

**FLORIDA UTILITY SERVICES 1, LLC
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FLORIDA 34652
863-904-5574**

9/16/19

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No. 20190113-WS – Application for Staff Assisted Rate Case in Manatee County
by Heather Hills Utilities, LLC.

Dear Commission Clerk,

Enclosed please find Heather Hills Utilities, LLC request for consideration and approval of proforma salaries in the above referenced docket.

On behalf of the utility,



Mike Smallridge
mike@fus1llc.com

RECEIVED-FPSC
2019 SEP 18 AM 9:40

The following salary levels for Florida Utility Services 1, LLC (FUS1) were approved in Docket No. 20170230-WS, by Order No. PSC-2018-0439-PAA-WS, issued August 28, 2018, for Orange Land Utilities, LLC (OLU) - Staff Assisted Rate Case (SARC).

Title	Requested	Approved	Hrs
President	\$80,000	\$80,000	FT
Chief Financial Officer	\$54,366	\$54,366	FT
Office Manager	\$39,500	\$39,500	FT
Customer Service Rep.	\$34,000	\$34,000	FT
Customer Billing	\$20,800	\$20,800	PT
Operations Supervisor	\$39,000	\$39,000	FT
Maintenance Tech	\$37,900	\$37,900	FT
Maintenance Tech (Requested/Filled)	\$37,900	\$0	FT
Maintenance Tech (Requested/Vacant)	\$37,900	\$0	FT
Total	\$381,366	\$305,566	

The salary levels requested for two Maintenance Tech positions were considered in the OLU proceeding and declined because staff felt that three field employees (President, Operations Supervisor and Maintenance Tech) provided adequate service to the OLU system and its customers.

At the time of the OLU SARC, FUS1 owned twelve (12) utility systems serving approximately 2,791 customers, as of September 30, 2017. Currently, FUS1 now owns fifteen (15) utility systems serving approximately 3,386 customers, as of September 30, 2018. This represents an increase of approximately 595 customers or 21.32 percent for the 24-month period. See Appendix 1 for a list of FUS1 utility systems and calculations.

As stated in FUS1's OLU salary request, our ability to operate with the existing number of employees has become a challenge. We are requesting that staff reconsider the number of Maintenance Tech positions that were approved in the OLU order based on the additional information provided below.

- In the OLU analysis, staff included the President's position as a field employee to assist with maintaining field operations. While this may have been possible in the past, going forward the amount of time the president can spend in the field will be limited due to the increased duties and requirements of his time, as president of FUS1.
- The Operations Supervisor role has changed as well, as he assumes more of the field supervisory responsibilities that were performed by the president. He will continue to supervise and work with the existing approved Maintenance Tech and the two proposed Maintenance Tech positions, one of which is already filled.
- The four (4) field positions (Operations Supervisor and 3 Maintenance Techs) are/will be responsible for the maintenance and repairs for all fifteen (15) utility systems. Appendix 2 illustrates their current roles and responsibilities.
- FUS1's 15 systems encompass operations from Columbia County in the north to Hardee County in the south of Florida. A distance of approximately 240 miles.

- FUS1 contracts with independent vendors that provide certified operators to oversee the water and wastewater operations and reporting requirements as required by the Florida Department of Environmental Protection (FDEP) and(or) the respective County Health Departments. The services that the contract operators provide are limited to those specific duties. All ongoing, as well as future maintenance and repairs of the FUS1's utility systems are/will be performed by FUS1 employees or other contract vendors as needed.

The approval of the two (2) additional Maintenance Tech positions will enable FUS1 to achieve a staffing ratio of approximately 1 field employee for every 847 customers served (3,386/4). The prior requested staffing ratio in the OLU proceeding was approximately 1 in 698 (2,791/4). The FUS1 staffing ratio approved in the OLU order was 1 in 930 (2,791/3), which was based only on the staffing level deemed appropriate for the OLU system. Staff, in that proceeding, did not consider or include the maintenance staffing level requested for all of the FUS1 systems.

Change in Duties

In the past, FUS1 maintenance staff were assigned task based on the work performed for a specific utility. Commission staff, in past proceedings, used that information to allocate FUS1 maintenance employees' salary solely on the utility system that each employee worked on. Due to growth, FUS1 needs the flexibility to assign maintenance employees based on the actual work load and the specific demands for each utility system. The OLU order recognized and approved these changes in FUS1's operation. FUS1 no longer assigns its employees to a specific system. Presently, the operations supervisor assesses the work load and assigns maintenance employees based on the task or work required for each of the 15 utility systems. This process is a more efficient use of FUS1 labor resources.

Salary Levels

The above table reflects the current salary levels approved by the Commission for the indicated positions.

The salaries request for the two additional Maintenance Tech positions reflect the proposed entry level salary requirements for a similar position based on an Employee Compensation Survey compiled by OCBOA Consulting, LLC which was filed by FUS1 in Docket No. 20160143-WU for CCU. Specifically, Commission Document No. 08857-2016. As indicated, one maintenance position already exists and FUS1 is requesting the approval of the two additional maintenance positions to properly maintain our existing and newly acquired utility systems.

