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November 3, 2011

Via Hand Delivery

Ms. Ann Cole, Director
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, FL 32399-0850

RECEIVED-FPSC
11 NOV - 3 PM 4:39
COMMISSION
CLERK

Re: In re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc., Docket No. 100330-WS

Dear Ms. Cole:

Enclosed for filing on behalf of Aqua Utilities Florida, Inc. ("AUF") are the original and fifteen (15) copies each of the supplemental rebuttal testimony and exhibits of the following AUF witnesses:

1. William T. Rendell
2. Preston Luitweiler; and,
3. Susan Chambers;

COM 5 + Ct. Rpr
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ECR 6
GCL 2
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08135 NOV-3 =
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Ann Cole
November 3, 2011
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For our records, please acknowledge your receipt of this filing on the enclosed copy of this letter. Thank you for your consideration.

Sincerely,

HOLLAND & KNIGHT LLP

A handwritten signature in black ink, appearing to read "D. Bruce May". The signature is written in a cursive style with a long, sweeping tail on the final letter.

D. Bruce May

DBM:kjg

Enclosures

cc: Ralph Jaeger, Esq.
Caroline Klancke, Esq.
Lisa Bennett, Esq.
J.R. Kelly, Esq.
Patricia Christensen, Esq.
Kenneth Curtin, Esq.
Joseph Richards, Esq.
Cecilia Bradley, Esq.
Troy Rendell
Kim Joyce, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for increase in water and)
wastewater rates in Alachua, Brevard, DeSoto,)
Hardee, Highlands, Lake, Lee, Marion, Orange,)
Palm Beach, Pasco, Polk, Putnam,)
Seminole, Sumter, Volusia, and Washington)
Counties by Aqua Utilities Florida, Inc.)
_____)

DOCKET NO. 100330-WS

SUPPLEMENTAL REBUTTAL TESTIMONY

OF

WILLIAM TROY RENDELL

on behalf of

Aqua Utilities Florida, Inc.

DOCUMENT NUMBER-DATE
08135 NOV-3=
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1 **Q. Are you submitting any exhibits to your supplemental rebuttal testimony?**

2 A. Yes. I am submitting Exhibits TR-7 through TR-11.

3

4 **Q. Did you attend the customer meetings and the service hearings held around the state**
5 **in this rate case?**

6 A. Yes. I attended every customer meeting and service hearing.

7

8 **Greenacres Service Hearing**

9 **Q. Following the Greenacres service hearing, Commissioner Balbis inquired into cost**
10 **of purchasing water from the City of Lake Worth and asked for an update on**
11 **negotiations between AUF and City. Can you please provide an update?**

12 A. Yes. On August 17, 2010, the City of Lake Worth ("City") issued Resolution No. 26-
13 2010. As a result of the City's Resolution, and without any prior notification to AUF, the
14 water charges to AUF were increased significantly, and AUF was charged under the
15 "Multi-Family" inclined consumption blocks. AUF believes that the increase in water
16 charges is inappropriate, unsupported and places an undue burden on AUF and its
17 ratepayers. AUF has met with the City officials on several occasions in a good-faith
18 attempt to address this issue.

19

20 At the first meeting, the City representative indicated that he was willing to work with
21 AUF on pursuing a revised Bulk Water Rate Agreement, but cautioned that any revised
22 agreement may subject AUF to capacity fees, which could amount to over \$1.5 million.

23 The City later delivered a sample Bulk Water Agreement which had recently been
24 approved for a nearby town and requested that AUF provide its revisions thereto in

1 writing.

2
3 AUF delivered its revised Bulk Water Agreement to the City on or around July 13, 2011.
4 As I mentioned, AUF believes that the additional capacity fees are unwarranted, and that
5 the change to the "Multi-Family" consumption blocks was in error. On September 21,
6 2011, AUF again met with the City to discuss the proposed revised Bulk Water
7 Agreement. The City reiterated its position that AUF would be responsible for capacity
8 fees to the City for any new homes or any refurbished homes since 1981. AUF stated
9 that it did not believe this burden should be placed on the existing ratepayers, and
10 explained that because Lake Osborne is a single family residential subdivision it was
11 inappropriate charge AUF under the "Multi-Family" consumption blocks. The City
12 initially indicated that AUF's position with respect to the consumption blocks may be
13 correct and requested a formal e-mail requesting to be charged under either the General
14 Service or the Residential consumption blocks. AUF immediately sent the City an e-mail
15 requesting that it be billed under the General Service or the Residential consumption
16 blocks.

17
18 **Q. What happened after AUF's second meeting with the City?**

19 **A.** Unfortunately, the City sent a subsequent e-mail on October 3, 2011, indicating that AUF
20 would not be switched to either the General Service or the Residential consumption
21 blocks. Instead, the City advised that AUF would continue to be billed at the lower
22 "Multi-Family" consumption blocks. Despite this setback, AUF continues to work on a
23 revised Bulk Water Agreement with a reduction of the capacity fees, and is seeking
24 further review from the City on the erroneous application of the "Multi-Family"

1 consumption blocks. AUF will report back to the Commission upon a final resolution, if
2 one is reached.

3
4 **New Port Richey Customer Service Hearing**

5 **Q. At the service hearing and earlier customer meeting in New Port Richey some**
6 **customers expressed their desire for AUF to sell its systems to Pasco County or the**
7 **Florida Governmental Utility Authority (“FGUA”) so that they receive the same**
8 **rates being charged by Pasco County. How do you respond to those customers?**

9 A. Unfortunately, I believe those customers are misinformed.

10
11 **Q. Please explain why you believe that the customers are misinformed regarding their**
12 **ability to receive Pasco County rates?**

13 A. First, it is important to understand that Pasco County has not offered to purchase, nor do I
14 believe that it is in a position to purchase, AUF’s systems. I note that in Mr. Jack
15 Mariano’s testimony, he only states that in 2009 he asked the FGUA to “investigate” the
16 possibility of purchasing AUF’s Pasco systems. Nowhere in Mr. Mariano’s carefully
17 crafted testimony does he state that Pasco County would be in a position to purchase
18 AUF’s systems. Second, I do not believe Pasco County is capable of acquiring water and
19 wastewater utilities itself. Instead, it has joined the FGUA for the purposes of the FGUA
20 acquiring the utilities. Third, even if FGUA were to purchase AUF’s systems, the
21 customers of that system would not be charged the Pasco County rates. Instead, those
22 customers would be subject to and charged FGUA’s rates, which are designed to cover
23 FGUA’s operating costs and bond coverage requirements.

1 **Q. What is the basis for your statement that FGUA does not charge the rates of Pasco**
2 **County?**

3 A. I have reviewed a number of instances where the FGUA has purchased previously-
4 regulated utilities operating in Pasco County and in each instance FGUA has not charged
5 the rates of Pasco County, but instead began charging the rates of the acquired utilities,
6 which in many cases are then increased to cover FGUA's operating costs and bond
7 coverage requirements.
8

9 **Q. Can you provide examples of the rates charged by FGUA after acquiring a**
10 **previously regulated utility in Pasco County?**

11 A. Yes. Through the public records process under Chapter 119, Florida Statutes, I have
12 reviewed the credit analysis of FGUA prepared by Standard & Poor's ("S&P")
13 specifically as it relates to the FGUA's purchase of the previously-regulated Lindrick
14 Service Corporation utility system.¹ I have also reviewed documents prepared by
15 FGUA's rate consultant from March 2011 to August 2011. All of that information is
16 attached to my testimony as Composite Exhibit TR-7.
17

18 The information in the exhibit shows that the Lindrick Service Corporation utility system
19 which FGUA recently purchased does not charge Pasco County rates. The S&P report
20 states that Lindrick has high water and sewer combined monthly rates due to "the rapid
21 annual rate increases needed to fund FGUA's system acquisitions and capital
22 improvements." The S&P report also indicates that the FGUA has already raised the
23 Lindrick customers' rates by 25 percent in 2010 and another 5 percent in 2011.

¹ FGUA acquired this system in 2010 as reflected in Commission Order No. PSC-10-0356-FOF-WS.

1 Furthermore, based upon reports prepared by FGUA's rate consultant, Lindrick
2 customers can expect even more rate increases in the coming years. Documents prepared
3 by the FGUA's rate consultant reflect that Lindrick customers may be facing an increase
4 ranging from 11 percent to 14 percent in 2012.
5

6 **Q. Have you reviewed other instances where FGUA acquired a previously regulated**
7 **water or wastewater utility system in Pasco County and did not charge the rates of**
8 **Pasco County?**

9 A. Yes. FGUA acquired Colonial Manor Utility Company in December 2009.² FGUA did
10 not charge Pasco County rates to customers of this utility and instead began charging the
11 rates of the acquired utility. Based upon documents prepared by FGUA's rate consultant,
12 customers in Colonial Manor are projected to face a 15 percent increase in rates in 2012.
13

14 FGUA acquired Holiday Utility Company in December 2009.³ FGUA did not charge
15 Pasco County rates to customers of this utility and instead began charging the rates of the
16 acquired utility. FGUA's rate consultant projects that customers of Holiday will be facing
17 a 15 percent increase in the year 2012.
18

19 The FGUA also acquired Dixie Grove Utility Company in 2009.⁴ Following that
20 acquisition, the FGUA did not charge the rates of Pasco County but instead began
21 charging the rates of the acquired utility. FGUA's rate consultant projects that the

² FGUA acquired this system in 2010 as reflected in Commission Order No. PSC-10-0159-FOF-WS.

³ FGUA acquired this system in 2009 as reflected in Commission Order No. PSC-10-0129-FOF-WS.

⁴ FGUA acquired this system in 2009 as reflected in Commission Order No. PSC-10-0160-FOF-WS.

1 customers in Dixie Grove will also be facing a 15 percent increase in water rates in the
2 year 2012.

3
4 In 2009, the FGUA acquired Virginia City Utility Company.⁵ The customers in Virginia
5 City also face a 15 percent increase in rates in the year 2012.

6
7 **Q. Have any of the rate increases projected by the FGUA rate consultant come to**
8 **fruition?**

9 A. Yes. As a result of a resolution passed on October 20, 2011, FGUA has increased the
10 rates of previously regulated systems in Pasco County. The new FGUA rates and charges
11 became effective on October 20, 2011 and the resulting rate increases are substantial. For
12 example, the base facility charge for Colonial Manor customers increased to \$18.17 and
13 their gallonage charges increased to \$6.62 for 0 – 10,000 gallons, and \$13.23 for over
14 10,000 gallons. The base facility charge for Holiday customers increased to \$17.78, and
15 their gallonage charges increased to \$8.94 for 0 – 8,000 gallons, \$11.17 for 8,001 –
16 15,000 gallons, and to \$13.42 for over 15,000 gallons. I have attached this resolution to
17 my testimony as TR-8.

18
19 **Q. Have the rates of the Lindrick system also increased?**

20 A. Yes they have. In addition, the FGUA has recently approved another rate increase that
21 will take effect in October 1, 2012. Specifically, in 2012, Lindrick's water base facility
22 charge will be increased to \$9.04 and the gallonage charge will be increased to \$6 per

⁵ FGUA acquired this system in 2009 as reflected in Commission Order No. PSC-10-0162-FOF-WS.

1 thousand gallons. For wastewater, the base facility charge will be increased to \$29.83 and
2 a gallowage charge of \$12.50, with a 10,000 gallon cap.

3
4 **Q. Have you prepared a chart that compares AUF's rates under the PAA Order to the**
5 **newly adopted FGUA rates for the Lindrick, Colonial Manner and Holiday**
6 **systems?**

7 A. Yes. That chart is attached as Exhibit TR-9 and shows the respective water and
8 wastewater bills at 7000 gallons of usage. Furthermore, the chart shows that the rates for
9 several of the FGUA's systems in Pasco County exceed AUF's rates under the PAA
10 Order. While I do not believe it is appropriate to use rate comparisons to set a utility's
11 rates, it is important for the customers and Commission to understand that FGUA does
12 not charge its customers in Pasco County Pasco County rates, and that in fact FGUA's
13 rates can exceed AUF's rates.

14
15 **Q. Who makes the ultimate decision as to which rates FGUA will charge?**

16 A. The FGUA rates are set by the FGUA Board.

17
18 **Q. If an FGUA customer has a complaint regarding a rate or a quality of service issue,**
19 **can the customer complain to the Commission?**

20 A. No. The FGUA is not regulated by the Commission. Any complaint regarding a rate or a
21 quality of service issue would have to be brought to the FGUA Board.

22
23 **Q. Do FGUA customers elect the FGUA Board?**

24 A. No. The FGUA board is an appointed Board.

1 **Q. Is there other information in the FGUA documents in Exhibits TR-7 and TR-8 that**
2 **is pertinent to the customer comments made at the service hearings?**

3 A. Yes. The FGUA documents indicate that FGUA is confronting many of the same
4 challenges faced by AUF and other water and wastewater utilities due to general
5 economic conditions. For example, the FGUA Revenue Sufficiency Update indicates
6 that there has been a significant decline (14.6 percent) in water consumption. This report
7 also indicates that FGUA's bad debt expense is higher than forecasted. Moreover, the
8 FGUA Strategic Plan for 2010, dated March 18, 2010, indicates that FGUA faces
9 challenges related to: "housing, credit market and general economic conditions leading to
10 foreclosures, customer losses and lower flows."

11
12 **Q. Some seasonal customers expressed concerns over paying a monthly base facility**
13 **charge when they leave Florida and return to their primary residence in other states**
14 **or countries. Can you please address those concerns?**

15
16 A. Yes. First, I would like to explain that this is the exact way that other regulated utilities,
17 the FGUA and other governmental agencies operate. All utilities have fixed costs to
18 maintain water and wastewater treatment plants and lines to ensure service is available
19 whenever you turn on a faucet. The water treatment plant and lines that bring water to a
20 customer's home must be continually maintained to ensure they function properly
21 everyday. The same is true concerning the wastewater treatment plant and lines that carry
22 sewage from customer homes. While a customer may not require service every day of the
23 year, service must be made available at the customer's demand. Most utilities, whether
24 water, electric, or natural gas, operate the same way. A bill will be issued to the

1 customer for a base charge that represents the costs necessary to maintain the system and
2 meet the obligation to provide service whenever the customer requires. This base facility
3 charge rate structure is by far the predominate rate structure approved by the Commission
4 for water and wastewater utilities. See Rule 25-30.437(6), Florida Administrative Code.

5
6 The base facility rate structure is preferred for a number of reasons. First, as I mentioned,
7 the base facility charge is founded on the concept of readiness to serve all customers
8 connected to the system. This type of structure allows each customer to pay his/her fair
9 share of the costs, regardless of whether the customer receives residential, commercial, or
10 other type of service. Second, by using the base facility charge rate structure, a utility
11 recovers its fixed costs through the base charge and its variable costs through the
12 gallonage charge. The base facility charge is applicable to all customers each month, the
13 gallonage charge is based on each customer's actual consumption during the month.
14 Consequently, customers with high consumption levels will have higher bills than
15 customers that have lower consumption levels. Finally, it is important to understand that
16 if the seasonal customers were not charged a base facility charge when they reside at their
17 primary out-of-state residence, the resulting monthly charges would have to be higher
18 when they are in Florida due to the necessity to recover the fixed charges of maintaining
19 the systems.

20
21 **Q. You mentioned that the FGUA also collects a base charge from its customers**
22 **regardless of customer usage. How did you come to this conclusion?**

23 **A.** I have reviewed a customer complaint that was filed with Pasco County, the FGUA, and
24 the Governor's Office. In this complaint, the customer disagreed with the FGUA's

1 practice of collecting an “inactive” charge from customers of the recently acquired
2 Lindrick utility system. Pasco County responded that pursuant to the County’s Rate
3 Resolution No. 2010-10, that FGUA could not waive an “activity utility account fee (a
4 base fee),” regardless of whether there is any consumption to the existing account holder
5 or property owner. The County’s letter states that the water meter must remain in the
6 ground and base charges will continue to accrue until a new tenant occupies the
7 residence. The County indicated that this “base fee” is intended to reserve water capacity
8 for the home and pays for the resident’s share of infrastructure costs. The letter also
9 stated that this policy is consistent in the utility industry and is part of the County’s bond
10 covenants. I have attached this customer complaint and response to my testimony as a
11 composite Exhibit TR-10.

12
13 **Lakeland Service Hearing**

14 **Q. Several customers at the Lakeland customer service hearing expressed concerns**
15 **regarding the rate increases for AUF’s systems in Polk County. Can you respond to**
16 **those concerns?**

17 A. Yes. First, I want to make it clear that AUF is very sensitive to rate increases and
18 continuously strives to minimize the need for rate increases by carefully controlling costs.
19 Many of the customers who spoke at the Lakeland service hearing made reference to the
20 increase in rates that resulted from AUF’s last rate case in 2008. Prior to AUF’s last rate
21 case in 2008, the Company’s systems in Polk County (Gibsonia Estates, Lake Gibson,
22 Orange Hill/Sugar Creek, Rosalie Oaks, and the Village Water) had not had a base rate
23 increase in almost 20 years. In other words, it had been several decades since true cost of
24 service rates had been established for those systems.

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Q. Does the Commission encourage water and wastewater utilities to file for increases to cover inflationary increases in operating costs?

A. Yes. Each year the Commission is required to establish a price index increase or decrease for major categories of operating costs, pursuant to Section 367.081(4)(a), Florida Statutes (F.S.), and Rule 25-30.420, Florida Administrative Code (F.A.C.). After the establishment of the index, the Commission issues letters to all regulated water and wastewater utilities explaining “The intent of this rule is to insure that inflationary pressures are not detrimental to utility owners, and that any possible deflationary pressures are not adverse to rate payers. By keeping up with index and pass-through adjustments, utility operations can be maintained at a level sufficient to insure quality of service for the rate payers.” In its letter, the Commission also states, “If for no other reason than to keep up with escalating costs, utilities throughout Florida should file for this rate relief on an annual basis While this increase for any given year may be minor. . . the long-run effect of keeping current with rising costs can be substantial.” (Emphasis added.)

