, Inc. of Florida management for years.
14. I believe this hostility is confirmed by the current attempt by Utilities, Inc. of Florida to deny me, and its other Summertree customers who have donated funds to the Alliance to obtain legal and technical expertise to represent our interests and the ability to be represented professionally before the

Commission in this rate proceeding. This action is abhorrent but I believe consistent with actions of Utilities, Inc. of Florida management and its counsel.

15. Another example is the fact that Utilities, Inc. of Florida counsel told our new counsel, "I am going to destroy you" when our counsel introduced himself just prior to the start of the Commission's pre-hearing conference. Another Alliance member, Lorraine Mack, and I witnessed and heard his statement. Unfortunately, I must inform the Commission that while Utilities, Inc. of Florida counsel stated this out loud, it is exactly the attitude we have felt from UIF management for many years.
16. Another example was related to me by our counsel when the accounting expert produced by Utilities, Inc. of Florida acknowledged in a deposition that he does not, and apparently sees no need for himself, the Utilities, Inc. of Florida accounting expert, to investigate the charges being allocated by an affiliate of Utilities, Inc. of Florida to determine for himself whether the services are high quality and being provided at the lowest cost. My experience with accountants is that they would be thorough and watch every penny spent scrupulously and I expect that Utilities, Inc. of Florida will do so especially when it comes to payments being made to an affiliate.
17. Another example is the statement by Utilities, Inc. of Florida counsel during a recent deposition of a Utilities, Inc. of Florida senior manager, as explained to me by our new counsel, that Utilities, Inc. of Florida would not "voluntarily" turn over to the Alliance documents that may show reduced Utilities, Inc. of Florida costs.
18. I ask the Commission to review this refusal to reveal documents that Utilities, Inc. of Florida costs may be lower than it is suggesting with the over 900 pages of documents in the proposed rebuttal testimony of Patrick Flynn, Exhibit 50 which documents Utilities, Inc. of Florida withheld from the Public Counsel despite prior requests and provided to us only recently, 900 plus pages designed to show that Utilities, Inc. of Florida rates should be increased.
19. The members of the Alliance and I have long believed from prior exhibitions of such actions that Utilities, Inc. of Florida is unaware of its obligation to take steps to ensure that its service is both high quality and is being provided at the lowest cost to me and my community.
20. I have attached to my affidavit copies of two Alliance Cover Letters and sample Summertree Consumer letters signed by 757 residents to Corix, the owner of Utilities, Inc.
21. On February 21, 2017, Summertree's 862 Resident Letters with 1120 signatures were sent to British Columbia Investment Management Corporation, the owner of Corix. The letters expressed the Summertree customers overwhelming lack of trust in Utilities, Inc. of Florida's management.
22. I also attached three letters from Speaker Richard Corcoran and Senator Wilton Simpson of the Florida Legislature dated (1) March 31, 2016 stating, ***"This utility's complete disregard for these customers is very upsetting, but not altogether surprising."*** (2) The September 13, 2016 joint letter states, ***"We question the premise that a water utility is entitled to "recover costs" for any action taken regardless of outcome. Over a decade of rate increases with no assessment or review as to whether or not the expenditures were prudent or effective flies in the face of commonsense."*** Most recently, the March 23, 2017, joint letter from Speaker Corcoran and Senator Simpson states, ***"The water quality issues have largely been solved as a result of the recent interconnection with Pasco County's water system. (3) However, the citizens we represent continue to have very serious issues and concerns with what they consider to be exorbitant water rates and poor-quality customer service provided to them by this utility."***
..."It is of the utmost importance that our citizens and taxpayers are afforded further opportunity to express their grave concerns at a public forum."

23. Obviously, the Speaker and the Senator have the same type of experiences with Utilities, Inc. of Florida and its management as I and the other residents of Summertree who are attempting to represent ourselves through the Summertree Water Alliance.
24. Utilities, Inc. of Florida's most recent attempt to obstruct us is but one more example of the catastrophe of its public relations, customer relations and government relations as evidenced by the letters provided with this affidavit.

