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Public Service Commission

December 2, 2019

Mr. Michael Smallridge
Heather Hills Utilities, LLC
5911 Trouble Creek Rd.
New Port Richey, FL 34652-5128
mike@fus1llc.com

VIA EMAIL & US MAIL

Re: Docket No. 20190113-WS - Application for staff-assisted rate case in Manatee County by Heather Hills Utilities, LLC.

Dear Mr. Smallridge:

Please submit the following information regarding how Heather Hills Utilities, LLC (Heather Hills or Utility) addressed the concerns raised by customers at the customer meeting on November 5, 2019, relating to quality of service and billing. Attached for your reference is a summary of the concerns raised by each customer who spoke at the meeting. Please note that your responsiveness to customer concerns factors into staff's analysis of the Utility's quality of service.

1. Larry Bullis
 - a. Has the Utility been in contact with Mr. Bullis since the customer meeting? If so, what action, if any, has been taken?
 - b. What is the Utility's response to the concerns raised by Mr. Bullis regarding customer service (calls not answered/returned and delay in Utility's response to customer issues)?
2. Renee McClintock
 - a. Has the Utility been in contact with Ms. McClintock since the customer meeting? If so, what action, if any, has been taken?
 - b. What is the Utility's response to the concerns raised by Ms. McClintock regarding customer service (delay in Utility's response to customer issues)?
3. Deanna Hug
 - a. Has the Utility been in contact with Ms. Hug since the customer meeting? If so, what action, if any, has been taken?
 - b. What is the Utility's response to the concerns raised by Ms. Hug regarding customer service (difficulty reaching Utility by phone and billing issues)?

4. Vicki Bryan
 - a. Has the Utility been in contact with Ms. Bryan since the customer meeting? If so, what action, if any, has been taken?
 - b. What is the Utility's response to the concerns raised by Ms. Bryan regarding customer service (billing issues)?

5. Mike Lamb
 - a. Has the Utility been in contact with Mr. Lamb since the customer meeting? If so, what action, if any, has been taken?
 - b. What is the Utility's response to the concerns raised by Mr. Lamb regarding customer service (billing issues and meter cover issue not adequately addressed)?

6. Mark Stockton
 - a. Has the Utility been in contact with Mr. Stockton since the customer meeting? If so, what action, if any, has been taken?
 - b. What is the Utility's response to the concerns raised by Mr. Stockton regarding customer service (excessive use of weed killer by the Utility)?

7. Marge Gallagher
 - a. Has the Utility been in contact with Ms. Gallagher since the customer meeting? If so, what action, if any, has been taken?
 - b. What is the Utility's response to the concerns raised by Ms. Gallagher regarding customer service (excessive use of weed killer by the Utility)?

8. Gerald Dennis
 - a. Has the Utility been in contact with Mr. Dennis since the customer meeting? If so, what action, if any, has been taken?
 - b. What is the Utility's response to the concerns raised by Mr. Dennis regarding customer service (billing issues)?

General Questions

9. Are all customer calls answered and handled in-house by Heather Hills? If not, please explain how the calls are answered and handled.

10. Please explain the Utility's procedure for processing customer calls (e.g. how are calls answered, logged, resolved).

11. How are customer calls answered and handled outside of the Utility's normal business hours?

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Please file all responses electronically no later than December 23, 2019, via the Commission's website www.psc.state.fl.us, by selecting the Clerk's Office tab and Electronic Filing Web Form (reference Docket No. 20190113-WS) or send responses to the Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850. If you have any questions, please contact Melinda Watts by phone (850) 413-6952 or by email at mwatts@psc.state.fl.us or Emily Knoblauch by phone at (850) 413-6632 or by email at eknoblau@psc.state.fl.us.

Respectfully,



Emily Knoblauch, Engineering Specialist
Division of Engineering
Florida Public Service Commission

EK:pz

Enclosure

cc: Office of Commission Clerk (Docket No. 20190113-WS)

Heather Hills Customer Meeting

The customer meeting for Heather Hills was held on November 5, 2019, at 6:00 pm and concluded around 8:00 pm. Approximately 75 people were in attendance, 13 customers spoke at the meeting.

The most recurring issues discussed at the meeting were customer service issues. Multiple speakers mentioned the inability to reach anyone in the office or receive a return call when messages are left. Additionally, multiple reports of billing issues, such as not receiving correct bills or in a few cases a notice of service shutoff without a bill received beforehand.

Another area of concern was the distance from the Utility office to Heather Hills and an inability to provide service when needed. One incident described and reconfirmed by multiple speakers was a burst pipe sending water through the street that was not addressed for approximately four hours before someone showed up to work on it.

Many speakers were also unhappy about the allocation of expenses for the president's salary increase, additional employees, and vehicles/trailer. The main complaint they had was being responsible for a portion of expenses when customer service is viewed as subpar, as well as, not receiving a direct benefit of new employees or the vehicles/trailer due to the distance, as detailed above.

Additionally, many of the speakers and those in attendance were disappointed a Utility representative was not present at the meeting to address their concerns.

Below is the list of the customers that spoke at the meeting and their concerns with the Utility.