Q. A customer of the Lake Gibson system expressed concern regarding increased wastewater rates. Can you address that concern?

A. Yes. There are several factors relating to the increase in wastewater rates at Lake Gibson. First, effective December 1, 2007, Polk County increased its wastewater rates to AUF for bulk service by 76%. The purchased wastewater that AUF paid to Polk County increased from \$2.62 per thousand gallons to \$4.61. This was a significant increase in Operation and Maintenance expenses that was ultimately passed onto its customers.

1 Second, prior to the 2008 rate case, residential wastewater customers were previously
2 paying a flat wastewater rate of \$26.81 a month. As part of its decision in the 2008 rate
3 case, the Commission required that customers be charged a base facility/gallage rate
4 structure beginning April 1, 2009. Under this structure Lake Gibson customers are no
5 longer charged a flat rate for wastewater service, rather they are charged based on actual
6 usage.

7
8 **Acquisitions**

9 **Q. Did customers offer comments regarding AUF's efforts to acquire other utility**
10 **systems?**

11 A. Yes. At the Lakeland service hearing, Ms. Crystal Barrett expressed concern that AUF's
12 acquisitions may cause the rates of existing customers to increase. Unfortunately, I
13 believe that she is misinformed on this issue. In two recent filings concerning AUF's
14 acquisition of Jumper Creek (Horizon Homes) in Docket No. 100114-WS and a potential
15 acquisition of Harbor Hills in Docket No. 110019-WS, AUF demonstrated that
16 acquisitions would actually lower AUF's overall cost-of-service thereby benefiting
17 existing customers by reducing their rates, not increasing them. This is logical because
18 the addition of customers allows AUF to spread its revenue requirement, including its
19 operating costs, over a larger number of customers throughout the state. The analyses
20 provided by AUF in the referenced dockets confirm that economies of scale benefits
21 multi-system utilities, such as AUF. These benefits have been previously recognized in
22 the following publications published on the Commission website: "Abandonments and
23 Receiverships in the Florida Water & Wastewater Industry" dated October 2001;
24 "Viability: Impact of the Department of Environmental Protection's Capacity

1 Development Program on the Public Service Commission and the Florida Water &
2 Wastewater Industry” also dated October 2001; and “Refocusing on the Commission’s
3 Acquisition Policy Regarding Water and Wastewater Utilities,” dated February 2001.
4

5 **Q. At the customer service hearings in Lakeland, Mr. Frank Reams raised a question**
6 **about a payment arrangement that was signed by Marge Schloegel on behalf of the**
7 **Summit Chase Homeowners Association (“HOA”). Do you know if Mr. Reams is**
8 **authorized to speak on behalf of the HOA?**

9 A. No. However, I would note that Mr. Reams is not an attorney and is not a customer of
10 AUF. I would also note that Mr. Reams made similar comments at the customer service
11 hearing in Eustis.
12

13 **Q. Who are the acting board members of the HOA?**

14 A. Marge Schloegel, Cynthia Hamlin Freeman, Alma Kandel, Pat Allcorn and Wayne
15 Hamilton.
16

17 **Q. Can you describe the circumstances surrounding AUF’s water service to this**
18 **community?**

19 A. The Summit Chase HOA is served by a bulk 6” meter that provides both residential and
20 irrigation service for the condominium common areas. Residences are individually
21 metered through meters located at the customer’s property. To obtain the appropriate
22 irrigation usage, the combined usage for the individually metered customers is deducted
23 from the total consumption registered through the bulk meter. This requires AUF to
24 manually calculate the bill for this system.

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Q. What was the reason for the original billing issue?

A. In December 2009, the Company replaced a defective bulk water meter in this system. This replacement meter was a “like for like” replacement which involved replacing the existing 6 inch meter with a new 6 inch meter. AUF did not replace a smaller meter with a larger one as suggested by Mr. Reams. The meter has always been a 6 inch meter, but had been inadvertently billed as a 2 inch meter on the HOA’s bill until the meter change-out occurred in December 2009. The original meter was buried in a meter vault, and the new meter was installed above ground to provide easier access for the meter reader and maintenance.

Q. Was there a period of time when the HOA was not charged for water consumption?

A. Yes. Except for the base facility charge, the HOA did not pay for water consumption when the old meter was stuck. The period where consumption was not billed was from November 2006 thru February 2009.

Q. What were the HOA’s initial concerns?

A. The HOA initially had concerns as to the accuracy of the calculation of the irrigation water consumption for the year 2009 and 2010, as well as concerns related to line breaks, and flushing of distribution system which occurred within the community. AUF management met extensively with the HOA representatives to address those concerns. During these meetings, AUF discussed the billing issues with the HOA and provided detailed consumption information for the years 2007 through 2010. In order to address the HOA’s concerns and to avoid protracted contention with the customer, AUF sent a letter dated September 8, 2010, which offered substantial credits to the HOA and

1 proposed a payment plan to amicably resolve the issue. The letter, which is attached as
2 Exhibit TR-11, provided in pertinent part:

3 During these meetings the Association board brought up several concerns
4 for credits due to water main breaks and three customers we were not
5 being billed and the Association was being charged for their consumption.
6 This has been corrected and the Association has been credited for main
7 breaks (399,300 gallons) and the 3 customer credits (63,504 gallons).
8 The current outstanding bill is \$44,465.44, which Aqua is willing to allow
9 the Association to pay back over a 15 month period (see attached payment
10 plan) at \$2,964.36/month. Agreeing to the payment plan the Association
11 must continue to pay the current bill.
12

13 **Q. Did the authorized HOA representative ultimately sign a payment plan?**

14 A. Yes. Ms. Schloegel, as President, signed a payment plan on behalf of the HOA. This
15 plan was entered into on October 19, 2010 after the HOA was satisfied that the
16 adjustments in consumption were made and understood AUF's explanations of the
17 consumption history. This payment arrangement covered the period of service from June
18 2009 through May 2010, and was designed to accommodate and address the HOA's
19 concerns. Since the payment plan was signed, AUF has continued to meet and
20 correspond with HOA representatives regarding consumption history, account history,
21 and implementation of the agreed upon payment arrangement.
22

23 **Q. When was the last time AUF met with the HOA?**

24 A. Specifically, on October 21, 2011, Company representatives met again with the HOA
25 board members. An AUF representative met with Marge Schloegel (Acting Association
26 President), Rick Horner (book keeper) and Wayne Hamilton (Responsible for
27 management the irrigation). Mr. Reams was not present. It was explained that Rick
28 Horner was going to now be responsible for paying the HOA water bill and he had a

1 question about the payment. Mr. Horner was the new book keeper and had a question
2 regarding the July bill. The AUF representative explained the July bill. He further
3 explained that every month the bill is manually calculated. A reading is taken from the
4 residential meters and the 6 inch meter coming into the system. The difference is the
5 irrigation bill. The group also clarified that the bill should now be sent to Mr. Horner.
6 Prior to that, the HOA instructed AUF to send the bill to Mr. Hamilton. At this meeting,
7 there was no indication the HOA was protesting the payment going forward.
8

9 **Q. Has the Summit Chase HOA been making consistent payments on its account?**

10 A. Yes it has. As of October 20, 2011, the outstanding balance is \$23,773.96. This includes
11 the outstanding balance of the payment arrangement plus the current due amount.
12

13 **Q. At the service hearing in Lakeland, Mr. Reams suggested that the Summit Chase**
14 **HOA was entitled to AUF's "private fire protection tariff rates" because 6 inch**
15 **meters serviced public fire hydrants. Do you agree?**

16 A. No. Mr. Reams is confused. Under AUF's tariff, private fire protection rates are
17 generally available for General Service customers, such as restaurants and hotels which
18 have a separate dedicated fire line connection to their business, generally for ceiling
19 sprinkler systems. This is a "stand by" charge to provide fire protection for this separate
20 dedicated line. Although there may be fire hydrants in Summit Chase, this is for public
21 fire protection – and not private. There is not a dedicated private fire protection line in
22 Summit Chase. AUF has no special rate for the public fire protection hydrants located in
23 Summit Chase.
24

1 Q. Does this conclude your testimony?

2 A. Yes.

3

4

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9

10



Global Credit Portal RatingsDirect™

June 1, 2011

Summary:

Florida Governmental Utilities Authority Lindrick Utility System; Water/Sewer

Primary Credit Analyst:

Scott Sagen, New York (212) 438-5126; scott_sagen@standardandpoors.com

Secondary Contact:

Corey Friedman, Chicago (1) 312-233-7010; corey_friedman@standardandpoors.com

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Rationale

Outlook

Related Criteria And Research

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FPSC-COMMISSION CLERK

Summary:

Florida Governmental Utilities Authority Lindrick Utility System; Water/Sewer

Credit Profile

Florida Govt Util Auth, Florida

Lindrick Utility System, Florida

Florida Govt Util Auth

Long Term Rating

BBB+/Stable

Affirmed

Rationale

Standard & Poor's Ratings Services affirmed its 'BBB+' rating, with a stable outlook, on Florida Governmental Utilities Authority's (FGUA) series 2010 utility revenue refunding bonds, issued for Lindrick Utility System's project.

The rating reflects our assessment of the acquired utility's:

- High water and sewer combined monthly rates due to, what we consider, the rapid annual rate increases necessary to fund the system's acquisition and capital improvements with additional rate increases passed on to customers by service providers for water and sewer for treatment;
- Weakness in the service area economy, evidenced by, what we view as, high unemployment and below-average income levels;
- Recent consumption declines due to economic weakness and higher levels of rainfall, causing higher rate adjustments than originally projected; and
- Highly leveraged system due to the recent debt funding of its acquisition.

We believe these weaknesses are somewhat offset by:

- Management's willingness to implement rate increases that it projects will generate, what we consider, adequate-to-good debt service coverage (DSC); and
- Good liquidity position, evidenced by maintaining 88 days' cash on hand.

A net pledge of system revenues secures the bonds. The series 2010 bonds are Build America Bonds (BABs), and the subsidy payment is part of pledged revenues. It is our understanding officials used bond proceeds to acquire the system, pay capitalized interest for the first year, and fund a portion of its capital improvement plan (CIP).

In fiscal 2010, the authority acquired the Lindrick System, a private utility that serves an area south of New Port Richey in Pasco County. The system serves 3,052 water accounts and 2,465 sewer accounts. Management is projecting relatively flat customer growth of 0.2% annually. Management believes the system's service area is relatively built out as a coastal community. County unemployment remained above the national rate at a high 12.1% in March 2011. We consider New Port Richey income levels below average with median household effective buying income equal to 64% of the national average.

The system obtains raw water from the Floridan Aquifer. The water is withdrawn through eight wells, seven of

Summary: Florida Governmental Utilities Authority Lindrick Utility System; Water/Sewer

which are in service. The system also purchases wholesale water from New Port Richey. The system's 0.87 million gallons per day (mgd) water treatment capacity adequately meets its average daily demand of 0.70 mgd. The wastewater system is only a collection and conveyance system with wastewater treated at New Port Richey's wastewater treatment plants. Current average wastewater flow is 43% of its 0.85-mgd treatment capacity. The system's customer base is, what we regard as, diverse: The 10 leading water customers accounted for just 1.6% of total consumption in 2010, mostly condominiums. Consumption declined by 15.7% in 2009 due to a combination of weaker economic conditions and higher rainfall. Due to the rate increase in 2010, we understand management had forecast an additional consumption reduction of 0.4%; annual consumption, however, declined by roughly 11%. In response, we understand officials plan to adopt an additional 9% rate increase in October 2011.

FGUA has experience in acquiring investor-owned utilities, and it currently owns five other systems in Pasco County. U.S. Water Services serves as the system operator, and it has maintained most of the system's former employees to ensure consistency. Although FGUA has experience in acquiring and operating water and sewer systems in Florida, in our opinion, start-up risks associated with the system's acquisition exist.

To finance the system's acquisition and its CIP, FGUA raised rates by 25% in fiscal 2010 and 5% in fiscal 2011; it plans to increase rates by 14% in 2012. As the new owner, FGUA has full rate-setting authority. It is now projecting to raise rates by 13% in fiscal 2013 compared with the previously planned 3.7% increase. After the initial rate increase, rates are, what we consider, a very high \$112.96 based on monthly combined water and sewer consumption of 7,500 gallons. Based on the planned rate increase, we project rates for 7,500 gallons of combined monthly service to increase to \$155.95 by fiscal 2012. Rates are, what we regard as, high compared with the rates of neighboring systems, especially when we take into account area wealth and income levels and the county's 12.1% unemployment. Although management believes its projected rate increases include those rates passed on for purchased water and wastewater treatment, rates could increase further if actual rates end up being higher than currently projected.

We believe a weak service area economy and water consumption declines, causing management to adjust utility rates rapidly to abide by bond covenants and maintain adequate DSC, pressure the system's financial position. Fiscal 2010 pledged net revenues totaled \$943,000, including \$364,000 in federal subsidy interest payments. Following rapid rate increases, officials are projecting pledged net revenues to roughly double to \$1.8 million in fiscal 2011 and provide 1.26x DSC in 2011, net of the federal subsidy payment. Management has slightly lowered its DSC estimates from original projections, and FGUA is projecting net DSC to range between 1.26x and 1.36x from fiscals 2011-2015 based on adopted and planned rate increases. Coverage, excluding the BABs subsidy, is closer to 1x. The first debt service payment was due on Oct. 1, 2010; it was paid out of capitalized interest, allowing the system to build up liquidity through its first year of operations. We considered system liquidity a good 88 days' cash on hand in fiscal 2010, or, in our opinion, a nominally low \$277,000, which was very close to the authority's 90-day liquidity policy.

Bond provisions include a rate covenant set to 1.25x annual DSC. The additional bonds test requires net revenues for 12 consecutive months out of the previous 24 months to provide 1.25x maximum annual debt service (MADS) coverage. For the additional bonds tests, net revenues can be adjusted to reflect adopted rate increases, governmental ownership, contracts that extend beyond the bonds' final maturity, and additional system acquisitions. The debt service reserve requirement is the least of MADS; 10% of par; or 125% of average annual debt service, providing additional liquidity.

Summary: Florida Governmental Utilities Authority Lindrick Utility System; Water/Sewer

We believe the system is highly leveraged with its debt-to-plant ratio equal to 142% of the plant's net value. In addition, debt amortization is, what we consider, slow with officials planning to retire just 18% of debt principal over 10 years. Capital needs are limited, and the authority does not currently have additional debt issuance plans. Officials intend to fund additional capital needs through pay-as-you-go financing.

Outlook

The stable outlook reflects Standard & Poor's expectation that management will likely be able to maintain, what Standard & Poor's considers, adequate-to-good DSC based on approved rate increases. Given the absence of a historical operating trend for this system under FGUA's management, actual results that vary significantly from projected results could lead to our lowering the rating.

Related Criteria And Research

USPF Criteria: Standard & Poor's Revises Criteria For Rating Water, Sewer, And Drainage Utility Revenue Bonds, Sept. 15, 2008

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Presentation to
Florida Governmental Utility Authority Board



CONSOLIDATED SYSTEMS
(Located in Pasco County)
REVENUE SUFFICIENCY UPDATE

August 18, 2011



Presented By
Public Resources Management Group, Inc.

fgua

Purpose of Presentation

- Provide Overview of Revenue Sufficiency Analysis
 - System was Acquired in December of 2009
 - Existing Rates based on Financial Forecast prepared in support of Utility Financing
 - 3% Rate Adjustment Adopted for FY 2012 at the time of Acquisition
 - Part of a Phased Rate Implementation Plan
 - Additional Rate Adjustment Identified for FY 2012 during FY 2012 budget process
 - Preliminary Estimate of 15% Communicated at the July 2011 Board Meeting

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Financial Forecast Overview

- 5-Year Financial Forecast Performed for FY 2011 - 2015 based on:
 - Current Operating Expense Budget and Y-T-D Actual Results for FY 2011 (Through July 2011)
 - Current Customer Statistical Information Since time of Acquisition
 - Residential Customer - Annual Average use at 4,400 gallons/month
 - Current 5-Year Capital Improvement Plan
 - Actual Terms of Financing
 - 5-year Bank Loan/Mature 1/1/2015
 - Interest and Limited Principal Payments
 - Must Establish Rates to Fully Amortize Debt Repayment

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Changed in Conditions Affecting Financial Results

- Significant Decline in Water Sales (Consumption Down 14.6%) :
 - Revenues projected to be 11% below initial FY 2012 projection
 - Revenue drop of \$100,000 annually
- Renewal and Replacement funding requirement higher than previous forecast:
 - Currently Projected at 5% of Prior Years Revenues (Approx. \$50,000 Annually)
 - Complies with Trust Indenture
 - Prior Feasibility Report Estimates for Renewals and Replacement Appear Low (Approx. \$20,000 Annually)
- Bad Debt Expense higher than previously forecast:
 - Currently estimated at \$30,000 annually
 - Prior forecast estimated at \$14,000 annually
- Debt Service slightly higher than previously forecast

\$50K
\$20K

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Observations

- System will not meet Rate Covenant Requirements for FY 2012 without Increase in Rate Revenue
- Rate Coverage and Cash Flow are Primary Concerns
 - Minimum Rate Covenant per Trust Indenture = 1.10x
 - Projected Coverage without rate adjustments = 0.76x
 - Projected Coverage with rate adjustments = 1.25x
 - Projected \$121,000 operating loss with no rate adjustment
 - Projected \$34,000 operating margin with rate adjustment
- Maintain Working Capital Reserves – Minimum 90 days O&M
 - Currently System has approximately 90 Days O&M
 - Projected to drop below 10 Days O&M without Rate Adjustments

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Adequacy of Existing Rates

- Proposed Rate Adjustments beginning in FY 2012:

Description	Required Rate Adjustment [1]			
	FY 2012	FY 2013	FY 2014	FY 2015
REQUIRED RATE ADJUSTMENTS				
Minimum Indexing Rate Adjustment (75% of Estimate CPI)	0.00%	1.20%	1.35%	1.50%
Previously Adopted Rate Adjustment [2]	3.00%	0.00%	0.00%	0.00%
Additional Rate Increase Identified	15.00%	0.00%	0.00%	9.50% [3]
Total Projected Rate Adjustment	18.00%	1.20%	1.35%	11.00%

[1] Rate adjustments assumed to be effective on October 1st of each Fiscal Year.