Attachments:

Alliance Cover Letters to Corix & Summertree Consumer Letters
Alliance Cover Letters to bclMC & Summertree Consumer Letter
Letter to PSC from Speaker Richard Corcoran and Senator Wilton Simpson, March 31, 2016
Letter to PSC from Speaker Richard Corcoran and Senator Wilton Simpson, September 13, 2016
Letter to PSC from Speaker Richard Corcoran and Senator Wilton Simpson, March 23, 2017

Sworn to by me this 27th day of April 2017

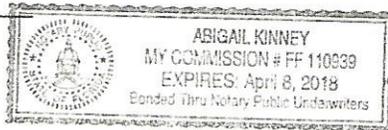
Anna Maria Ryan

Notary Acknowledgement

State of Florida
County of Pasco

The affiant, being duly sworn, appeared before me this 27th day of April, 2017, she is known to be by the production of proof of identification and signed this affidavit in my presence.

[Signature]
Notary Public



ASIGAIL KINNEY

My commission expires: April 8, 2018



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Community Affairs, *Chair*
Environmental Preservation and Conservation,
Vice Chair
Appropriations Subcommittee on General Government
Finance and Tax
Judiciary
Transportation

JOINT COMMITTEE:
Joint Legislative Auditing Committee

SENATOR WILTON SIMPSON
18th District

March 31, 2016

Julie Brown, Chair
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32311

Chairwoman Brown,

It has been brought to our attention that the Public Service Commission will be holding public hearings on April 12 in Pasco County regarding a rate increase requested by Utilities Inc. We look forward to speaking with you and your staff at these hearings.

As you are aware, the Consumer Water Protection Act (Senate Bill 272) became law in 2014. <http://laws.flrules.org/2014/68>

This bill was filed because our constituents had been subjected to multiple rate increases by this monopoly and there were serious issues with the secondary standards of the water coming into their homes. The taste, color and smell were far from ideal and the prices were high when compared to the neighboring communities and the state average.

The issues that our constituents have still continue today. They've expended a great deal of time and money trying to get better water at better prices and have not been successful. Our staff members have participated in lengthy meetings and phone conferences with the utility and the consumers regarding the same unaddressed problems for over three years.

The legislative intent of The Consumer Water Protection Act of 2014 was clear: protect Florida's consumers from paying high prices for substandard water. This utility's complete disregard for these consumers is very upsetting, but not altogether surprising. The law does not require the utility to consider the public interest or that the utility provide solutions that are in the customers best interest.

That responsibility belongs to the Public Service Commission. You and your fellow commissioners are required to consider the public interest and in egregious situations, to force the utility to move forward with solutions that are in the customers best interest.

REPLY TO:

- 322 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5018
- Post Office Box 938, Brooksville, Florida 34605
- Post Office Box 787, New Port Richey, Florida 34656-0787 (727) 816-1120 FAX: (888) 263-4821

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

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We are confident that the Public Service Commission will follow the law by considering the public interest and demanding solutions in the customers best interest.

If for any reason your staff or your fellow commissioners are under the impression that the law would allow a rate increase under this set of facts, please rest assured: it does not.

Regards,



Speaker-Designate Richard Corcoran
House Representative, 37th District



Wilton Simpson
State Senator, 18th District

cc: The Honorable Rick Scott, Governor of Florida
Secretary Jon Steverson, Florida Department of Environmental Protection
Braulio Baez, Executive Director, Florida PSC
Commissioner Ronald Brise
Commissioner Lisa Edgar
Commissioner Art Graham
Commissioner Jimmy Patronis
Summertree Water Alliance



SENATOR WILTON SIMPSON
18th District

THE FLORIDA SENATE
THE FLORIDA HOUSE
OF REPRESENTATIVES

Tallahassee, Florida 32399-1100



SPEAKER-DESIGNATE
RICHARD CORCORAN
37th District

September 13, 2016

Julie Brown, Chair
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32311

Chairman Brown,

In March, we wrote to you regarding our constituents in the Summertree community. At that time, we had serious concerns about the high prices being charged, especially considering the quality of the water being received. We appreciate your response to our correspondence, and the time that you, the other commissioners and staff spent coming to Pasco County and meeting with the residents of this wonderful community.

Today, as you consider approving a rate increase contingent upon the interconnection that will take place so that these residents can have access to Pasco County's water supply, please be aware that our concerns remain.