- Larry Bullis
 - Customer Service - when calling the office, either not getting an answer or calls not being returned.
 - Referenced story above about water running for hours without being addressed.
 - Concern with the allocation of costs across all system, as they are not receiving the same level of service being so far removed from Utility offices and workers.
 - Also expressed concern that with a seasonal customer base, those who remain in service area year round were paying more than their fair share.

- Renee McClintock
 - Customer Service - distance from Utility offices preventing effective service, suggested the use of contractual services instead of in-house staff as a solution.
 - Unhappy with a salary increase for president, as customer service is viewed as subpar.
 - Concern for amount of long term debt and its effect on net book value. Staff was able to address this with the customer after the meeting.

- Requested clarification on customer deposits, if it was only for new customers or a charge that all existing customers would have to pay as well. Staff referenced language in the staff report that explained this charge is for new customers.
- Linda Jones
 - Requested clarification on the proposed rates, unable to line up preliminary rates presented in the customer notice, rate case overview, and presentation slide. Staff offered to address this directly with the customer after the meeting, however customer did not stay after the meeting concluded.
 - Showed concern that the requested increase would provide the Utility with a surplus of income when the seasonal residence returned.
 - Requested clarification on four year rate reduction and its effect on rates as presented in the customer notice. Staff was able to explain the process.
- Deanna Hug
 - Customer Service - was unhappy that the owner has not made an effort to come meet the customers, even after multiple invites.
 - Unable to reach by phone when calling about a billing issue related to a large usage charge. When finally able to reach office was told to call a plumber to come look at it and they will figure out who is responsible for payment later.
 - Shared occasions when bill was inaccurate or never received, also said she has received a shutoff notice before getting a bill on occasion as well.
 - Concerns with seasonal issues related to those who remain in service area year round and if they were paying more than their fair share.
 - Made a suggestion to implement an assistance program for those on fixed incomes when bill is too high to pay.
- Vicki Bryan
 - Shared a story of another customer who received an extremely large bill and was unable to get any help from the Utility to address the issue.
- Mike Lamb
 - Customer service - stated that they paid their bill and four days after the check was cashed by the Utility, he received a cutoff notice from the Utility.
 - Described an ongoing issue of the meter cover not being secure, floats off during large storms and leaves an exposed hole where the meter is. After multiple attempts to have this addressed the technician showed up and only placed the cover back on without securing it any further. His concern being the possible danger of having an exposed hole to step in and cause an injury when it is dark outside.

- Also showed displeasure that the wastewater usage is based on water usage without consideration or discount of the water used for irrigation each month. Staff spoke with him after the meeting to further explain, customer suggested the use of a separate irrigation meter.
- Kenna Gunn
Ms. Kenna Gunn has requested a response and documentation of items as follows:
 - An issue with the index increase being implemented before the proper date, Mr. Smallridge has addressed this error and is fixing it. However, there is a concern over whether or not he has made the same correction to all customers.
 - Requested a copy of the certificates granting the utility the right to provide water and wastewater services to Heather Hills.
 - Requested a copy of the service agreement for water and wastewater services between the utility and Manatee County.
 - Concern with the utility's use of easements to access meters.
 We have been in contact with her previously and plan to follow up with her to address her concerns and questions.
- Mark Stockton
 - Does not agree with the need for a rate increase. Believes the owner is only requesting increase to make up for a bad investment, not to benefit the customers.
 - Requested clarification on the calculation of customer deposits.
 - Stated that the Utility sprayed weed killer around the meter in his back yard and killed a portion of his grass. He said this was done without his permission or knowledge and does not like the use of chemicals in his yard. He also confirmed with Mr. Smallridge that the Utility sprays a weed killer around the meter every few months.
- John Morelli
 - Provided his comments in writing as well. To summarize, his general concerns revolve around the allocation of expenses without the consideration of minimal maintenance needed in the past and the distance from the utility's office and home base for the requested technicians and equipment.
- Eugene Mullin
 - Concerned with the age of the water lines, meters, and shut off valves.
 - Suggested a shutoff valve be installed for each home in the Utility.
- Marge Gallagher
 - Unhappy with the timing of the customer meeting as seasonal residence were not able to attend.
 - Concerned with the age of the pipes. Also unhappy with the fact that if pipes were replaced that the cost would be passed on to the customers to pay for.
 - Also mentioned the use of weed killer in her backyard killing grass and flowers.

- Gerald Dennis
 - Unhappy with the timing of the customer meeting as seasonal residence were not able to attend.
 - Concern with the Utility sending bills to the wrong addresses or not receiving bills at all. Also noted problems with bills being inaccurate.
 - Requested clarification on what the PSC does with the information gathered and video recorded at the customer meeting. Staff explained the process of collecting information for the purpose of our recommendation.

- Renee McClintock
 - Customer wanted to speak again on the general displeasure of the customers that Mr. Smallridge had not made an effort to meet the customers since he purchased the Utility.
 - Shared that she attempted to call and speak with Mr. Smallridge regularly for three months about organizing an opportunity for the customers to meet him. When she received a call back she was told by Mr. Smallridge that he was too busy to make a trip down to meet the customers.