[2] Included allowance for price index.

[3] Must refinance Acquisition Loan by FY 2015, preliminary estimate.



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Potential Issues Affecting Future Rate Adjustments

- Any further deterioration in water consumption and bad debt expense would have adverse effect on System's operating margins.
- System will need to refinance current outstanding debt by FY 2015:
 - Initial projections identify the need for potential rate adjustments in FY 2015 associated with permanent financing
 - Rising interest rates or more stringent credit standards would have effect on the System's ability to secure favorable financing
 - Depending on Financing Structure – rate increase could range from 5% to 25%
 - Rate, Term, Repayment Term Effect Outcome
 - Early Implementation (Phased Approach) would be better but not reflected due to uncertainty

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Action Items

- Prepare Report Summarizing Findings
- Conduct Rate Hearing Process
- Implement Proposed Rates Effective October 1, 2011

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Pasco Systems Rate Overview

Handwritten notes in Arabic script, including the number 9/17 and various signatures.

Positives

- 80% of FGUA customers in Pasco will see lower rates than previously approved (approximately 30,000 Aloha connections of 37,000 total)
- Standard and Poors June 2011 credit update affirmed Lindrick BBB+ rating with stable outlook
- Former Aloha customer reps (CBWN) continue compliments

Handwritten notes in Arabic script, including the number 9.7% and 7%.

Negatives

- Approximately 2,900 Lindrick customers need 14% increase
- Approximately 2,400 Consolidated customers need 15% increase

Handwritten notes in Arabic script, including the number 11% and 12%.

Handwritten note: FB COVERAGE



Purchase Transaction Summary

(March 2010)

SOURCES and USES*

Sources:	
Par Amount of Bonds	\$ 24,600,000.00
Total Sources	\$ 24,600,000.00
Uses:	
Acquisition of Lindrick System	\$ 16,800,000.00
Lindrick System CIP	4,250,000.00
Project Costs	685,083.00
Deposit To Capitalized Interest Fund	697,390.82
Deposit to Debt Service Reserve Fund	1,617,339.12
Other Costs of Issuance	350,000.00
Other Underwriter's Discount	196,800.00
Additional Proceeds	3,387.06
Total Uses	\$ 24,600,000.00

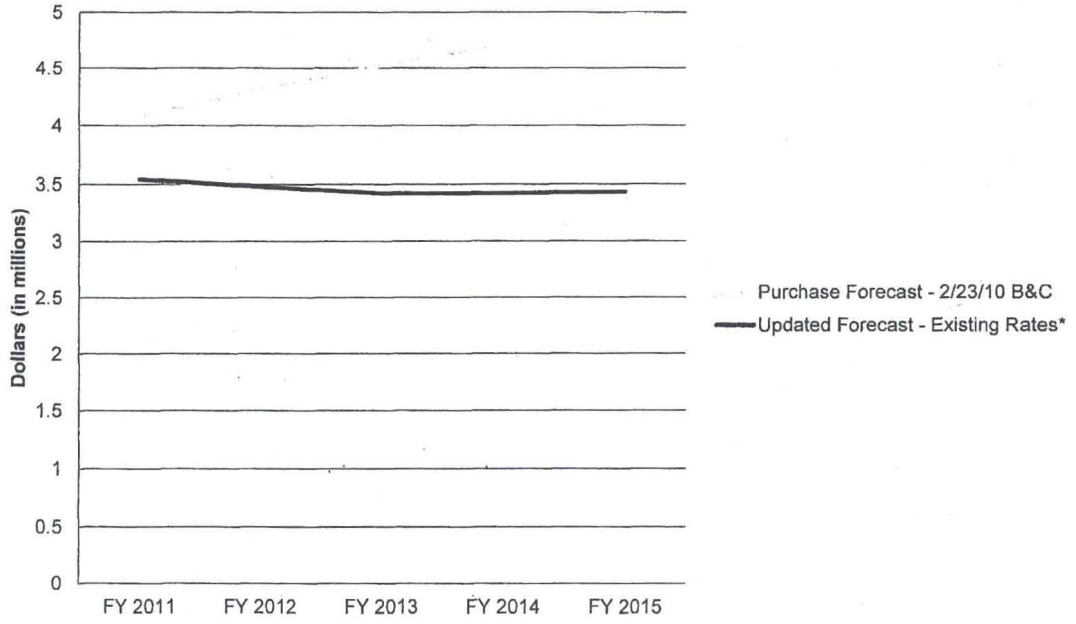
Source: Debt Sizing as prepared on 2/08/10 at 4:41pm by Dunlap & Associates

*Brown and Caldwell March 2010 Bond Report

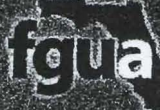


Lindrick System Re-Forecast

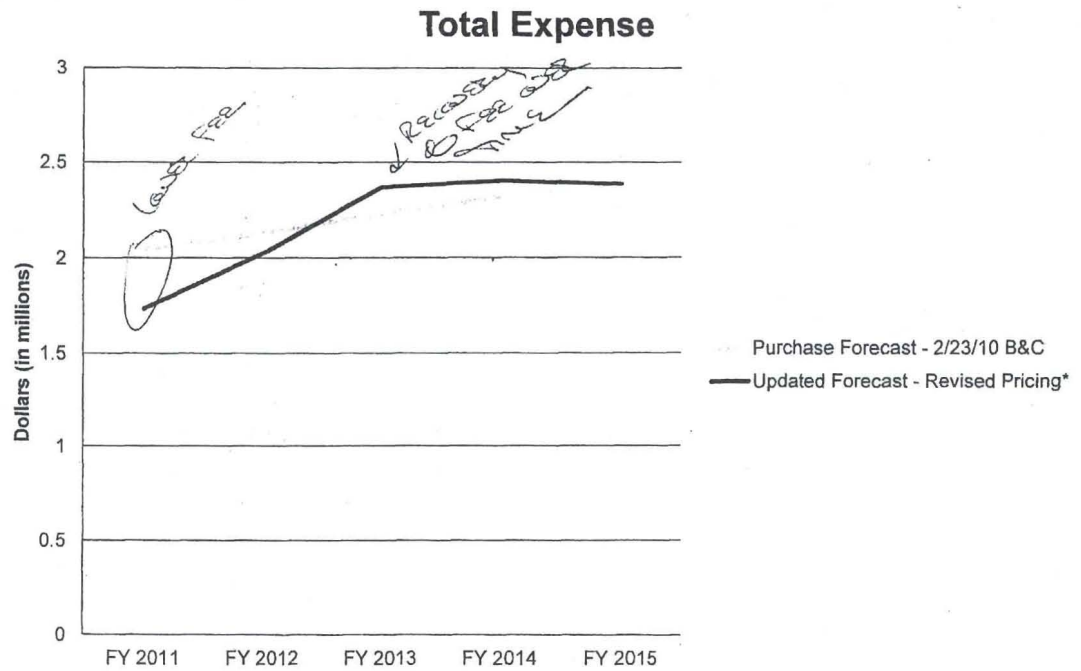
Total Revenue



*Existing rate revenue – PRMG Table 1 Row 23



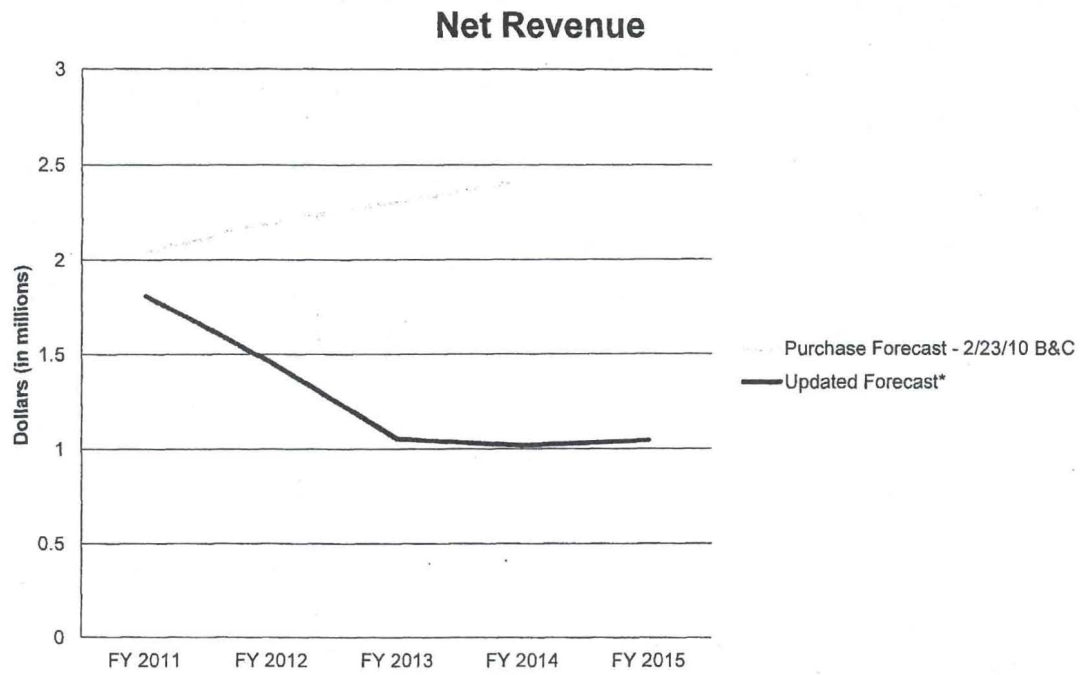
Lindrick System Re-Forecast



*PRMG Table 1 Row 5



Lindrick System Re-Forecast



*PRMG Existing Rates Table 1 Rows 5 & 23



Consolidated Systems Summary

Water Only Customers:

- Colonial Manor 708
 - Virginia City 315
 - Holiday 342
 - Pasco, Inc. 698 *Per AZEK*
 - Dixie Grove 341
- First nine months of ownership – flows and revenue on target
 - For FY11, consumption down 14% from acquisition projections and revenues down 10%
 - Consumption declines range from 9% (Colonial Manor) to 19% (Virginia City)
 - Will not meet required 1.10 coverage in FY12 without 15% rate increase October 1

Costs Planned to be 3.5%
Expense Side is very high



Lindrick (Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$7.08	\$4.70		\$23.36	\$9.79		
1000	\$7.08	\$4.70	\$11.78	\$23.36	\$9.79	\$33.15	\$44.93
2000	\$7.08	\$9.40	\$16.48	\$23.36	\$19.58	\$42.94	\$59.42
3000	\$7.08	\$14.10	\$21.18	\$23.36	\$29.37	\$52.73	\$73.91
4000	\$7.08	\$18.80	\$25.88	\$23.36	\$39.16	\$62.52	\$88.40
5000	\$7.08	\$23.50	\$30.58	\$23.36	\$48.95	\$72.31	\$102.89
6000	\$7.08	\$28.20	\$35.28	\$23.36	\$58.74	\$82.10	\$117.38
7000	\$7.08	\$32.90	\$39.98	\$23.36	\$68.53	\$91.89	\$131.87
8000	\$7.08	\$37.60	\$44.68	\$23.36	\$78.32	\$101.68	\$146.36
9000	\$7.08	\$42.30	\$49.38	\$23.36	\$88.11	\$111.47	\$160.85
10000	\$7.08	\$47.00	\$54.08	\$23.36	\$97.90	\$121.26	\$175.34
11000	\$7.08	\$51.70	\$58.78	\$23.36	\$97.90	\$121.26	\$180.04
12000	\$7.08	\$56.40	\$63.48	\$23.36	\$97.90	\$121.26	\$184.74
13000	\$7.08	\$61.10	\$68.18	\$23.36	\$97.90	\$121.26	\$189.44
14000	\$7.08	\$65.80	\$72.88	\$23.36	\$97.90	\$121.26	\$194.14

Proposed 14% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$8.07	\$5.36		\$26.63	\$11.16		
1000	\$8.07	\$5.36	\$13.43	\$26.63	\$11.16	\$37.79	\$51.22
2000	\$8.07	\$10.72	\$18.79	\$26.63	\$22.32	\$48.95	\$67.74
3000	\$8.07	\$16.07	\$24.15	\$26.63	\$33.48	\$60.11	\$84.26
4000	\$8.07	\$21.43	\$29.50	\$26.63	\$44.64	\$71.27	\$100.78
5000	\$8.07	\$26.79	\$34.86	\$26.63	\$55.80	\$82.43	\$117.29
6000	\$8.07	\$32.15	\$40.22	\$26.63	\$66.96	\$93.59	\$133.81
7000	\$8.07	\$37.51	\$45.58	\$26.63	\$78.12	\$104.75	\$150.33
8000	\$8.07	\$42.86	\$50.94	\$26.63	\$89.28	\$115.92	\$166.85
9000	\$8.07	\$48.22	\$56.29	\$26.63	\$100.45	\$127.08	\$183.37
10000	\$8.07	\$53.58	\$61.65	\$26.63	\$111.61	\$138.24	\$199.89
11000	\$8.07	\$58.94	\$67.01	\$26.63	\$111.61	\$138.24	\$205.25
12000	\$8.07	\$64.30	\$72.37	\$26.63	\$111.61	\$138.24	\$210.60
13000	\$8.07	\$69.65	\$77.73	\$26.63	\$111.61	\$138.24	\$215.96
14000	\$8.07	\$75.01	\$83.08	\$26.63	\$111.61	\$138.24	\$221.32

Proposed 11% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$7.86	\$5.22		\$25.93	\$10.87		
1000	\$7.86	\$5.22	\$13.08	\$25.93	\$10.87	\$36.80	\$49.87
2000	\$7.86	\$10.43	\$18.29	\$25.93	\$21.73	\$47.66	\$65.96
3000	\$7.86	\$15.65	\$23.51	\$25.93	\$32.60	\$58.53	\$82.04
4000	\$7.86	\$20.87	\$28.73	\$25.93	\$43.47	\$69.40	\$98.12
5000	\$7.86	\$26.09	\$33.94	\$25.93	\$54.33	\$80.26	\$114.21
6000	\$7.86	\$31.30	\$39.16	\$25.93	\$65.20	\$91.13	\$130.29
7000	\$7.86	\$36.52	\$44.38	\$25.93	\$76.07	\$102.00	\$146.38
8000	\$7.86	\$41.74	\$49.59	\$25.93	\$86.94	\$112.86	\$162.46
9000	\$7.86	\$46.95	\$54.81	\$25.93	\$97.80	\$123.73	\$178.54
10000	\$7.86	\$52.17	\$60.03	\$25.93	\$108.67	\$134.60	\$194.63
11000	\$7.86	\$57.39	\$65.25	\$25.93	\$108.67	\$134.60	\$199.84
12000	\$7.86	\$62.60	\$70.46	\$25.93	\$108.67	\$134.60	\$205.06
13000	\$7.86	\$67.82	\$75.68	\$25.93	\$108.67	\$134.60	\$210.28
14000	\$7.86	\$73.04	\$80.90	\$25.93	\$108.67	\$134.60	\$215.50



Shamrock Heights (Bi-Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$17.70	\$4.02		\$0.00	\$0.00		
1000	\$17.70	\$4.02	\$21.72	\$0.00	\$0.00	\$0.00	\$21.72
2000	\$17.70	\$8.04	\$25.74	\$0.00	\$0.00	\$0.00	\$25.74
3000	\$17.70	\$12.06	\$29.76	\$0.00	\$0.00	\$0.00	\$29.76
4000	\$17.70	\$16.08	\$33.78	\$0.00	\$0.00	\$0.00	\$33.78
5000	\$17.70	\$20.10	\$37.80	\$0.00	\$0.00	\$0.00	\$37.80
6000	\$17.70	\$24.12	\$41.82	\$0.00	\$0.00	\$0.00	\$41.82
7000	\$17.70	\$28.14	\$45.84	\$0.00	\$0.00	\$0.00	\$45.84
8000	\$17.70	\$32.16	\$49.86	\$0.00	\$0.00	\$0.00	\$49.86
9000	\$17.70	\$36.18	\$53.88	\$0.00	\$0.00	\$0.00	\$53.88
10000	\$17.70	\$40.20	\$57.90	\$0.00	\$0.00	\$0.00	\$57.90
11000	\$17.70	\$44.22	\$61.92	\$0.00	\$0.00	\$0.00	\$61.92
12000	\$17.70	\$48.24	\$65.94	\$0.00	\$0.00	\$0.00	\$65.94
13000	\$17.70	\$52.26	\$69.96	\$0.00	\$0.00	\$0.00	\$69.96
14000	\$17.70	\$56.28	\$73.98	\$0.00	\$0.00	\$0.00	\$73.98

Proposed 14% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$20.18	\$4.58		\$0.00	\$0.00		
1000	\$20.18	\$4.58	\$24.76	\$0.00	\$0.00	\$0.00	\$24.76
2000	\$20.18	\$9.17	\$29.34	\$0.00	\$0.00	\$0.00	\$29.34
3000	\$20.18	\$13.75	\$33.93	\$0.00	\$0.00	\$0.00	\$33.93
4000	\$20.18	\$18.33	\$38.51	\$0.00	\$0.00	\$0.00	\$38.51
5000	\$20.18	\$22.91	\$43.09	\$0.00	\$0.00	\$0.00	\$43.09
6000	\$20.18	\$27.50	\$47.67	\$0.00	\$0.00	\$0.00	\$47.67
7000	\$20.18	\$32.08	\$52.26	\$0.00	\$0.00	\$0.00	\$52.26
8000	\$20.18	\$36.66	\$56.84	\$0.00	\$0.00	\$0.00	\$56.84
9000	\$20.18	\$41.25	\$61.42	\$0.00	\$0.00	\$0.00	\$61.42
10000	\$20.18	\$45.83	\$66.01	\$0.00	\$0.00	\$0.00	\$66.01
11000	\$20.18	\$50.41	\$70.59	\$0.00	\$0.00	\$0.00	\$70.59
12000	\$20.18	\$54.99	\$75.17	\$0.00	\$0.00	\$0.00	\$75.17
13000	\$20.18	\$59.58	\$79.75	\$0.00	\$0.00	\$0.00	\$79.75
14000	\$20.18	\$64.16	\$84.34	\$0.00	\$0.00	\$0.00	\$84.34

Proposed 11% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$19.65	\$4.46		\$0.00	\$0.00		
1000	\$19.65	\$4.46	\$24.11	\$0.00	\$0.00	\$0.00	\$24.11
2000	\$19.65	\$8.92	\$28.57	\$0.00	\$0.00	\$0.00	\$28.57
3000	\$19.65	\$13.39	\$33.03	\$0.00	\$0.00	\$0.00	\$33.03
4000	\$19.65	\$17.85	\$37.50	\$0.00	\$0.00	\$0.00	\$37.50
5000	\$19.65	\$22.31	\$41.96	\$0.00	\$0.00	\$0.00	\$41.96
6000	\$19.65	\$26.77	\$46.42	\$0.00	\$0.00	\$0.00	\$46.42
7000	\$19.65	\$31.24	\$50.88	\$0.00	\$0.00	\$0.00	\$50.88
8000	\$19.65	\$35.70	\$55.34	\$0.00	\$0.00	\$0.00	\$55.34
9000	\$19.65	\$40.16	\$59.81	\$0.00	\$0.00	\$0.00	\$59.81
10000	\$19.65	\$44.62	\$64.27	\$0.00	\$0.00	\$0.00	\$64.27
11000	\$19.65	\$49.08	\$68.73	\$0.00	\$0.00	\$0.00	\$68.73
12000	\$19.65	\$53.55	\$73.19	\$0.00	\$0.00	\$0.00	\$73.19
13000	\$19.65	\$58.01	\$77.66	\$0.00	\$0.00	\$0.00	\$77.66
14000	\$19.65	\$62.47	\$82.12	\$0.00	\$0.00	\$0.00	\$82.12



Welcome

**FGUA STRATEGIC PLAN 2010
UPDATE**

March 18, 2010



Workshop Objectives

- Recap Mission, Vision and Values
- Status Report on Goals, Accomplishments and Disappointments
- Review recent local economic conditions in service areas
- Provide highlights of Customer Feedback
- Report updated system demand conditions
- FGUA cost structure
- Present FY 08-09 Year-end Report, FY 09-10 Forecast and 2010-2011 outlook
- Update Goals/Vision



MISSION STATEMENT

The FGUA provides communities with high-value, cost-effective utility and public facility management alternatives within a public governance structure which maximizes customer service quality.