APPENDIX 1

FUS1 System		FUS1 Customer Base (# of services billed)		
		9/30/17	9/30/19	Inc(Dec)
ATU	Alturas	not owned	55	55
CCU	Charlie Creek	162	164	2
CMU	College Manor (1)	55	55	0
CRU	Crestridge	619	619	0
EMU	East Marion	105	106	1
HHU	Heather Hills	355	353	(2)
HGU	Holiday Gardens	456	457	1
LYU	Lake Yale	404	406	2
MGU	McCleod Gardens	90	96	6
OLU	Orange Land	74	74	0
PCU	Pinecrest	132	142	10
SSU	Sunny Shores	not owned	262	262
SRU	Sunrise	not owned	257	257
SVU	Suwannee Valley (1)	23	24	1
WLU	West Lakeland	316	316	0
		2,791	3,386	595
Actual/Requested Employees		9	9	0
Customer Base per Employee (Staffing Ratio)		310	376	66
Increase in Customer Base				21.32%
(1) - SVU & CMU are located in Columbia County which are non-jurisdictional.				

APPENDIX 2

FUS1 - Employee positions with time allocation by primary duties assigned

<u>Operations Supervisor</u>	<i>Approved existing position</i>
50%	Supervise maintenance staff and coordinate daily work flow for maintenance request and utility projects
30%	Provide daily maintenance and repairs for all utility systems
15%	Process new service connections and respond to requests for disconnects/reconnects
5%	Other duties assigned
<u>Maintenance Technician</u>	<i>Approved existing position</i>
50%	Provide daily maintenance and repairs for all utility systems
30%	Process new service connections and respond to requests for disconnects/reconnects
10%	Provide landscape maintenance for all utility systems
5%	Provide maintain and repairs for utility tools and equipment
5%	Other duties assigned
<u>Maintenance Technician</u>	<i>Requested existing position</i>
50%	Provide daily maintenance and repairs for all utility systems
30%	Process new service connections and respond to requests for disconnects/reconnects
15%	Provide landscape maintenance for all utility systems
5%	Other duties assigned
<u>Maintenance Technician</u>	<i>Requested new position</i>
50%	Provide daily maintenance and repairs for all utility systems
30%	Process new service connections and respond to requests for disconnects/reconnects
15%	Provide landscape maintenance for all utility systems
5%	Other duties assigned

**FLORIDA UTILITY SERVICES 1, LLC
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FLORIDA 34652
863-904-5574**

September 13, 2019

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No. 20190113-WS – Application for a staff-assisted rate case in Manatee County by Heather Hills Utilities, LLC. Audit Control No. 2019-156-2-1

Commission Clerk

Heather Hills Utilities, LLC, (HHU) hereby submits its response to the Staff Audit Report in the above referenced docket.

Audit Finding 1: HHU takes no position on this finding.

Audit Finding 2: HHU does not agree with this finding. The auditor removed the following miscellaneous revenues stating they were “unsubstantiated not provided for in the tariffs...”

Miscellaneous Revenue	Water	Wastewater	Total
Late Fees	\$955	\$0	\$955
Connection Fees	\$26	\$74	\$100
Violation Reconnection Fees	\$31	\$0	\$31
Total	\$1,012	\$74	\$1,086

Attached are HHU’s Water and Wastewater Miscellaneous Service Charge Tariffs, Original Sheets Nos. 16.0 and 15.0, respectively. The above-mentioned miscellaneous fees were approved in Order No. PSC-2010-0699-TRF-WS, issued November 29, 2010, in Docket No. 20100396-WS, and transferred to HHU in Order No. PSC-2018-0561-PAA-WS, issued November 26, 2018, in Docket No. 20170151-WS. HHU asserts that it has properly collected \$1,086 of miscellaneous fees and recorded them as revenues per Commission rules. For clarity and consistency purposes the \$74 recorded as wastewater miscellaneous revenues should have been recorded as water miscellaneous revenues. Test year water and wastewater service revenues are \$65,090 and \$107,148, respectively, based on calculated audit service revenues and the miscellaneous service revenue amounts discussed above.

System	Service Revenue	Misc. Service Revenue	Total Revenue
Water	\$64,004	\$1,086	\$65,090
Wastewater	\$107,148	\$0	\$107,148

Audit Finding 3: HHU takes no position on this finding.

Audit Finding 4: HHU takes no position on this finding.

If you have any further questions please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'm. smallridge', written in a cursive style.

Mike Smallridge
West Lakeland Wastewater, LLC
Managing Member

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

LATE PAYMENT CHARGE - This charge may be levied when a customer is delinquent in paying a bill for service, pursuant to Rule 25-30.335(4), F.A.C.

Schedule of Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$26.00	\$40.00
Normal Reconnection Charge	\$26.00	\$40.00
Violation Reconnection Charge	\$31.00	\$42.00
Premises Visit Charge (in lieu of disconnection)	\$14.00	\$27.00
Late Payment Charge		\$5.00

EFFECTIVE DATE - December 18, 2018

TYPE OF FILING - Transfer of Certificate

WS-2018-0119

MICHAEL SMALLRIDGE
ISSUING OFFICER

MANAGING MEMBER
TITLE

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

LATE PAYMENT CHARGE - This charge may be levied when a customer is delinquent in paying a bill for service, pursuant to Rule 25-30.335(4), F.A.C.

Schedule of Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$26.00	\$40.00
Normal Reconnection Charge	\$26.00	\$40.00
Violation Reconnection Charge	Actual Cost	Actual Cost
Premises Visit Charge (in lieu of disconnection)	\$14.00	\$27.00
Late Payment Charge		\$5.00

EFFECTIVE DATE - December 18, 2018

TYPE OF FILING - Transfer of Certificate

WS-2018-0119

MICHAEL SMALLRIDGE
ISSUING OFFICER

MANAGING MEMBER
TITLE