Water is not a luxury. It's a necessity for all living things to survive. During a 17 year period, the Public Service Commission granted multiple rate increases to Utilities Inc. of Florida (UIF). These decisions resulted in water rates increasing by over 110% for the average consumer in Summertree. Wastewater rates were increased as well.

These consumers are still struggling to find ways to survive, although many live on fixed incomes and have been forced to purchase bottled water and expensive filtration systems to meet basic needs. Our consumers should not be fighting for economic survival because of the price and quality of water that's coming into their homes.

There were actions taken by UIF that were used as justification for rate increases. But were any of these actions effective? Did any of these attempts, paid for by the consumers through rate increases, result in our constituents receiving water that met secondary water quality standards, such as taste, color and smell?

We question the premise that a water utility is entitled to "recover costs" for any action taken regardless of outcome. Over a decade of rate increases with no assessment or review as to whether or not the expenditures were prudent or effective flies in the face of common sense.

REPLY TO:
□ 322 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5018

ANDY GARDINER
President of the Senate

STEVE CRISAFULLI
Speaker of the House

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That UIF would move forward with yet another rate increase request before the interconnection is completed is appalling. While we understand that if approved, consumers will not pay more until they are receiving Pasco County water, we request that you and your fellow commissioners consider this fact: this interconnection project has been made possible in large part due to a \$1 million appropriation from the State of Florida.

A private, for-profit corporation with a guaranteed rate of return regardless of the effectiveness of the actions taken has demonstrated time and time again that it is not concerned about consumers. This lack of concern continues with today's hearing. The Florida Legislature is assisting with this interconnection because of a fundamental opposition to corporate greed that harms consumers who desperately need better water in their homes.

Another thing we ask you to consider: the costs involved. The passage of the Consumer Water Protection Act in 2014, the appropriation for the interconnection, the countless hours of meetings and travel for the state and locally elected officials, staffers, Office of the Public Counsel employees, and the Summertree Task Force all came at a price. At what point do all of these costs get factored into the calculation of what UIF is "entitled to recover"?

In closing, we have been informed that UIF is moving forward with a request for Summertree's system to be rolled into a consortium that includes a number of other UIF systems around Florida. This request could have negative impacts on many UIF customers and should be carefully scrutinized. Our constituents have already paid a heavy price for the inaction of this company. Simply put, this is unacceptable. If further legislation is needed to ensure that consumers are protected, that will be forthcoming.

Once again, we request that you and your fellow commissioners consider the public interest when examining this egregious situation.

Regards,



Speaker-Designate Richard Corcoran
House Representative, 37th District



Wilton Simpson
State Senator, 18th District

cc: Commissioner Ronald Brise
Commissioner Lisa Edgar
Commissioner Art Graham
Commissioner Jimmy Patronis
Summertree Water Alliance
Braulio Baez, Executive Director, Florida PSC



WILTON SIMPSON
Majority Leader

THE FLORIDA LEGISLATURE

House of Representative's Website:
www.myfloridahouse.gov

Senate's Website: www.fisenate.gov



RICHARD CORCORAN
Speaker

March 23, 2017

Julie Brown, Chair
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

Chairman Brown,

Once again, we are writing to you regarding our constituents in the Summertree community located in Pasco County.

For several years, we have voiced our serious concerns about the high prices being charged and the quality of the water being received by these citizens.

The water quality issues have largely been resolved as a result of the recent interconnection with Pasco County's water system. However, the citizens we represent continue to have very serious issues and concerns with what they consider to be exorbitant water rates and poor-quality customer service provided to them by this utility.

Furthermore, these residents have informed us the Public Service Commission is considering barring them from testifying at an upcoming proceeding.

To put it plainly, this is unacceptable. It is of the utmost importance that our citizens and taxpayers are afforded further opportunity to express their grave concerns at a public forum.

As you may be aware, the Florida Senate and Florida House of Representatives have recently taken aggressive steps to hold all governmental entities to higher standards of transparency and accountability.

March 23, 2017

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As such, the Public Service Commission's protocols and procedures should always reflect the State of Florida's longstanding commitment to transparency and accountability.