VISION

The FGUA will be a widely recognized and utilized long-term partner with other local government entities to innovatively acquire utility systems, provide highly effective and efficient utility services through ownership or contract and assist other local governments to manage their growth patterns and directions.



Accomplishments

Since Last Planning Session (March 2009)

- Completed transition to FGUA operation Seven Springs and Aloha Gardens Pasco Systems acquired in February 2009, Consolidated Systems acquired in December 2009 and Lindrick this month
- Community Service Representatives participated in 372 system wide community meetings in Lehigh Acres, Golden Gate and Pasco.
- Supported 5 meetings of the Utility Advisory Committee (UAC) in Lehigh Acres, 5 meetings with the UAC in Golden Gate and 12 joint meetings with the Committee for Better Water Now (CBWN) in Pasco.
- Invited to discussions with other local governments about joining the FGUA including; Flagler County and the City of Polk City
- Invited to negotiate terms of acquisition of MacDill Air Force Base utilities
- Resolved long-standing fee delinquencies and contract disputes with the two remaining Lehigh golf course customers over reclaimed water



Accomplishments

Since Last Planning Session (March 2009)

- Reduced water quality complaints from 55/month to 10/month in the first year of the former Aloha Utilities operation
- Negotiated settlement agreement with SWFWMD re: Aloha over-pumping and Bulk Water Agreement with Pasco County
- Pasco customers joined our efforts to defeat PSC legislation adverse to FGUA
- Senator Fasano, Pasco Commissioners and CBWN provided highly positive testimonials about FGUA to Lindrick customers and others



Accomplishments

Since Last Planning Session (March 2009)

- Received the Award of Excellence in Financial Reporting for the FY 2008 CAFR by the Government Finance Officers Association for the eighth consecutive year
- Golden Gate WWTP reconstruction, Golden Gate Deep Injection Well and Pumping Station and Golden Gate Brine Disposal Line from the WTP to the WWTP completed as programmed
- Aloha Gardens received the US EPA Consumer Confidence Report Excellence Award for the State of Florida Regional Level Small Ground System Category
- Received the AWWA Region V Best Tasting Drinking Water Honorable Mention Award in both Lehigh Acres and Golden Gate
- Completed 2009 updated Customer Service Survey

ASC ✓



Testimonials

Remarks from John Andrews, Chairman, Committee for Better Water Now to Senator Mike Fasano:

- "...FGUA team members continue to make excellent progress on system upgrades to improve water quality, and on their commitment to provide excellent customer service."
- "...Progress and cooperation to date have been far better than the customers could have imagined. The current motto is "can do". (Aloha's motto was "can't or won't do.") Already, our water quality has improved considerably."
- "...We customers are very appreciative of these efforts, and thankful for all of the support from our senator, the Pasco County Commissioners, OPC's Steve Reilly, the FGUA team and others during the very long journey that ended with the purchase of Aloha Utilities in February 2009."



Testimonials (cont'd)

January 24, 2010 email response from Senator
Mike Fasano

"John,

Thanks, for the update - I can't tell you how my staff and I appreciate the good work by your group and the staff at FGUA. In the past a call to Aloha on behalf of a constituent was ignored - today, however, FGUA immediately responds to the constituent and the problem.

Keep up the good work and thanks again.

Mike"



Testimonials (cont'd)

February 26, 2010 Letter from Golden Gate
Customer Jeffrey Dodson:

- "I just wanted to...write FGUA and express my views on your Golden Gate Customer Service Center. OH WHAT A DIFFERENCE!..."
- "The two new agents smile...(are) always professional, courteous, quick, friendly, helpful..."
- "It is worth my time to express what a change the replacement (in agents) has made..."
- "...Not that it is a joy to pay my bill, but in truth it is much easier with the changes you have made..."

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Challenges Encountered

- Housing, credit market and general economic conditions leading to foreclosures, customer losses and lower flows
- Not as much progress on Scorecard as desired
- Did not get to BCCs and one-on-one with elected officials as hoped
- Customer response to rate increases (Pasco), new inactive account fees and mandatory connections in Lehigh

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Challenges Encountered

- Lower net revenue in Pasco-Aloha systems making refinancing bank loan more challenging
- Conflicts arose with ARCADIS over design issues at Golden Gate WWTP leading to settlement
- Worked a settlement agreement with the FDEP to construct a pollution prevention project for energy conservation and efficiency at the Golden Gate WWTP in lieu of fine and penalty.
- Did not achieve working capital policy target for Golden Gate at FY 09 year-end
- Experienced berm breach at Aloha reclaimed water pond



Budget Related Issues Discussion

- Customer Feedback
- Updated Economic Conditions/System Demand
- System management costs/fee approach
- Financial Update
- Refinancing needed for Aloha bank loan and LOC
- System rate requirements



2009 Customer Service Survey

- Lehigh and Golden Gate only surveyed last April; 1,966 responses (14% reply rate)
- Report provided to Board in August 2009

Highlight findings:

- 31.4 % contacted Customer Service Center
- Top reasons for contacting: bill questions (46.5%), start service (14%), water quality (13%)
- 69% rated FGUA representative good to excellent
- 87% no difficulty in reaching FGUA representative
- Top reasons for difficulty: busy lines (37%), long hold times (36%), inconvenient office hours (28%)
- Overall rating of FGUA response to needs: 80% good to excellent



2009 Customer Service Survey (cont'd)

Highlights

- 76% read FGUA newsletter
- 68% find letter as most convenient way to communicate
- 90% had not visited website; of those hitting, 59% did not find info needed (many customers did not know of website and those that did were looking to pay bill on-line)

Recommendations

- Commence credit card payments by telephone and on-line bill pay (counter and telephone done; on-line bill pay expected by May)
- Provide customer service training
- Add more phone lines
- Market FGUA website

Customer Service
Recommendations
to be implemented
by May 2009



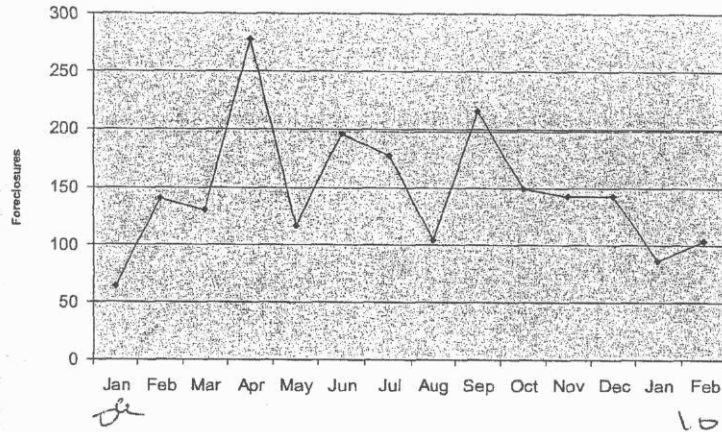
System Demand Key Planning Question:

- What do we know about current local utility related real estate conditions and trends?

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System Demand Key Planning Question:

Lehigh Acres Foreclosure Rate 2009 / 2010
Real Estate Owned (REO) Filings

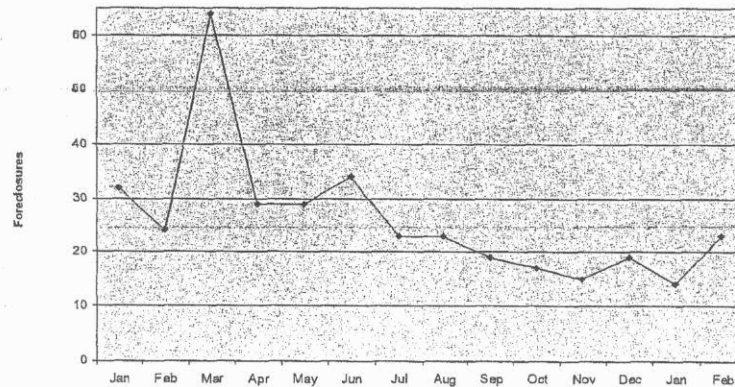


Handwritten notes:
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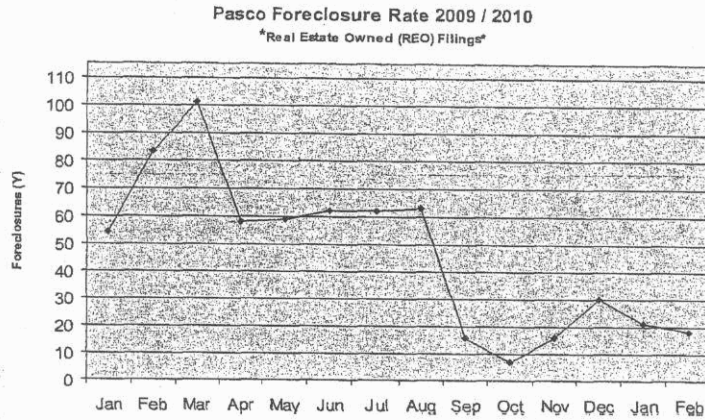
System Demand Key Planning Question:

Golden Gate Foreclosure Rate 2009 / 2010
Real Estate Owned (REO) Filings



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System Demand Key Planning Question:

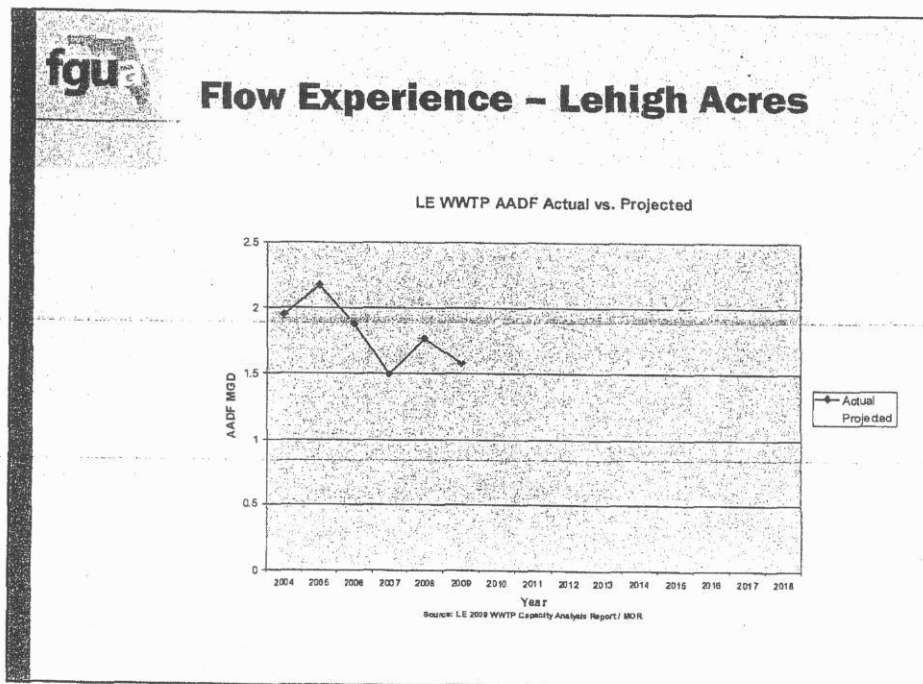
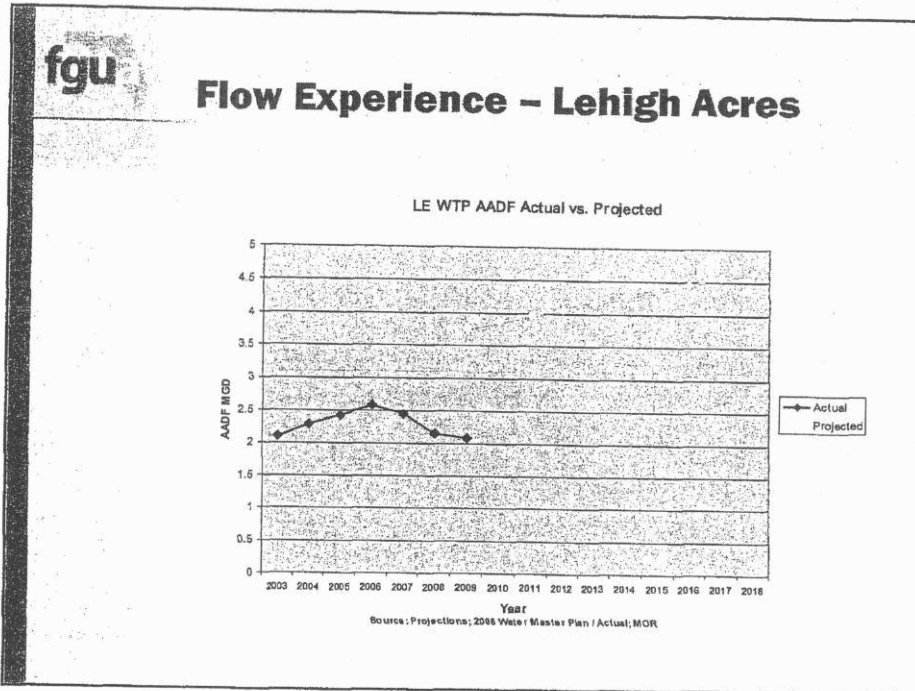


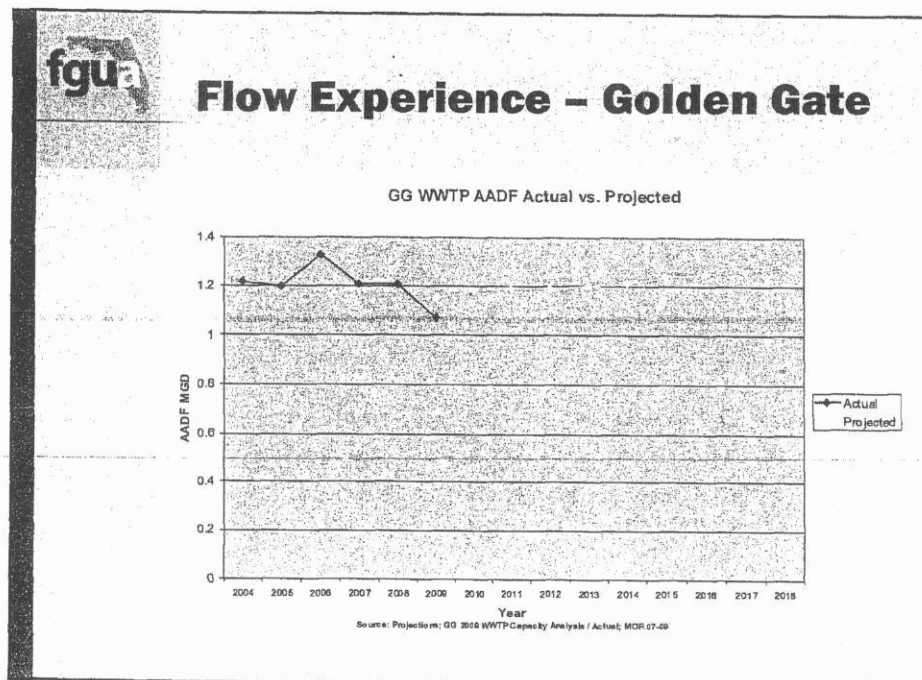
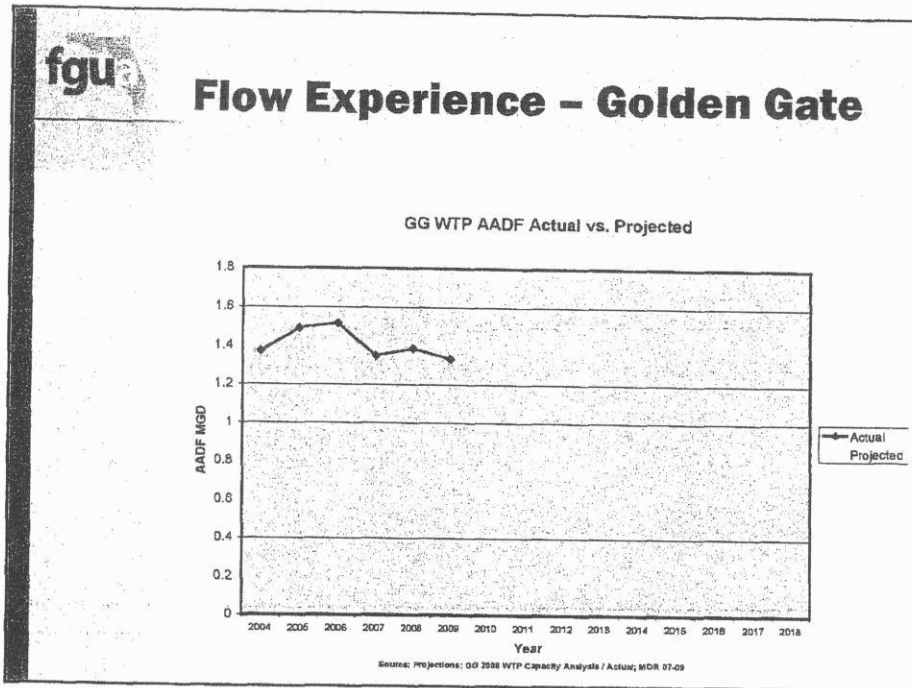
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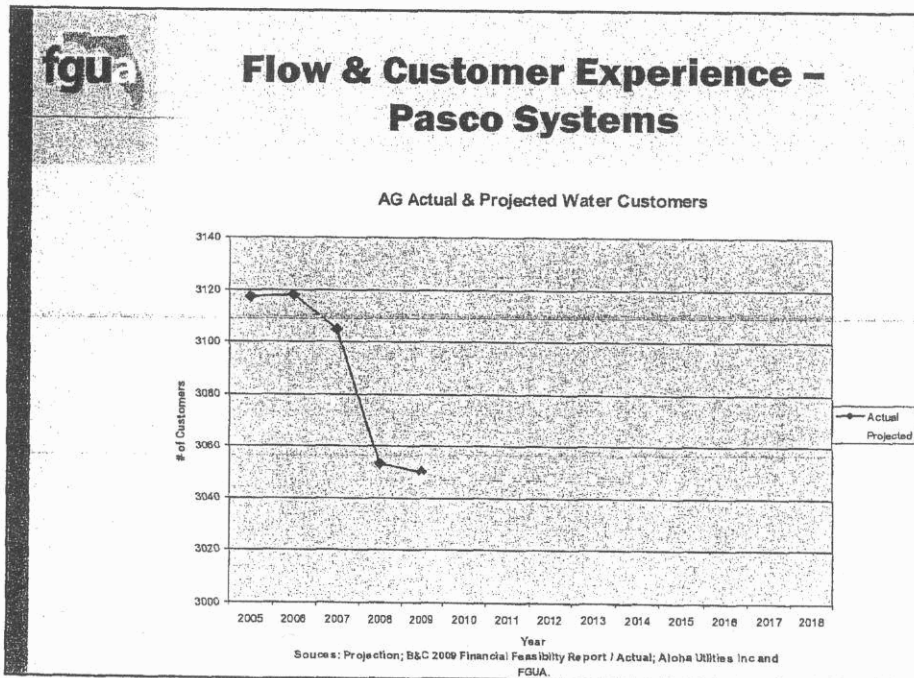
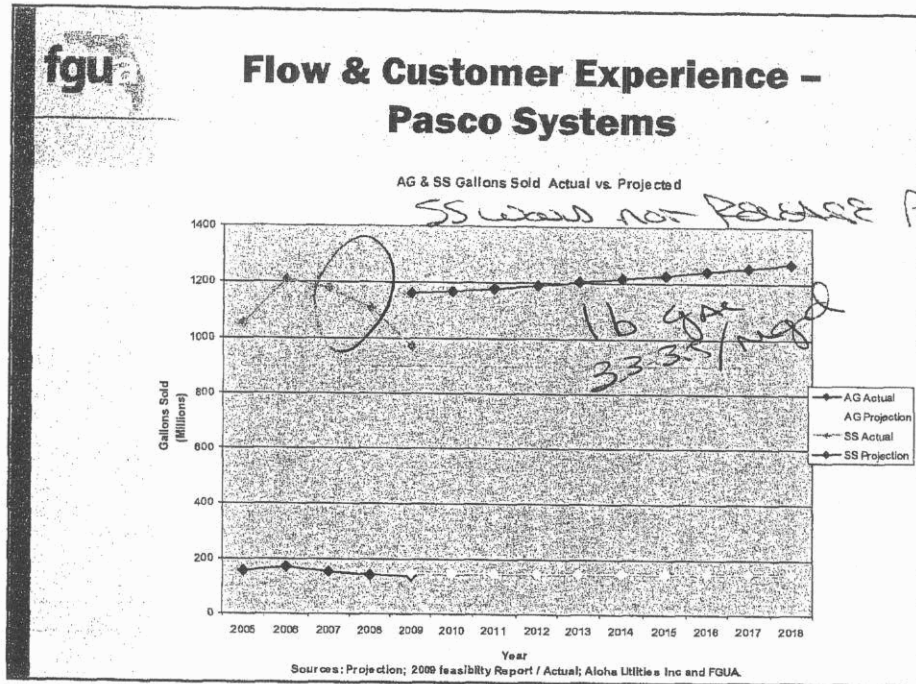
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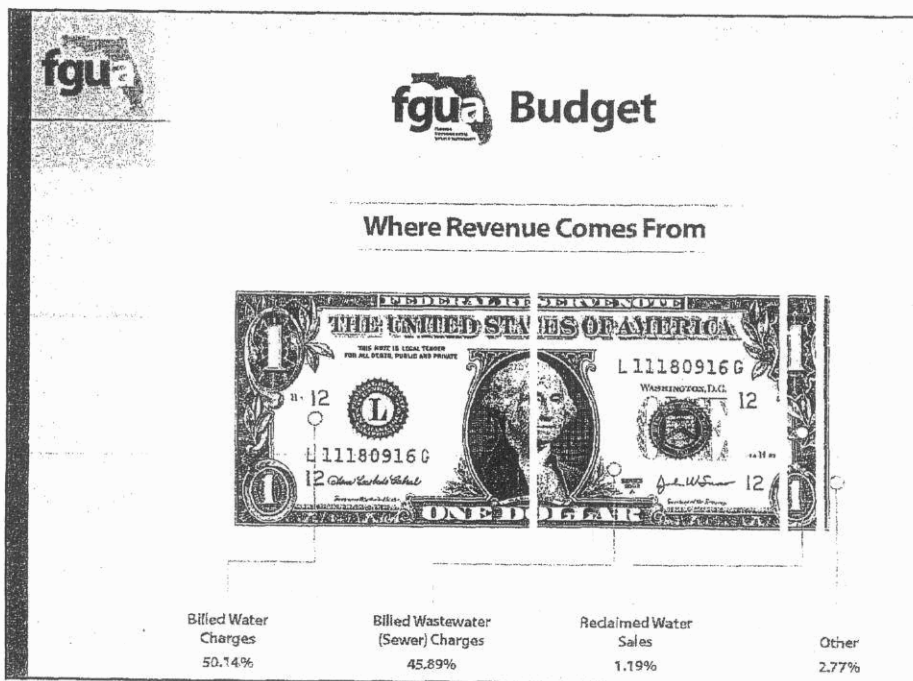
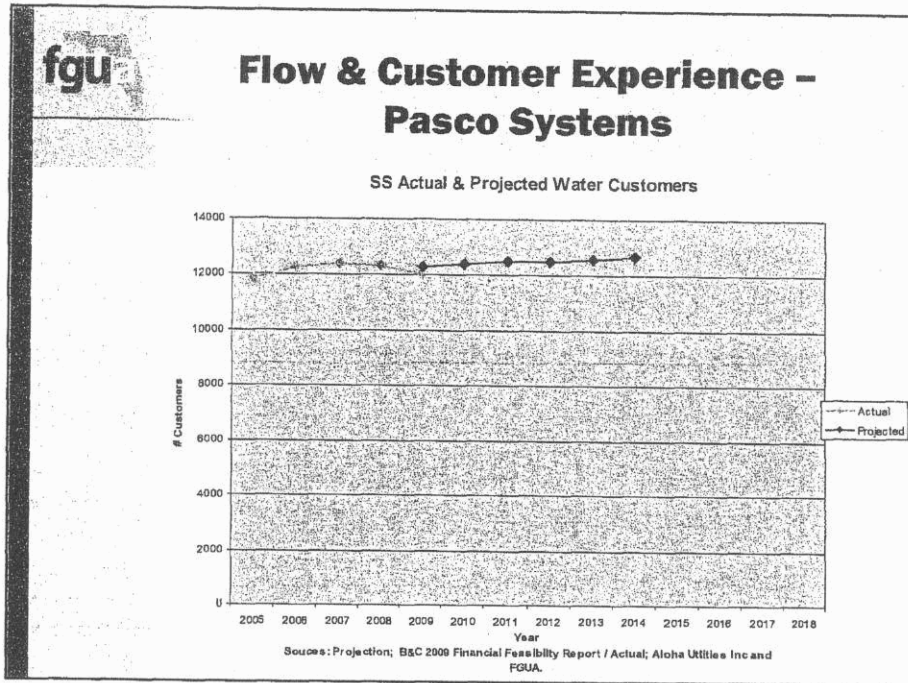
System Negative Growth ("Where is the bottom?")

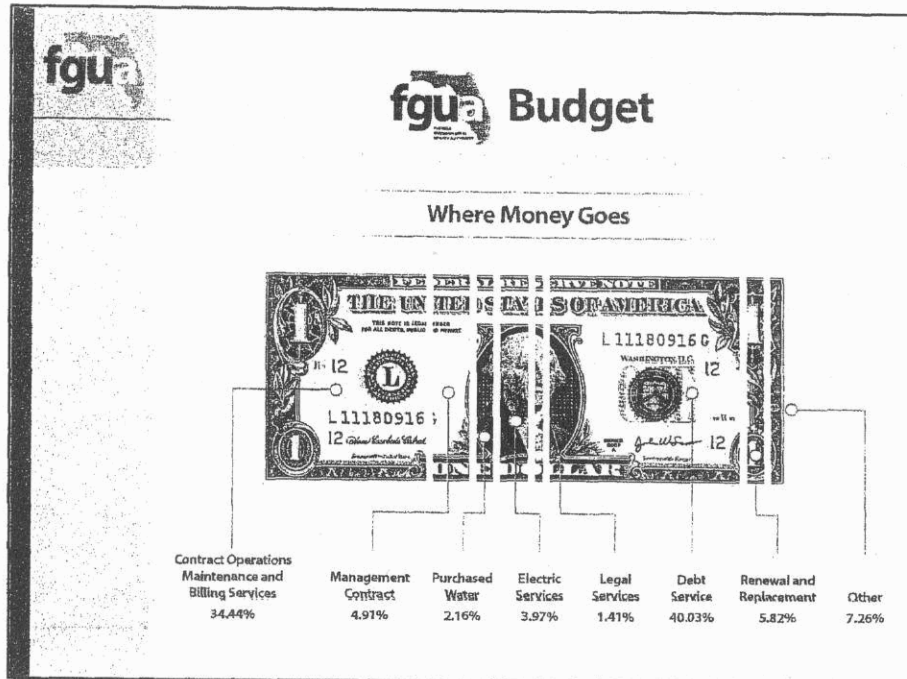
- Customer base and flows within current systems lower than previous projections and at 5+ year lows



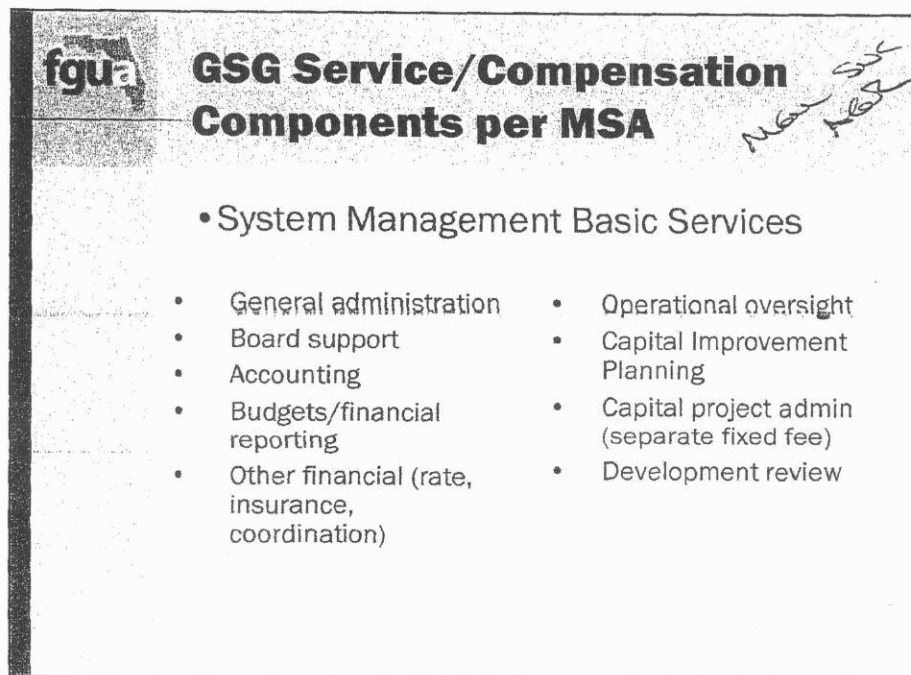








*ISSUE DEBT
 REMOVE COSTS*



REMOVE COSTS

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GSG Service/Compensation Components per MSA (cont'd)

- Compensation
 - All but Capital Admin and Development Review Services - fixed fee per system plus certain costs (copying, postage, travel); annual inflation adjustment *(not under this)*
 - Capital Project Admin - separate fee per system; per staffing plan tied to CIP; as staffing changes, fee renegotiated
 - Development Review - minimum-development review fees collected; subject to supplemental funding as negotiated

not sure if review is lost

Re-Exam

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GSG Service/Compensation Components per MSA (cont'd)

• Additional Services *See work order*

- | | |
|---|---|
| <ul style="list-style-type: none">• Acquisition due diligence• Seller/purchaser transaction coordination• Service extension negotiations• Special assessment development | <ul style="list-style-type: none">• Operations RFP coordination/negotiation• Capital project inspection• Other (general rate, fees, consult, emergency/security, planning, permitting, misc.) |
|---|---|

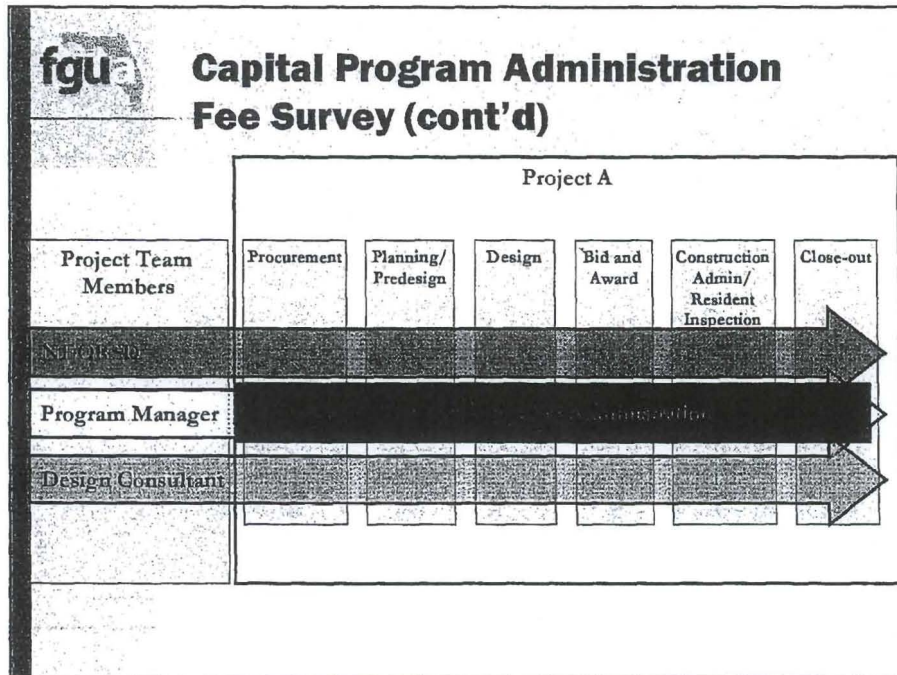
• Compensation

- Negotiated lump sum or hourly fees pursuant to work authorization approved by Board

fgu		Sample System Management/Admin Costs*	
Ft. Myers	17.4%	<i>changes to include</i>	<i>to include</i>
Polk	16.5%		
Naples	15.2%		
Collier County	5.6%		
Pinellas County	7.7%		
Lee County	11.1%		
GSG	4.5%		
<p>*cost centers described as indirect cost administrative, finance w/in utility funds expressed as a % of system revenue, excluding capital sources (with PILOT payments where applicable)</p> <p><i>Rate in USG & TAXES</i></p>			