Regards,



Richard Corcoran
Speaker



Wilton Simpson
Senate Majority Leader

cc: Public Service Commissioner Patronis
Public Service Commissioner Graham
Public Service Commissioner Brisé
Public Service Commissioner Polmann
Braulio Baez, Executive Director, Florida Public Service Commission

Summertree Water Alliance Taskforce
COVER LETTER - CORIX
Florida Public Service Commission - Utilities, Inc. of Florida
Docket No. 150269 – WS & Docket No. 160101-WS

July 8, 2016

Scott A. Thomson, President & CEO
Corix Corporate Offices – CANADA
Suite 1160, 1188 West Georgia Street
Vancouver B.C. V6E 4A2

RE: Summertree Community outrage regarding Utilities, Inc. of Florida's Rate Increases, Poor Customer Service, and Summertree's vote of NO CONFIDENCE in Utilities, Inc. of Florida.

Dear Mr. Thomson,

We are forwarding 168 additional Summertree residents' letters as promised in our mailing in our previous letter dated April 12 2016. The Summertree Water Alliance (SWA) would like to raise your awareness to our concerns regarding service, quality, perpetual rate increases, and Summertree's loss of confidence in Utilities, Inc. of Florida to continue operating our Summertree system.

REIEW OF COMMUNITY CONCERNS: 2015 UIF RATE INCREASE--Docket No. 150269-WS

1. Utilities Inc. of Florida filed to bifurcate Pasco County (Summertree/Orangewood) from their 2-Phase Limited Rate Proceeding. Summertree remains opposed to any increase since our water quality and services have not changed as UIF have not completed resolving the issues addressed in 2014 FPSC PAA Order.
2. Utilities, Inc. of Florida may meet the federal/state standards for primary water standards but to date our secondary water attributes (offensive taste, color and odor issues) are unresolved. UIF has never stepped up and taken the initiative to fix our water issues since acquiring the Summertree system in 1991. The residents and now the Summertree Water Alliance (SWA) Taskforce have always taken initiatives to resolve water issues.
3. Summertree's three wells are over 40 years old and our water source is limited only to them. Since 2007, we are relying on a chloramine injection system and a flushing system which has created more problems.
4. The Mission Statement of Utilities, Inc. states they are committed to providing safe, reliable and cost effective service to our customers. After 2 ½ years of negotiations, we have grave concerns that Utilities, Inc. of Florida will never provide us with palatable water at a fair cost. Actions speak louder than words! UIF has not negotiated in good faith; we do not trust Utilities, Inc. of Florida to continue managing our system.
5. On behalf of the Summertree residents, the Summertree Water Alliance Taskforce pursued legislation with the help of Florida State Senator Wilton Simpson and State Representative Richard Corcoran 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 Water Protection Act and the 2015 state grant benefiting Summertree were signed by Governor Rick Scott.

6. The Taskforce is continuing to work with Pasco County Commissioner Jack Mariano, the Pasco Board of County Commissioners, Mike Fasano - Pasco County Tax Collector, Erik Saylor - Office of Public Counsel, state and county agencies to work on solution for a direct county acquisition of our system. We want Utilities, Inc. of Florida to sell to Pasco County Utilities.

Our residents continue to use individually installed whole house filtration systems, water softeners, reverse-osmosis systems, filters on water taps and refrigerator units. The majority of residents find it necessary to buy bottled water for cooking and drinking. Additionally, several homeowners have incurred repairs to their plumbing systems due to sediment accumulation and corrosion in the pipes. Several potential buyers have cancelled contracts due to our Utilities Inc. water issues.

Utilities, Inc. filed for a \$3M Consolidated Rate Case – DOCKET NO. 160101 – WS encompassing 14 counties, 44 systems and 60,000 customers. Please be assured, we will be watching and participating in this new docket as well. We cannot trust Utilities, Inc. of Florida, they have NOT worked to fix our problems, have provided MINIMAL customer services and have NOT negotiated in good faith. Recently UI sent out a robo “Boil Water notice,” it was meant to address 2 blocks in the Greens at Summertree section of the development. The call came through as a Private caller – many people do not pick up on unidentifiable calls. Then the entire community received another robo call to end Boil Water notice, again it came through as UNKNOWN CALLER. This created turmoil as most people thought they were not notified about the original main break. Seriously, in this day and age, UI should have the ability to see calls with ID – we have requested this in 2010 and 2013 and here we are six years later and still NO RESOLUTION...these failed customer service issues are unnecessary. We will pursue legislative action to address this issue since UI is either unable or unwilling to address the issue.