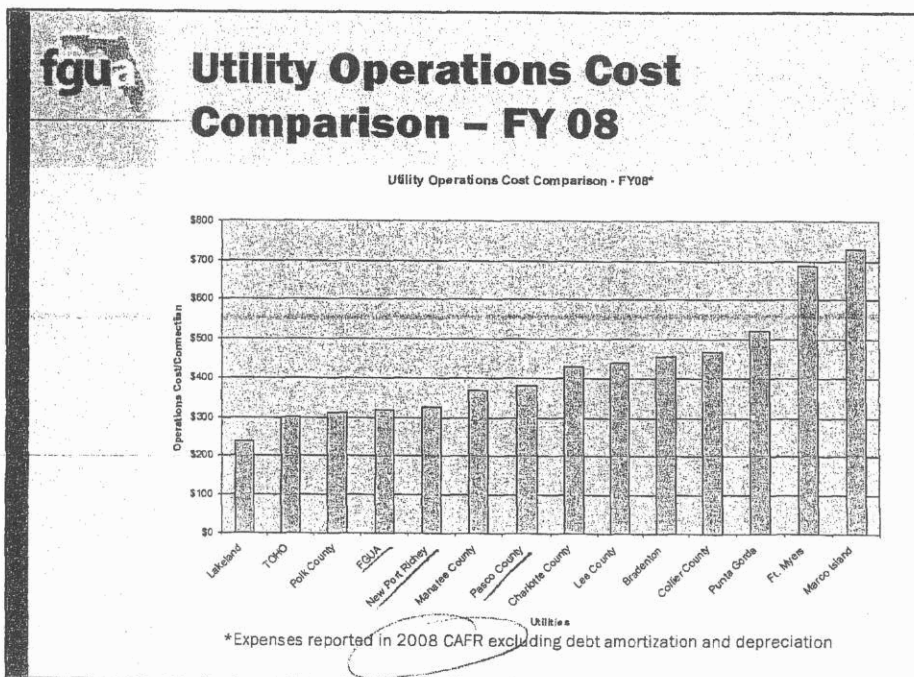
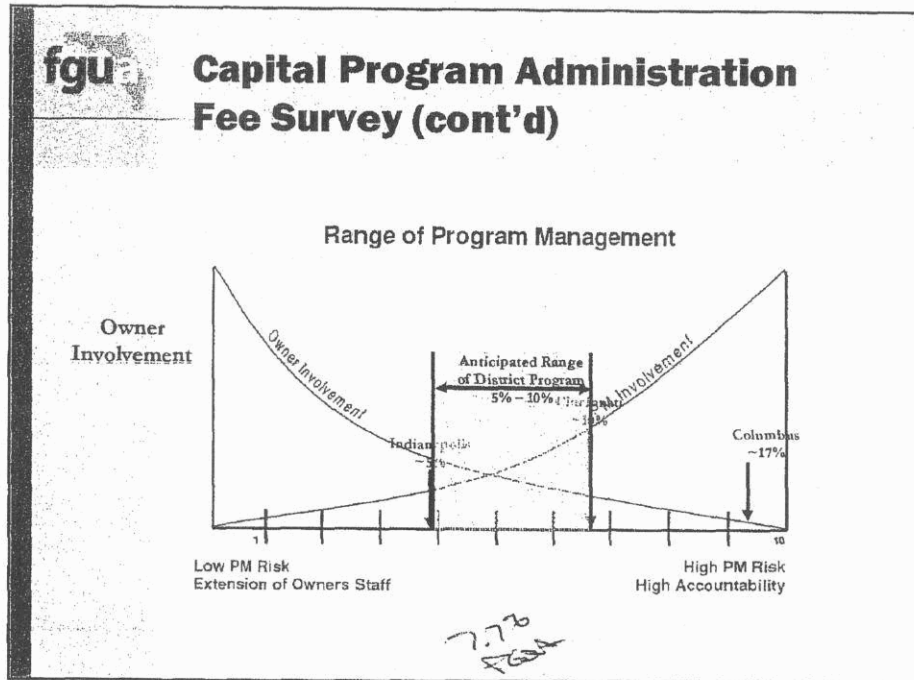
fgu		Capital Program Administration Fee Survey	
Miami Dade County	5-7%		
Seminole County	16.7%		
Pasco County	3.7%		
Collier County	4.3%		
Fort Myers	26.1%		
GSG	7.7%	(\$15.6m 2yr CIP)	

*NEORS
 Program
 2009-2013
 District*



fgua Capital Program Administration Fee Survey (cont'd)

Program	Avg. Annual CIP Value	Annual Program Administration	% of Program Costs
Indianapolis*	\$145 M	\$7.6 M	5%
Columbus*	\$ 08.4 M	\$11.6 M	17%
Cincinnati*	\$ 87 M	\$ 9.2M	10%
Cleveland Water	\$ 39.5 M	\$3.8 M	10%
NEORS (2009-2013)	\$201M**	TBD	TBD



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**FGUA - Combined Systems
 Operating Revenues/Expenses
 Prior Year FY09 Results
 (in thousands)**

Operating Revenue	FY09		FY09
	Budget	Actual	Variance
Cash Reserve Unrestricted 09/30	\$ 3,496	\$ 3,496	
Water Sales	13,237	11,761	(1,476)
Wastewater Sales	12,284	11,791	(493)
Irrigation Sales	15	31	16
Reuse Sales	220	309	89
Late Fees	442	639	194
Interest	297	11	(286)
Special Assessment	81	40	(41)
Rate Stabilization	1,228	1,602	374
TOTAL REVENUE	\$ 26,328	\$ 26,431	\$ (1,098)
Operating Expenses			
Board Expenses	979	1,726	747
Operating/Management Services	11,385	11,480	94
Professional Services	694	827	133
Special Projects	545	349	(196)
SUBTOTAL	\$ 13,603	\$ 14,381	\$ 778
Non-Operating Expenses			
Debt Service	11,343	10,120	(1,223)
Transfer to Operating Reserve	-	-	-
Renewal & Replacement Transfer	1,484	1,351	(133)
SUBTOTAL	\$ 12,827	\$ 11,471	\$ (1,357)
TOTAL EXPENSES	\$ 26,431	\$ 26,852	\$ (578)
SURPLUS (DEFICIT)	\$ 1,898	\$ 579	
Cash Reserve Unrestricted 09/30	\$ 5,394	\$ 4,074	

Reserves

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**FGUA- Combined Systems
 Capital Revenues & Expenses
 FY09 Results
 (in thousands)**

Capital Project Revenue (CASH)	FY09		FY09
	Budget	Actual	Variance
R & R Fund	\$ 4,416	\$ 2,805	\$ (1,611)
2007 Line of Credit	40,025	39,022	(1,003)
2003 Series Bonds	4,555	873	(3,682)
2005 Series Bonds	3,904	11,440	7,536
2007 Aloha Bond	11,700	11,700	-
1999 Revenue Bonds	2,420	25	(2,395)
Water Capacity Fees	683	1,738	1,055
Wastewater Capacity	2,928	3,576	648
Total Revenue	\$ 70,630	\$ 71,180	\$ 550
Capital Project Exp./Enc./Carryover			
Golden Gate	\$ 12,783	\$ 7,467	\$ (5,316)
Lehigh	42,388	9,876	(32,512)
Pasco	4,577	2,477	(2,100)
Total Expenses	\$ 59,748	\$ 19,820	\$ (39,928)
Year End Cash Available for Capital Projects		\$ 51,360	

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FGUA - Combined Systems Operating Revenues/Expenses FY 10 & FY 11

	FY10 Budget	FY10 Actual (1/10)	FY10 Projection	Projected Variance	FY11 Budget Estimate
Operating Revenue					
Cash Reserve, Unrestricted 09/30	\$ 182,832	\$ 5,945,355	\$ 5,945,355		\$ 8,305,741
Water Sales	16,727,131	4,764,170	18,061,407	(665,724)	17,382,528
Wastewater Sales	15,543,783	4,598,618	15,118,420	(425,963)	15,201,008
Late Fees	458,000	371,421	792,268	334,268	811,376
Interest	14,500	(499)	1,121	(13,378)	1,142
Other (2)	953,142	310,678	986,930	33,788	1,068,472
TOTAL REVENUE	\$ 33,895,556	\$ 10,044,388	\$ 32,960,146	\$ (736,410)	\$ 35,464,528
Operating Expenses					
Board Expenses	\$ 992,000	\$ 380,654	\$ 1,154,833	\$ 162,833	\$ 1,192,526
Operating/Management Services	15,256,027	4,815,284	14,699,039	(556,994)	15,300,563
Professional Services	823,535	241,763	741,235	(82,300)	785,153
Special Projects	327,211	65,406	198,717	(128,495)	206,222
SUBTOTAL	\$ 17,398,773	\$ 5,503,107	\$ 16,793,808	\$ (604,965)	\$ 17,484,457
Non-Operating Expenses					
Debt Service	\$ 12,318,122	\$ 938,952	\$ 12,318,122		\$ 12,742,661
Transfer to/(from) Operating Reserve					
Renewal & Replacement Transfer	1,487,831	607,552	1,487,831		1,648,007
SUBTOTAL	\$ 13,805,953	\$ 1,546,504	\$ 13,805,953	\$ -	\$ 14,390,668
TOTAL EXPENSES	\$ 31,204,726	\$ 7,049,611	\$ 30,599,761	\$ (604,965)	\$ 31,895,125
SURPLUS (DEFICIT)	\$ 2,491,830	\$ 2,994,777	\$ 2,360,385	\$ -	\$ 3,609,403
Cash Reserve, Unrestricted 09/30	\$ 2,074,662	\$ 8,940,132	\$ 8,305,741		\$ 11,915,144

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FGUA- Combined Systems Capital Revenues & Expenses FY10 & FY11

	FY10 Budget (Amended)	FY10 Actual (1/10)	FY10 Projection	FY11 Proposed
Capital Project Revenue (Cash)				
R & R Fund	\$ 1,952,553	\$ 1,328,055	\$ 1,328,055	\$ 1,489,287
1999 Series Bonds	13,567	13,436	13,436	-
2003 Series Bonds	783,236	848,173	848,173	8,236
2005 Series Bonds	4,806,850	5,273,361	5,273,361	2,424,324
2007 Line of Credit	94,204,022	1,005,200	1,005,200	-
2009 Bond	10,684,725	9,168,416	9,168,416	5,767,575
Water Capacity Fees	743,367	930,940	930,940	1,142,359
Wastewater Capacity Fees	1,717,553	2,044,612	2,044,612	1,423,932
TOTAL REVENUE	\$ 51,986,683	\$ 21,302,278	\$ 21,302,278	\$ 12,265,713
Capital Project Exp./Enc.				
Golden Gate	3,113,952	1,669,036	3,113,952	336,000
Lehigh Acres	6,086,450	4,119,661	6,086,450	1,885,000
Pasco Systems	6,587,561	2,290,017	4,504,017	3,524,000
TOTAL EXP./ENC.	\$ 15,787,963	\$ 8,078,714	\$ 13,704,419	\$ 5,745,000
Year End Cash Available for Capital Projects		\$ 13,223,564	\$ 7,597,859	\$ 6,520,713

fgua 2010-2011 Rate Increase Outlook

- Previously adopted:
 - o Pasco - Seven Springs 6.75%
 - o Pasco - Aloha Gardens 5%
 - o Pasco - Consolidated Systems 3%
 - o Pasco - Lindrick 5%
- Previously recommended:
 - o Lehigh Acres 9.0%
 - o Golden Gate 4.2%

*RE NC FOR
 ALL BUS MET
 ADJUSTED*

*AS PAST
 RATE RESO*

*REVISIT
 REVISIT
 REVISIT*

fgua Strategic Goals for Budget Consideration

- Increase the number of utility systems in the FGUA to improve economies
- Improve customer service through continual feedback, implementing state-of-the-art business tools and viable customer suggestions
- Deliver well-reasoned and properly-focused capital improvements on timely schedules and within prudent budgets
- Operate systems within optimal service and efficiency standards and best industry practices
- Provide excellent stewardship of the FGUA finances
- Expand customer base in existing systems when/where feasible, implement mandatory connection as smoothly as possible

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Principal Budget Issues

- The Economy and recovery timing!!!!
- Refinancing Aloha bank loan and SunTrust LOC
- Program/management strategies in light of limited growth (e.g. invest in technology/efficiencies)
- Rate changes – what is reasonable in today's reality; potential advancement of increases
- Pace of mandatory connections
- How to grow customer base with new connection fee impact
- Pace of national resource protection
 - EPA Rules
 - Conversion from wells or septic

*Army Sec
Payroll
Aloha
Recovery
Wells*

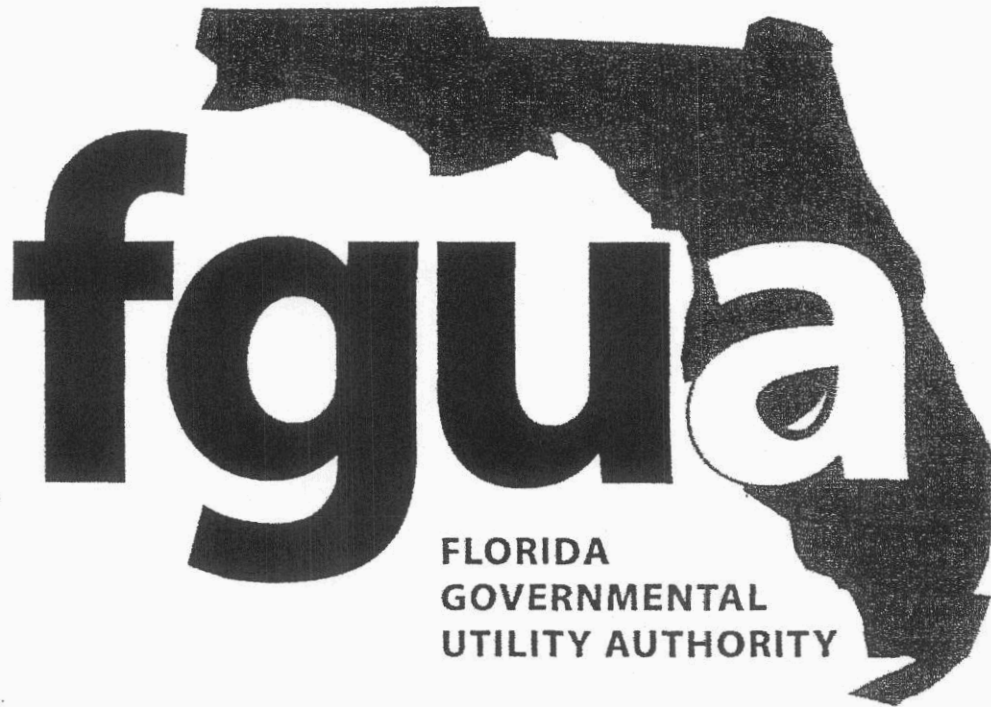
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in 2010
US Resource
US Resource*

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Next Steps

- March 19, 2010 Budget Planning Workshop Held
- April 15, 2010 Forecast Update
- June 17 – System Manager Submits FY2011 Proposed Budget and 2011-2015 CIP to the Board
- July 16 – Follow up Budget Recommendations
- September 17 – Final Public Hearing and Budget Adoption

July 2011



Consolidated and Lindrick Systems:
Current Rate Structures for FY 2011 and
Proposed Rate Increases for FY 2012



Angus Valley (Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$5.94	\$2.17		N/A	N/A		
1000	\$5.94	\$2.17	\$8.11	N/A	N/A	N/A	\$8.11
2000	\$5.94	\$4.34	\$10.28	N/A	N/A	N/A	\$10.28
3000	\$5.94	\$6.51	\$12.45	N/A	N/A	N/A	\$12.45
4000	\$5.94	\$8.68	\$14.62	N/A	N/A	N/A	\$14.62
5000	\$5.94	\$10.85	\$16.79	N/A	N/A	N/A	\$16.79
6000	\$5.94	\$13.02	\$18.96	N/A	N/A	N/A	\$18.96
7000	\$5.94	\$15.19	\$21.13	N/A	N/A	N/A	\$21.13
8000	\$5.94	\$17.36	\$23.30	N/A	N/A	N/A	\$23.30
9000	\$5.94	\$19.53	\$25.47	N/A	N/A	N/A	\$25.47
10000	\$5.94	\$21.70	\$27.64	N/A	N/A	N/A	\$27.64
11000	\$5.94	\$23.87	\$29.81	N/A	N/A	N/A	\$29.81
12000	\$5.94	\$26.04	\$31.98	N/A	N/A	N/A	\$31.98
13000	\$5.94	\$28.21	\$34.15	N/A	N/A	N/A	\$34.15
14000	\$5.94	\$30.38	\$36.32	N/A	N/A	N/A	\$36.32

Note: Angus Valley System is a water only system with no wastewater charges.

Proposed 15% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$6.83	\$2.50		N/A	N/A		
1000	\$6.83	\$2.50	\$9.33	N/A	N/A	N/A	\$9.33
2000	\$6.83	\$4.99	\$11.82	N/A	N/A	N/A	\$11.82
3000	\$6.83	\$7.49	\$14.32	N/A	N/A	N/A	\$14.32
4000	\$6.83	\$9.98	\$16.81	N/A	N/A	N/A	\$16.81
5000	\$6.83	\$12.48	\$19.31	N/A	N/A	N/A	\$19.31
6000	\$6.83	\$14.97	\$21.80	N/A	N/A	N/A	\$21.80
7000	\$6.83	\$17.47	\$24.30	N/A	N/A	N/A	\$24.30
8000	\$6.83	\$19.96	\$26.80	N/A	N/A	N/A	\$26.80
9000	\$6.83	\$22.46	\$29.29	N/A	N/A	N/A	\$29.29
10000	\$6.83	\$24.96	\$31.79	N/A	N/A	N/A	\$31.79
11000	\$6.83	\$27.45	\$34.28	N/A	N/A	N/A	\$34.28
12000	\$6.83	\$29.95	\$36.78	N/A	N/A	N/A	\$36.78
13000	\$6.83	\$32.44	\$39.27	N/A	N/A	N/A	\$39.27
14000	\$6.83	\$34.94	\$41.77	N/A	N/A	N/A	\$41.77

Note: Angus Valley System is a water only system with no wastewater charges.



Colonial Manor (Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter	\$15.40	\$5.61		N/A	N/A		
Flow Charge (10k + gals)		\$11.21		N/A	N/A		
Bill With Avg Use of (1000 gals)							
1000	\$15.40	\$5.61	\$21.01	N/A	N/A	N/A	\$21.01
2000	\$15.40	\$11.22	\$26.62	N/A	N/A	N/A	\$26.62
3000	\$15.40	\$16.83	\$32.23	N/A	N/A	N/A	\$32.23
4000	\$15.40	\$22.44	\$37.84	N/A	N/A	N/A	\$37.84
5000	\$15.40	\$28.05	\$43.45	N/A	N/A	N/A	\$43.45
6000	\$15.40	\$33.66	\$49.06	N/A	N/A	N/A	\$49.06
7000	\$15.40	\$39.27	\$54.67	N/A	N/A	N/A	\$54.67
8000	\$15.40	\$44.88	\$60.28	N/A	N/A	N/A	\$60.28
9000	\$15.40	\$50.49	\$65.89	N/A	N/A	N/A	\$65.89
10000	\$15.40	\$56.10	\$71.50	N/A	N/A	N/A	\$71.50
11000	\$15.40	\$123.31	\$138.71	N/A	N/A	N/A	\$138.71
12000	\$15.40	\$134.52	\$149.92	N/A	N/A	N/A	\$149.92
13000	\$15.40	\$145.73	\$161.13	N/A	N/A	N/A	\$161.13
14000	\$15.40	\$156.94	\$172.34	N/A	N/A	N/A	\$172.34

Notes: Colonial Manor System is a water only system with no wastewater charges.
 Flow charge of \$11.21 becomes effective for consumption over 10,000 gallons

Proposed 15% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter	\$17.71	\$6.45		N/A	N/A		
Flow Charge (10k + gals)		\$12.89		N/A	N/A		
Bill With Avg Use of (1000 gals)							
1000	\$17.71	\$6.45	\$24.16	N/A	N/A	N/A	\$24.16
2000	\$17.71	\$12.90	\$30.61	N/A	N/A	N/A	\$30.61
3000	\$17.71	\$19.35	\$37.06	N/A	N/A	N/A	\$37.06
4000	\$17.71	\$25.81	\$43.52	N/A	N/A	N/A	\$43.52
5000	\$17.71	\$32.26	\$49.97	N/A	N/A	N/A	\$49.97
6000	\$17.71	\$38.71	\$56.42	N/A	N/A	N/A	\$56.42
7000	\$17.71	\$45.16	\$62.87	N/A	N/A	N/A	\$62.87
8000	\$17.71	\$51.61	\$69.32	N/A	N/A	N/A	\$69.32
9000	\$17.71	\$58.06	\$75.77	N/A	N/A	N/A	\$75.77
10000	\$17.71	\$64.52	\$82.23	N/A	N/A	N/A	\$82.23
11000	\$17.71	\$141.81	\$159.52	N/A	N/A	N/A	\$159.52
12000	\$17.71	\$154.70	\$172.41	N/A	N/A	N/A	\$172.41
13000	\$17.71	\$167.59	\$185.30	N/A	N/A	N/A	\$185.30
14000	\$17.71	\$180.48	\$198.19	N/A	N/A	N/A	\$198.19

Notes: Colonial Manor System is a water only system with no wastewater charges.
 Flow charge of \$12.89 becomes effective for consumption over 10,000 gallons



Dixie Groves (Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$10.62	\$3.51		N/A	N/A		
1000	\$10.62	\$3.51	\$14.13	N/A	N/A	N/A	\$14.13
2000	\$10.62	\$7.02	\$17.64	N/A	N/A	N/A	\$17.64
3000	\$10.62	\$10.53	\$21.15	N/A	N/A	N/A	\$21.15
4000	\$10.62	\$14.04	\$24.66	N/A	N/A	N/A	\$24.66
5000	\$10.62	\$17.55	\$28.17	N/A	N/A	N/A	\$28.17
6000	\$10.62	\$21.06	\$31.68	N/A	N/A	N/A	\$31.68
7000	\$10.62	\$24.57	\$35.19	N/A	N/A	N/A	\$35.19
8000	\$10.62	\$28.08	\$38.70	N/A	N/A	N/A	\$38.70
9000	\$10.62	\$31.59	\$42.21	N/A	N/A	N/A	\$42.21
10000	\$10.62	\$35.10	\$45.72	N/A	N/A	N/A	\$45.72
11000	\$10.62	\$38.61	\$49.23	N/A	N/A	N/A	\$49.23
12000	\$10.62	\$42.12	\$52.74	N/A	N/A	N/A	\$52.74
13000	\$10.62	\$45.63	\$56.25	N/A	N/A	N/A	\$56.25
14000	\$10.62	\$49.14	\$59.76	N/A	N/A	N/A	\$59.76

Note: Dixie Groves System is a water only system with no wastewater charges.

Proposed 15% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$12.21	\$4.04		N/A	N/A		
1000	\$12.21	\$4.04	\$16.25	N/A	N/A	N/A	\$16.25
2000	\$12.21	\$8.07	\$20.29	N/A	N/A	N/A	\$20.29
3000	\$12.21	\$12.11	\$24.32	N/A	N/A	N/A	\$24.32
4000	\$12.21	\$16.15	\$28.36	N/A	N/A	N/A	\$28.36
5000	\$12.21	\$20.18	\$32.40	N/A	N/A	N/A	\$32.40
6000	\$12.21	\$24.22	\$36.43	N/A	N/A	N/A	\$36.43
7000	\$12.21	\$28.26	\$40.47	N/A	N/A	N/A	\$40.47
8000	\$12.21	\$32.29	\$44.51	N/A	N/A	N/A	\$44.51
9000	\$12.21	\$36.33	\$48.54	N/A	N/A	N/A	\$48.54
10000	\$12.21	\$40.37	\$52.58	N/A	N/A	N/A	\$52.58
11000	\$12.21	\$44.40	\$56.61	N/A	N/A	N/A	\$56.61
12000	\$12.21	\$48.44	\$60.65	N/A	N/A	N/A	\$60.65
13000	\$12.21	\$52.47	\$64.69	N/A	N/A	N/A	\$64.69
14000	\$12.21	\$56.51	\$68.72	N/A	N/A	N/A	\$68.72

Note: Dixie Groves System is a water only system with no wastewater charges.



Holiday (Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter	\$15.07	\$7.58		N/A	N/A		
Flow Charge (8k to 15k gals)		\$9.47		N/A	N/A		
Flow Charge (15k + gals)		\$11.37		N/A	N/A		
Bill With Avg Use of (1000 gals)							
1000	\$15.07	\$7.58	\$22.65	N/A	N/A	N/A	\$22.65
2000	\$15.07	\$15.16	\$30.23	N/A	N/A	N/A	\$30.23
3000	\$15.07	\$22.74	\$37.81	N/A	N/A	N/A	\$37.81
4000	\$15.07	\$30.32	\$45.39	N/A	N/A	N/A	\$45.39
5000	\$15.07	\$37.90	\$52.97	N/A	N/A	N/A	\$52.97
6000	\$15.07	\$45.48	\$60.55	N/A	N/A	N/A	\$60.55
7000	\$15.07	\$53.06	\$68.13	N/A	N/A	N/A	\$68.13
8000	\$15.07	\$60.64	\$75.71	N/A	N/A	N/A	\$75.71
9000	\$15.07	\$85.23	\$100.30	N/A	N/A	N/A	\$100.30
10000	\$15.07	\$94.70	\$109.77	N/A	N/A	N/A	\$109.77
11000	\$15.07	\$104.17	\$119.24	N/A	N/A	N/A	\$119.24
12000	\$15.07	\$113.64	\$128.71	N/A	N/A	N/A	\$128.71
13000	\$15.07	\$123.11	\$138.18	N/A	N/A	N/A	\$138.18
14000	\$15.07	\$132.58	\$147.65	N/A	N/A	N/A	\$147.65
15000	\$15.07	\$142.05	\$157.12	N/A	N/A	N/A	\$157.12
16000	\$15.07	\$181.92	\$196.99	N/A	N/A	N/A	\$196.99
17000	\$15.07	\$193.29	\$208.36	N/A	N/A	N/A	\$208.36

Notes: Holiday System is a water only system with no wastewater charges.
 Flow charge of \$9.47 becomes effective for consumption over 8,000 gallons
 Flow charge of \$11.37 becomes effective for consumption over 15,000 gallons

Proposed 15% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter	\$17.33	\$8.72		N/A	N/A		
Flow Charge (8k to 15k gals)		\$10.89		N/A	N/A		
Flow Charge (15k + gals)		\$13.08		N/A	N/A		
Bill With Avg Use of (1000 gals)							
1000	\$17.33	\$8.72	\$26.05	N/A	N/A	N/A	\$26.05
2000	\$17.33	\$17.43	\$34.76	N/A	N/A	N/A	\$34.76
3000	\$17.33	\$26.15	\$43.48	N/A	N/A	N/A	\$43.48
4000	\$17.33	\$34.87	\$52.20	N/A	N/A	N/A	\$52.20
5000	\$17.33	\$43.59	\$60.92	N/A	N/A	N/A	\$60.92
6000	\$17.33	\$52.30	\$69.63	N/A	N/A	N/A	\$69.63
7000	\$17.33	\$61.02	\$78.35	N/A	N/A	N/A	\$78.35
8000	\$17.33	\$69.74	\$87.07	N/A	N/A	N/A	\$87.07
9000	\$17.33	\$98.01	\$115.35	N/A	N/A	N/A	\$115.35
10000	\$17.33	\$108.91	\$126.24	N/A	N/A	N/A	\$126.24
11000	\$17.33	\$119.80	\$137.13	N/A	N/A	N/A	\$137.13
12000	\$17.33	\$130.69	\$148.02	N/A	N/A	N/A	\$148.02
13000	\$17.33	\$141.58	\$158.91	N/A	N/A	N/A	\$158.91
14000	\$17.33	\$152.47	\$169.80	N/A	N/A	N/A	\$169.80
15000	\$17.33	\$163.36	\$180.69	N/A	N/A	N/A	\$180.69
16000	\$17.33	\$209.21	\$226.54	N/A	N/A	N/A	\$226.54
17000	\$17.33	\$222.28	\$239.61	N/A	N/A	N/A	\$239.61

Notes: Holiday System is a water only system with no wastewater charges.
 Flow charge of \$10.89 becomes effective for consumption over 8,000 gallons
 Flow charge of \$13.08 becomes effective for consumption over 15,000 gallons



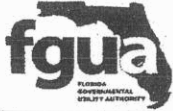
Virginia City (Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$7.98	\$4.02		N/A	N/A		
1000	\$7.98	\$4.02	\$12.00	N/A	N/A	N/A	\$12.00
2000	\$7.98	\$8.04	\$16.02	N/A	N/A	N/A	\$16.02
3000	\$7.98	\$12.06	\$20.04	N/A	N/A	N/A	\$20.04
4000	\$7.98	\$16.08	\$24.06	N/A	N/A	N/A	\$24.06
5000	\$7.98	\$20.10	\$28.08	N/A	N/A	N/A	\$28.08
6000	\$7.98	\$24.12	\$32.10	N/A	N/A	N/A	\$32.10
7000	\$7.98	\$28.14	\$36.12	N/A	N/A	N/A	\$36.12
8000	\$7.98	\$32.16	\$40.14	N/A	N/A	N/A	\$40.14
9000	\$7.98	\$36.18	\$44.16	N/A	N/A	N/A	\$44.16
10000	\$7.98	\$40.20	\$48.18	N/A	N/A	N/A	\$48.18
11000	\$7.98	\$44.22	\$52.20	N/A	N/A	N/A	\$52.20
12000	\$7.98	\$48.24	\$56.22	N/A	N/A	N/A	\$56.22
13000	\$7.98	\$52.26	\$60.24	N/A	N/A	N/A	\$60.24
14000	\$7.98	\$56.28	\$64.26	N/A	N/A	N/A	\$64.26

Note: Virginia City System is a water only system with no wastewater charges.

Proposed 15% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$9.18	\$4.62		N/A	N/A		
1000	\$9.18	\$4.62	\$13.80	N/A	N/A	N/A	\$13.80
2000	\$9.18	\$9.25	\$18.42	N/A	N/A	N/A	\$18.42
3000	\$9.18	\$13.87	\$23.05	N/A	N/A	N/A	\$23.05
4000	\$9.18	\$18.49	\$27.67	N/A	N/A	N/A	\$27.67
5000	\$9.18	\$23.12	\$32.29	N/A	N/A	N/A	\$32.29
6000	\$9.18	\$27.74	\$36.92	N/A	N/A	N/A	\$36.92
7000	\$9.18	\$32.36	\$41.54	N/A	N/A	N/A	\$41.54
8000	\$9.18	\$36.98	\$46.16	N/A	N/A	N/A	\$46.16
9000	\$9.18	\$41.61	\$50.78	N/A	N/A	N/A	\$50.78
10000	\$9.18	\$46.23	\$55.41	N/A	N/A	N/A	\$55.41
11000	\$9.18	\$50.85	\$60.03	N/A	N/A	N/A	\$60.03
12000	\$9.18	\$55.48	\$64.65	N/A	N/A	N/A	\$64.65
13000	\$9.18	\$60.10	\$69.28	N/A	N/A	N/A	\$69.28
14000	\$9.18	\$64.72	\$73.90	N/A	N/A	N/A	\$73.90

Note: Virginia City System is a water only system with no wastewater charges.



Lindrick (Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$7.08	\$4.70		\$23.36	\$9.79		
1000	\$7.08	\$4.70	\$11.78	\$23.36	\$9.79	\$33.15	\$44.93
2000	\$7.08	\$9.40	\$16.48	\$23.36	\$19.58	\$42.94	\$59.42
3000	\$7.08	\$14.10	\$21.18	\$23.36	\$29.37	\$52.73	\$73.91
4000	\$7.08	\$18.80	\$25.88	\$23.36	\$39.16	\$62.52	\$88.40
5000	\$7.08	\$23.50	\$30.58	\$23.36	\$48.95	\$72.31	\$102.89
6000	\$7.08	\$28.20	\$35.28	\$23.36	\$58.74	\$82.10	\$117.38
7000	\$7.08	\$32.90	\$39.98	\$23.36	\$68.53	\$91.89	\$131.87
8000	\$7.08	\$37.60	\$44.68	\$23.36	\$78.32	\$101.68	\$146.36
9000	\$7.08	\$42.30	\$49.38	\$23.36	\$88.11	\$111.47	\$160.85
10000	\$7.08	\$47.00	\$54.08	\$23.36	\$97.90	\$121.26	\$175.34
11000	\$7.08	\$51.70	\$58.78	\$23.36	\$97.90	\$121.26	\$180.04
12000	\$7.08	\$56.40	\$63.48	\$23.36	\$97.90	\$121.26	\$184.74
13000	\$7.08	\$61.10	\$68.18	\$23.36	\$97.90	\$121.26	\$189.44
14000	\$7.08	\$65.80	\$72.88	\$23.36	\$97.90	\$121.26	\$194.14

Proposed 14% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$8.07	\$5.36		\$26.63	\$11.16		
1000	\$8.07	\$5.36	\$13.43	\$26.63	\$11.16	\$37.79	\$51.22
2000	\$8.07	\$10.72	\$18.79	\$26.63	\$22.32	\$48.95	\$67.74
3000	\$8.07	\$16.07	\$24.15	\$26.63	\$33.48	\$60.11	\$84.26
4000	\$8.07	\$21.43	\$29.50	\$26.63	\$44.64	\$71.27	\$100.78
5000	\$8.07	\$26.79	\$34.86	\$26.63	\$55.80	\$82.43	\$117.29
6000	\$8.07	\$32.15	\$40.22	\$26.63	\$66.96	\$93.59	\$133.81
7000	\$8.07	\$37.51	\$45.58	\$26.63	\$78.12	\$104.75	\$150.33
8000	\$8.07	\$42.86	\$50.94	\$26.63	\$89.28	\$115.92	\$166.85
9000	\$8.07	\$48.22	\$56.29	\$26.63	\$100.45	\$127.08	\$183.37
10000	\$8.07	\$53.58	\$61.65	\$26.63	\$111.61	\$138.24	\$199.89
11000	\$8.07	\$58.94	\$67.01	\$26.63	\$111.61	\$138.24	\$205.25
12000	\$8.07	\$64.30	\$72.37	\$26.63	\$111.61	\$138.24	\$210.60
13000	\$8.07	\$69.65	\$77.73	\$26.63	\$111.61	\$138.24	\$215.96
14000	\$8.07	\$75.01	\$83.08	\$26.63	\$111.61	\$138.24	\$221.32

Proposed 11% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$7.86	\$5.22		\$25.93	\$10.87		
1000	\$7.86	\$5.22	\$13.08	\$25.93	\$10.87	\$36.80	\$49.87
2000	\$7.86	\$10.43	\$18.29	\$25.93	\$21.73	\$47.66	\$65.96
3000	\$7.86	\$15.65	\$23.51	\$25.93	\$32.60	\$58.53	\$82.04
4000	\$7.86	\$20.87	\$28.73	\$25.93	\$43.47	\$69.40	\$98.12
5000	\$7.86	\$26.09	\$33.94	\$25.93	\$54.33	\$80.26	\$114.21
6000	\$7.86	\$31.30	\$39.16	\$25.93	\$65.20	\$91.13	\$130.29
7000	\$7.86	\$36.52	\$44.38	\$25.93	\$76.07	\$102.00	\$146.38
8000	\$7.86	\$41.74	\$49.59	\$25.93	\$86.94	\$112.86	\$162.46
9000	\$7.86	\$46.95	\$54.81	\$25.93	\$97.80	\$123.73	\$178.54
10000	\$7.86	\$52.17	\$60.03	\$25.93	\$108.67	\$134.60	\$194.63
11000	\$7.86	\$57.39	\$65.25	\$25.93	\$108.67	\$134.60	\$199.84
12000	\$7.86	\$62.60	\$70.46	\$25.93	\$108.67	\$134.60	\$205.06
13000	\$7.86	\$67.82	\$75.68	\$25.93	\$108.67	\$134.60	\$210.28
14000	\$7.86	\$73.04	\$80.90	\$25.93	\$108.67	\$134.60	\$215.50

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Shamrock Heights (Bi-Monthly Basis)

Current Rate Structure for FY 2011							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$17.70	\$4.02		N/A	N/A		
1000	\$17.70	\$4.02	\$21.72	N/A	N/A	N/A	\$21.72
2000	\$17.70	\$8.04	\$25.74	N/A	N/A	N/A	\$25.74
3000	\$17.70	\$12.06	\$29.76	N/A	N/A	N/A	\$29.76
4000	\$17.70	\$16.08	\$33.78	N/A	N/A	N/A	\$33.78
5000	\$17.70	\$20.10	\$37.80	N/A	N/A	N/A	\$37.80
6000	\$17.70	\$24.12	\$41.82	N/A	N/A	N/A	\$41.82
7000	\$17.70	\$28.14	\$45.84	N/A	N/A	N/A	\$45.84
8000	\$17.70	\$32.16	\$49.86	N/A	N/A	N/A	\$49.86
9000	\$17.70	\$36.18	\$53.88	N/A	N/A	N/A	\$53.88
10000	\$17.70	\$40.20	\$57.90	N/A	N/A	N/A	\$57.90
11000	\$17.70	\$44.22	\$61.92	N/A	N/A	N/A	\$61.92
12000	\$17.70	\$48.24	\$65.94	N/A	N/A	N/A	\$65.94
13000	\$17.70	\$52.26	\$69.96	N/A	N/A	N/A	\$69.96
14000	\$17.70	\$56.28	\$73.98	N/A	N/A	N/A	\$73.98

Note: Shamrock Heights System is a water only system with no wastewater charges.