We are NOT GIVING UP! We are continuing our protest while working with legislators to change laws. We will pursue all avenues necessary to SAVE Summertree from Utilities, Inc. It is time for UI to sell the Summertree system at a fair price to Pasco County Utilities. Utilities, Inc. indifference to customers is systemic. We are not the only unhappy customers. Give it time and you will see that the issue are REAL and UI management is responsible for failing to maintain our systems properly.

We do not trust Utilities, Inc. of Florida to continue managing our Summertree system. The Summertree community would like CORIX to encourage Utilities, Inc. of Florida to negotiate an equitable sale to Pasco County Utilities.

Sincerely,

Ann Marie Ryan, Leader
Summertree Water Alliance Taskforce
11436 Windstar Ct, New Port Richey, FL 34654
(727) 267-7162 (C) • amr328@hotmail.com

Summertree Water Alliance Taskforce Members: Ann Marie Ryan, Leader, Lorraine Mack, Joe Mitchell, Richard Nielson, Lee Robida, Fred Stall, Ed Youngs **Associate Taskforce Members:** Maria Cristiano, Chuck Hoehn, Ken Jennings, George Metz, Violet Weeks, Bill White

PLEASE NOTE: Included in this packet are 168 letters from our Summertree residents supporting these issues.

Summertree Water Alliance Cover Letter
Docket No. 150269-WS and Docket No. 160101-WS
Enclosed are **862** Summertree Resident Letters with
1120 Resident Signatures for bclMC Letters

February 21, 2017

Peter Milburn, Chair of bclMC Board
British Columbia Investment Management Corporation
Suite 300, 2950 Jutland Road
Victoria BC, Canada V8T 5K2

Dear Mr. Milburn,

We, Summertree, a community of 55+ American and Canadian residents are seeking your help with a problem that we have had for 25 years with Utilities, Inc. of Florida. In 2012, your subsidiary Corix purchased Utilities, Inc. in Illinois who owns Utilities, Inc. of Florida (UIF), our utility provider.

We have tried to resolve our issues with John Hoy, UIF President, and Patrick Flynn, Vice President of Operations for Utilities, Inc. of Florida to no avail. On April 12, 2016, we sent over 400 resident letters to Scott Thomson, Corix President & CEO, to let them know what was transpiring. We received Scott Thomson's reply on April 29, 2016. We feel that the tone of Mr. Thomson's letter reflects John and Patrick's a negative spin on our issues. In 2008, we asked what options were available to treat the three system wells. We were told that we would probably need three different systems varying in price. It wasn't until 2014 that an engineering study was done. We learned that adding treatment systems to our existing wells could not guarantee sustainable results. We were unaware that we could interconnect with Pasco County Utilities until it was suggested by the engineering study as the most viable solution. We feel the way UIF presents our water rates as being low is misleading. Our community has a 35–40% seasonal population, the rates quoted do not reflect rates paid by our permanent residents which are significantly higher. In addition, we pay for bottle water, whole house filters, reverse osmosis systems and water softeners. We contacted Mr. Thomson again on July 8, 2016 with an additional 168 resident letters and our Summertree Water Alliance cover letter offering more historical information and a request to revisit our issues. We were NOT given the courtesy of a reply.

The Summertree community hopes that you will NOT dismiss our concerns regarding Corix and their subsidiary, Utilities, Inc. of Florida.

If your staff researches our issues, you will see overwhelming proof that the Summertree Water Alliance Taskforce and residents successfully pursued legislation to address our poor secondary water quality, sought alternative funding through grants, reduced our water consumption significantly by switching from potable water to association owned wells for irrigation, paid out of pocket to produce and mail the Customer Ballot, and continually negotiated in good faith. With the help of our Governor, State legislators, the Office of Public Counsel, Pasco County officials, and Pasco Utilities, Summertree was successful securing an affordable solution to a horrible water problem that UIF allowed fester. Your subsidiary, Utilities, Inc. of Florida, failed to take the initiative to fix our water issues since acquiring the Summertree system in 1991. Instead of fixing our water problems, UIF sought to increase our rates every 2 to 3 years.

February 21, 2017

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Negotiations to resolve our water issues were difficult and eventually were brought to a standstill when John Hoy reneged on our negotiated Summertree Customer Ballot for the Pasco County interconnect just one week prior to our negotiated ballot mailing date. The Summertree Water Alliance worked out a solution to avoid an impasse with Erik Sayler, Attorney for the Office of Public Counsel. We paid to print the letters and customer ballots, purchased mailing and return envelopes for each ballot, prepared the mailing and paid postage to finalize the ballot process. UIF only provided mailing labels; it was infuriating.

Members of our Summertree Water Alliance Taskforce attended and addressed the PSC Commission at the Florida Public Service Commission (FL-PSC) Conference Agenda meetings held on September 13, 2016, October 11, 2016, and November 1, 2016. On September 13 2016, Pasco County Commissioner Jack Mariano made a conference call and Senator Wilton Simpson and Speaker designee Richard Corcoran sent Legislative Assistant, Rachel Perrin Rogers, to read their joint two-page letter on our behalf. The outcome was a postponement of a Commission vote until October 11th. On October 11, 2016, Senator Simpson, Flip Mellinger, Pasco Assistant Administrator and Director of Pasco County Utilities, and Joseph Richards, Assistant Pasco County Attorney, and four Alliance members attended and addressed the Commission. Pasco County Commissioner Jack Mariano once again made a conference call on behalf of Summertree. If you watch the taped FL-PSC sessions, you will see that our elected officials have grave concerns about UIF's failure to maintain our system. Flip Mellinger rated our system's net worth as \$0. Your representatives, John Hoy and Patrick Flynn, have not answered requests from our legislators, county officials or task force members to show records of where our 25 years of rate increases have gone to improve our system. Summertree has had only minimal infrastructural changes over the years. When UIF switched the Summertree system to chloramines in 2010, it required minimal computer and system upgrades.

Our Summertree system was purchase in 1991 for \$250,000. UIF started to negotiate a bulk water agreement in 1991 but walked away instead UIF only made a bulk wastewater agreement with Pasco County. Over the years, customer complaints about water quality were reported to UIF and to the PSC; however, nothing ever changed. In 2005 and 2006, UIF failed primary water quality for 7 of 8 quarters. It was the Summertree residents who initiated meetings with UIF to discuss options to resolve our water quality issues. UIF **never** voluntarily offered options or reached out to the Summertree customers about improving our system. UIF received an **Unsatisfactory Customer Service Rating** from the FL-PSC Commission in 2013. In Order No. PSC-14-0025-PAA-WS in Docket No. 20269-WS issued January 10, 2014, Summertree's poor water quality and customer service issues were finally acknowledged and addressed. Utilities, Inc. of Florida was ordered to comply with the PSC-PAA Order to resolve our secondary water quality issues. UIF did not voluntarily initiate these actions. These are the facts. not the story told by your UIF representatives purporting to be stewards of good business practices.

As an outcome of ORDER NO. PSC-14-0025-PAA-WS Docket No. 120209-WS, the Pasco-Summertree interconnect was officially completed December 21, 2016. Summertree finally has clean, odorless water. However, UIF is having continual problems maintaining proper chlorine levels resulting in an excessive flushing protocol since December 21, 2016. We understand that Pasco County Utilities and UIF are working together to find a solution. UIF told us that flushing is necessary to keep our chloramine levels up.

February 21, 2017

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Summertree residents were told they could expect a 75% reduction in flushing once the interconnect with Pasco was completed. Instead we have a 200% increase in flushing. Over the past twenty-five years, UIF made only minor infrastructure changes. UIF had three years to prepare for the Pasco interconnect such as dealing with dead ends throughout to the Summertree system yet nothing was done.

Pasco County Utilities now provides Summertree both water and wastewater services and UIF has become our pass-through service provider. During this entire three-year interconnect process, UIF management continues has proved itself to be indifferent and untrustworthy which reflects badly on Utilities, Inc. of Illinois, Corix and indirectly on bciMC.

We believe Utilities, Inc. of Florida profiteers and preys on Pasco County retirees and Canadian pensioners. Let us go!!! We do not need or want UIF to continue as our utility provider. Please tell Corix to tell Utilities, Inc. of Florida to accept the \$3.8M offer from Pasco County Utilities to purchase the Summertree system. Our American retirees and Canadian pensioners are tired of being victimized by Utilities, Inc. of Florida, a dysfunctional monopoly who depends on rate increases to make their profits.

Your help is needed to tell Utilities, Inc. of Florida to accept Pasco County's offer to acquire our system. We do not trust Utilities, Inc. of Florida, they have not worked to fix our problems. They have provided minimal customer services and have not negotiated or provided water services in good faith. We are dissatisfied UIF customers. Enough is enough!

We are not giving up. We are ready to mobilize, involve the media, work to change statutes, whatever it takes to save Summertree from Utilities, Inc. of Florida continuing as our utility provider.

We look forward to your response. We believe that you will do the "right thing" and help put an end to this broken, unrepairable relationship. And once UIF sells to Pasco County, you will never hear from us again...except to say, 'Thank You!'

Sincerely,

Ann Marie Ryan, Leader
Summertree Water Alliance
& Florida Consumer Water/Wastewater Alliance
11436 Windstar Ct, New Port Richey, FL 34654
(727) 267-7162; amr328@hotmail.com

Summertree Water Alliance Task-force & Florida Consumer Water/Wastewater Alliance Members:

Ann Marie Ryan, Leader, Terry Copenhafer, Wilbur Copenhafer, Lorraine Mack, Joe Mitchell,
Lee Robida, Ed Youngs

Associate Summertree Water Alliance & Florida Consumer Water/Wastewater Alliance Members:

Maria Cristiano, Chuck Hoehn, Ken Jennings, Richard Nielson, Fred Stall, Bill White

CC: Governor Rick Scott
Florida Public Service Commission
Florida Senator Wilton Simpson
Florida House Speaker Richard Corcoran
Commissioner Jack Mariano, Pasco County, FL
John Hoy, President, Utilities, Inc. of Florida

APPENDIX B

AFFIDAVIT OF MS. LORRAINE MACK

Under penalties of perjury and having been duly sworn, Ms. Lorraine Mack deposes and states:

- 1. I am a member of the Summertree Water Alliance.**
- 2. I and other Summertree customers formed the Alliance so we could show a united front against Utilities, Inc. and oppose the outrageous rate increases it has been receiving for very poor quality service which has gotten worse recently.**
- 3. The head of Pasco County Utilities informed me and other members of the Alliance that Utilities, Inc. refused to let the County inspect and test its water pipes before Pasco County water was delivered.**
- 4. As a result of that refusal and Utilities, Inc. failure to do the inspection and tests itself, the water to our community has lost pressure and we are informed by an expert that it does not now meet primary drinking water standards.**
- 5. We knew something was wrong and the flushing of our pipes since the interconnect was done confirms that Utilities, Inc. knew something was wrong too.**
- 6. Utilities, Inc. asked the Commission to allow it to increase our rates and failed to inform the Commission that the problems exist.**
- 7. The Alliance's water expert gave us a report last week, after just a few hours of analysis, witnessed by several Alliance members, that the water did not meet standards.**
- 8. The concealment of these problems by Utilities, Inc. is typical of their behavior as I have seen it over the years. I and the other members of the Alliance do not trust them and frankly never will trust its managers.**
- 9. I agree with Mrs. Ryan that the Commission must understand that I and the other customers have experienced the hostility of Utilities, Inc. management for years and its attempt to keep us out of the rate case establishes that hostility.**
- 10. I also was present with Mrs. Ryan when we heard the lawyer for Utilities, Inc. say to our new counsel, "I am going to destroy you" when our counsel introduced himself at the Commission's pre-hearing conference. I heard this loud and clear even though Mrs. Ryan and I were sitting on the opposite side of the hearing room from where the attorney for Utilities, Inc. and our counsel stood.**
- 11. To me, this statement was simply another example of the low regard that Utilities, Inc. holds for its customers. As demonstrated in the letters Mrs. Ryan has attached to her affidavit, I and the other customers of Utilities, Inc., and our legislative representatives, do not trust Utilities, Inc. and we recognize that it has failed to meet its obligations to us and to the Commission.**
- 12. The Alliance should be allowed to participate and Utilities, Inc. should be denied any rate increase.**

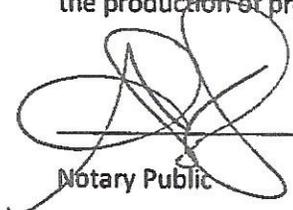
Sworn to by me this 27th day of April, 2017.

Lorraine Mack

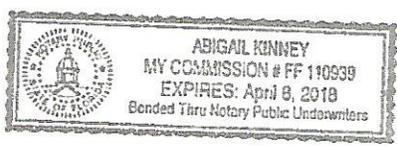
Notary Acknowledgement

State of Florida
County of Pasco

The affiant, being duly sworn, appeared before me this 27th day of April, 2017, she is known to be by the production of proof of identification and signed this affidavit in my presence.



Notary Public



ABIGAIL KINNEY

My commission expires: April 8, 2018

APPENDIX C

 Reply all |  Delete  Junk |  ...



Fw: Summer Tree Sampling Data

BA

Brian Armstrong

Today, 11:53 AM

Brian Armstrong 



Reply all | 

Inbox

From: Flip Mellinger <flipmellinger@pascocountyfl.net<mailto:flipmellinger@pascocountyfl.net>>
Date: April 19, 2017 at 3:50:10 PM EDT
To: "PCFlynn@uiwater.com<mailto:PCFlynn@uiwater.com>"
<PCFlynn@uiwater.com<mailto:PCFlynn@uiwater.com>>,
"JPHoy@uiwater.com<mailto:JPHoy@uiwater.com>" <JPHoy@uiwater.com<mailto:JPHoy@uiwater.com>>
Cc: "sayler.erik@leg.state.fl.us<mailto:sayler.erik@leg.state.fl.us>"
<sayler.erik@leg.state.fl.us<mailto:sayler.erik@leg.state.fl.us>>,
"Gerald.Foster@dep.state.fl.us<mailto:Gerald.Foster@dep.state.fl.us>"
<Gerald.Foster@dep.state.fl.us<mailto:Gerald.Foster@dep.state.fl.us>>, Jack Mariano
<jmariano@pascocountyfl.net<mailto:jmariano@pascocountyfl.net>>, Ann Marie Ryan
<amr328@hotmail.com<mailto:amr328@hotmail.com>>, "Robert G. Marin"
<rmarin@pascocountyfl.net<mailto:rmarin@pascocountyfl.net>>, "Michael J. Carballa"
<mcarballea@pascocountyfl.net<mailto:mcarballea@pascocountyfl.net>>
Subject: Fwd: Summer Tree Sampling Data

Patrick,

The residents of Summertree have invited U S Water to advise them on perceived water quality and pressure issues within your utility service area. U S Water, in a phone call, has advised me that your disinfectant levels are not meeting minimum standards in two of these samples. More to follow once I receive written details. Certainly you must realize that continuing to flush millions of gallons of water is not going to solve the problem; instead you are simply feeding the bacterial growth within your pipes and further depleting the disinfectant residuals. Additionally, you are exceeding the agreed upon capacity that was agreed upon in our interconnect agreement. At the end of each year, a true-up with Tampa Bay Water is distributed to the participating entities, and that true-up is based upon consumption. My staff is reporting to me that we are seeing about 2MGD in additional flow this year, we are assuming that a large portion of this increase is associated with what you are dumping on the ground. It's past time to fix this issue.

FDEP has been onsite and inspected our disinfectant levels, they know we are meeting standards. The significant degradation of disinfectant is occurring within your system. We continue to recommend that you initiate a chlorine burn within the distribution system. We remain ready and willing to assist where we can to remedy this exceedingly long ongoing issue.

They also noted that you have, in at least one flushing area, a fire hose connected to a hydrant and the other end stuck into a storm drain. As you should well be aware, this creates a direct back-flow hazard and needs to be corrected immediately.

R,