Proposed 14% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$20.18	\$4.58		N/A	N/A		
1000	\$20.18	\$4.58	\$24.76	N/A	N/A	N/A	\$24.76
2000	\$20.18	\$9.17	\$29.34	N/A	N/A	N/A	\$29.34
3000	\$20.18	\$13.75	\$33.93	N/A	N/A	N/A	\$33.93
4000	\$20.18	\$18.33	\$38.51	N/A	N/A	N/A	\$38.51
5000	\$20.18	\$22.91	\$43.09	N/A	N/A	N/A	\$43.09
6000	\$20.18	\$27.50	\$47.67	N/A	N/A	N/A	\$47.67
7000	\$20.18	\$32.08	\$52.26	N/A	N/A	N/A	\$52.26
8000	\$20.18	\$36.66	\$56.84	N/A	N/A	N/A	\$56.84
9000	\$20.18	\$41.25	\$61.42	N/A	N/A	N/A	\$61.42
10000	\$20.18	\$45.83	\$66.01	N/A	N/A	N/A	\$66.01
11000	\$20.18	\$50.41	\$70.59	N/A	N/A	N/A	\$70.59
12000	\$20.18	\$54.99	\$75.17	N/A	N/A	N/A	\$75.17
13000	\$20.18	\$59.58	\$79.75	N/A	N/A	N/A	\$79.75
14000	\$20.18	\$64.16	\$84.34	N/A	N/A	N/A	\$84.34

Note: Shamrock Heights System is a water only system with no wastewater charges.

Proposed 11% Increase for FY 2012							
Residential Billing	Water Charges			Sewer Charges			Total Charges
	Base Rate	Flow Charge	Total Water Charge	Base Rate	Flow Charge	Total Sewer Charge	
Assume 5/8 x 3/4 Meter Bill With Avg Use of (1000 gals)	\$19.65	\$4.46		N/A	N/A		
1000	\$19.65	\$4.46	\$24.11	N/A	N/A	N/A	\$24.11
2000	\$19.65	\$8.92	\$28.57	N/A	N/A	N/A	\$28.57
3000	\$19.65	\$13.39	\$33.03	N/A	N/A	N/A	\$33.03
4000	\$19.65	\$17.85	\$37.50	N/A	N/A	N/A	\$37.50
5000	\$19.65	\$22.31	\$41.96	N/A	N/A	N/A	\$41.96
6000	\$19.65	\$26.77	\$46.42	N/A	N/A	N/A	\$46.42
7000	\$19.65	\$31.24	\$50.88	N/A	N/A	N/A	\$50.88
8000	\$19.65	\$35.70	\$55.34	N/A	N/A	N/A	\$55.34
9000	\$19.65	\$40.16	\$59.81	N/A	N/A	N/A	\$59.81
10000	\$19.65	\$44.62	\$64.27	N/A	N/A	N/A	\$64.27
11000	\$19.65	\$49.08	\$68.73	N/A	N/A	N/A	\$68.73
12000	\$19.65	\$53.55	\$73.19	N/A	N/A	N/A	\$73.19
13000	\$19.65	\$58.01	\$77.66	N/A	N/A	N/A	\$77.66
14000	\$19.65	\$62.47	\$82.12	N/A	N/A	N/A	\$82.12

Note: Shamrock Heights System is a water only system with no wastewater charges.

Florida Governmental Utility Authority
Board of Directors Meeting Agenda
Thursday, October 20, 2011 at 10:00 am
West Pasco Government Center
Commission Chambers
7530 Little Road
New Port Richey, FL 34654

- I - Call to Order
- II - Invocation
- III - Pledge of Allegiance
- IV - Public Hearing
 - PH 1 Public Hearing for FGUA Pasco Aloha Gardens & Seven Springs Utility Systems Rates
 - PH 1a Approval of Resolution 2012-01; Adopting FGUA Pasco Aloha Gardens & Seven Springs Utility Systems Rates
 - PH 2 Public Hearing for FGUA Consolidated Utility System Rates
 - PH 2a Approval of Resolution 2012-02; Adopting FGUA Consolidated Utility System Rates
 - PH 3 Public Hearing for FY 2012 Utility System Operating, Debt Service and Capital Budgets for FGUA Pasco Systems (Aloha Gardens and Seven Springs), Lindrick Utility System, Consolidated Utility System, MacDill Utility System, and North Fort Myers Utility System
 - PH 3a Approval of Resolution No. 2012-03, FY 2012 FGUA Pasco Systems (Aloha Gardens & Seven Springs) Utility System Operating, Debt Service and Capital Budgets
 - PH 3b Approval of Resolution No. 2012-04, FY 2012 Consolidated Utility System Operating, Debt Service and Capital Budgets
 - PH 3c Approval of Resolution No. 2012-05, FY 2012 Lindrick Utility System Operating, Debt Service and Capital Budgets
 - PH 3d Approval of Resolution No. 2012-06, FY 2012 for the MacDill Utility System Operating, Debt Service and Capital Budgets
 - PH 3e Approval of Resolution No. 2012-07, FY 2012 North Fort Myers Utility System Operating, Debt Service and Capital Budgets
- IV - Public Comment
- V - Minutes
 - M 1 Approval of the September 7, 2011 FGUA Consolidated Public Information Meeting Minutes
 - M 2 Approval of the September 7, 2011 FGUA Lindrick Public Hearing Minutes
 - M 3 Approval of the September 7, 2011 FGUA Pasco (Aloha Gardens & Seven Springs) Public Information Meeting Minutes
 - M 4 Approval of the September 14, 2011 FGUA North Fort Myers Public Hearing Minutes
 - M 5 Approval of the September 15, 2011 FGUA Public Hearing and Regular Meeting Minutes
- VI - Consent Agenda
 - CA 1 Acceptance of the Conveyance Close-out Package for FGUA Developer Project 11-002 SSD for Dilo Manufacturing Building Expansion, Located in the FGUA Pasco (Seven Springs) Utility System in Pasco County, Florida
 - CA 2 Acceptance of Termination and Release with First Baptist Church of Lehigh Acres, Florida, Inc. for Developer Project No. 07-104 LED, First Baptist of Lehigh Located in the Lehigh Acres Utility System
 - CA 3 Approval of an Amendment to the Developer Agreement to Provide Reclaimed Water Service to Thousand Oaks East Phase 5, FGUA Closed Developer Project 09-002 SSD, Located in the Pasco (Seven Springs) Utility System
 - CA 4 Approval of Work Authorization No. MP 11-02 Amendment No. 1, with Malcolm Pirnie, Inc. for Consulting Engineering Services, Lehigh Acres GIS Map Update, FGUA Project No. LE 106 in the Lehigh Acres Utility
 - CA 4a Approval of Budget Amendment Transfer 2012-01 for Work Authorization No. MP 11-02, Amendment No. 1, for FGUA Project No. LE106, Lehigh Acres GIS Map Update

DOCUMENT NUMBER - DATE

08135 NOV-3 =

FPSC-COMMISSION CLERK

- CA 5** Approval of Work Authorization No. GAI 12-01, GAI Consultants, Inc. for Consulting Engineering Services, Lehigh Acres & Golden Gate Tank Cleaning & Inspection, FGUA Project No. LE 084 and GG 004 in the Lehigh Acres & Golden Gate Utility System
- CA 6** Approval of the 1-Year Renewal of Agreement for Consultant Services with U.S. Water/Wade Trim for Operational Due Diligence Services
- CA 7** Approval of Amendment No. 2 to the Agreement to Lease Vehicles or Equipment dated February 27, 2009 for Vehicles and Equipment used in All FGUA Systems
- CA 8** Approval of Change Order No. 4 to Brandes Design-Build, Inc. for FGUA Project PS 049 - Mitchell Water Treatment Plant Improvements
- CA 9** Approval of Utility Service Area Release to Pasco County for the W.H. Mitchell Park located in the Pasco (Seven Springs) Utility Service Area
- CA 10** Approval of the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Lee County for FGUA Developer Project 11-007 LED. Admiral Lehigh Trailhead Park Located in the Lehigh Acres Utility System

VII - Finance and Administration

- FA 1** Consolidated System Refinancing Update
- FA 2** Other Items

VIII - Operations

- OP 1** Approval of Work Authorization No. USW 12-02 with U.S. Water Corporation for ISDC #20, Grease Removal Project for the MacDill AFB Utility System
- OP 1a** Approval of Work Authorization No. GSG 12-04 with Government Services Group, Inc. related to Inspection Services for ISDC projects in the MacDill AFB utility system being completed by U.S. Water Services Corporation under Work Authorization No. USW 12-02
- OP 2** Approval of Work Authorization No. USW 12-03 with U.S. Water Corporation for ISDC #25, Lift Station #1063 Force Main Project for the MacDill AFB Utility System
- OP 2a** Approval of Work Authorization No. GSG 12-05 with Government Services Group, Inc. related to Inspection Services for ISDC projects in the MacDill AFB utility system being completed by U.S. Water Services Corporation under Work Authorization No. USW 12-03
- OP 3** Other Items

IX - Informational Items

- IN 1** Status Update on the Florida Governmental Utility Authority (FGUA) Capital Improvement Program (CIP)
- IN 2** Status Update on the Florida Governmental Utility Authority (FGUA) Community Outreach Program
- IN 3** Florida Governmental Utility Authority (FGUA) Monthly Inactive Account Collection Summary
- IN 4** Acceptance of Golden Gate Utility Advisory Committee Meeting Minutes
- IN 5** Acceptance of Lehigh Acres Utility Advisory Committee Meeting Minutes
- IN 6** Operations Contract Transition Update
- IN 7** Seven Springs Odor Control Project Update

X - System Manager

- SM 1** Approval of Work Authorization No. USWWT 12-01 with U.S. Water/Wade Trim for Consulting Services for Acquisition Operations Due Diligence for the Mad Hatter Utility System located in Pasco County for the FGUA
- SM 2** Other Items

XI - Utility Counsel

- UC 1** Other Items

XII - General Counsel

- GC 1** Approval of Settlement, Right of Entry and License Agreement between the FGUA and CRP Holdings CSS, LLC
- GC 2** Approval of Amendment to GSG Management Services Agreement Providing for Adjustments to Capital Improvement Program Administration Fees
- GC 3** Request for Shade Meeting at November Board of Directors Meeting concerning Park East Development, LTD v. Florida Governmental Utility Authority and Government Services Group, Inc.; Case No. 09 CA 4758
- GC 4** Other Items

XIII - Board Items

- BD 1** Other Items

Florida Governmental Utility Authority

Board Agenda Item

Thursday, October 20, 2011

Item

**PH 2a Approval of Resolution 2012-02; Adopting FGUA Consolidated Utility
Systems Rates**

Consolidated Systems

RESOLUTION NO. 2012-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA GOVERNMENTAL UTILITY AUTHORITY, ADOPTING RATES AND CHARGES RELATING TO THE CONSOLIDATED SYSTEMS (COLONIAL MANOR, DIXIE GROVES, VIRGINIA CITY, HOLIDAY AND PASCO UTILITIES) WATER AND WASTEWATER UTILITY SYSTEM LOCATED IN PASCO COUNTY, FLORIDA; PROVIDING FOR AUTOMATIC INDEX RATE ADJUSTMENT; PROVIDING THAT UNPAID FEES CONSTITUTE LIENS; PROVIDING FOR NO FREE SERVICE; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA GOVERNMENTAL UTILITY AUTHORITY THAT:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to the provisions of the First Amended and Restated Interlocal Agreement Relating to Establishment of the Florida Governmental Utility Authority, dated as of December 1, 2000, as it may be amended (the "Interlocal Agreement"), and Section 163.01(7), Florida Statutes.

SECTION 2. PURPOSE AND DEFINITIONS.

(A) This Resolution constitutes the Consolidate Utility System Rate Resolution.

(B) The purpose of this Resolution is to establish and adopt the rates and charges for the use of the services, facilities and products of the FGUA Consolidated Utility System, effective on all customer bills rendered on or after October 1 and October 20, 2011, respectively, which are attached hereto as Appendix "A".

(C) This Resolution is intended to be used in conjunction with, and as supplemental to the Authority's operating policies and procedures, utility standards and other resolutions or regulations of the Authority as they may be adopted and amended from time to time and apply to all developments or lands within the Consolidated Utility System.

(D) All capitalized words and terms not otherwise defined herein shall have the meaning set forth in the Interlocal Agreement. Unless the context requires otherwise, words imparting the singular number, include the plural and vice

versa. As used in this Resolution the following terms shall have the following meanings, unless the context otherwise requires:

"Actual Cost" or "At Cost" shall mean all direct or indirect costs as determined by the Authority.

"Customer" shall mean any party, entity or Person using water or wastewater in any premise supplied by the Authority.

"Financing Documents" shall mean the current series of bonds or other evidence of indebtedness, including, but not limited to, notes, commercial paper, capital leases or other obligations that may be issued by the Authority for which the FGUA Consolidated Utility System revenues are pledged funds.

"Future Obligations" shall mean a future series of bonds or other evidence of indebtedness, including, but not limited to, notes, commercial paper, capital leases or any other obligations that may be issued by the Authority for which the Consolidated Utility System revenues are the Pledged Funds.

"Owner" shall mean the Person, or duly authorized representative thereof, holding legal title to any premises which is, or is about to be supplied with utility services supplied by the Authority.

"Person" shall mean an individual, a corporation, a partnership, an incorporated association, trust or any other legal entity.

"Inactive Utility Account" shall mean an account which is no longer incurring water or wastewater usage charges. These accounts will be charged base charges.

SECTION 3. FINDINGS.

(A) The rates and charges attached hereto and incorporated herein as Appendix A provide and assure that necessary monies which, with other funds available for such purposes, shall be at least sufficient at all times to pay for the expense of operating, managing, expanding, improving, and maintaining, the Authority Facilities, in compliance with Section 4.04 (B) of the Interlocal Agreement.

(B) The adoption of the attached rates and charges is necessary and will comply with the covenants contained in the Financing Documents. The rates and charges for water or wastewater services provided by or made available by the Authority shall at all times be sufficient to meet all requirements of system operation, maintenance, replacement debt service costs, and other required reserves and costs contained in an Indenture of Trust between the Authority and its designated Trustee for the Consolidated Utility System, as amended, any other applicable Financing Documents, and any Future Obligations.

(C) Pursuant to the Interlocal Agreement, a public hearing on these rate changes was properly noticed in the Pasco Times on September 28, 2011 (Appendix B) and in notices sent to each Pasco Utility System customer during the month of August 2011.

Resolution 2012-02 Consolidated Utility System Water & Wastewater Rates

The public hearing was held October 20, 2011 at 10:00 a.m. at the West Pasco Government Center, 7530 Little Road, New Port Richey, FL 34654.

(D) The Authority was created to acquire, develop and maintain safe, reliable and financially self-supporting water and wastewater systems, which will meet the water and wastewater needs of the utility service area of the Consolidated Utility System located in Pasco County, Florida. This Resolution accomplishes or promotes the ability to accomplish such goals in a fiscally responsible manner and in a manner consistent with the Interlocal Agreement and the Financing Documents.

SECTION 4. RATES AND CHARGES.

(A) The rates and charges for the Consolidated Utility System attached hereto and incorporated herein as Appendix A are hereby approved and adopted.

(B) The rate and charges approved and adopted herein are just, equitable, uniform and reasonably related to the purpose for which the rates and charges are imposed. Adoption of the Resolution constitutes a legislative determination the rates and charges as set forth in Appendix A are fair, reasonable, and non-discriminatory.

(C) The rates and charges adopted herein shall become effective on all bills tendered on or after October 1 and October 20, 2011, as specified in Appendix "A".

SECTION 5. PRICE INDEX RATE ADJUSTMENT.

(A) Pursuant to the provisions of the Interlocal Agreement, the Board adopts the following periodic automatic indexing which shall be applied to the initial and any revised schedule of rates, fees and charges for the Consolidated Utility System.

(B) Effective with bills rendered on and after October 1 and October 20, 2011, respectively, and each year thereafter, an automatic increase in the monthly base facility charges, consumption rates, and miscellaneous service rates adopted in this resolution, may be applied to such rates which are in effect immediately prior to the effective date of each annual increase. The annual index adjustment shall be equal to seventy-five percent (75%) of the annual change in the "U.S. Bureau of Labor Statistics, Consumer Price Index-All Urban Consumers, U.S. City Average, Services" for the month of April immediately preceding the October 1 adjustment date.

(C) With respect to bulk water and wastewater purchases from others and regulatory rates, any increase or decrease in the costs of such purchases or fees charged the authority may result in an automatic adjustment to such applicable rates and in such an event will be passed through to the customer in the following month after such adjustment, in an amount equal to such increase or decrease in such costs as billed or charged by others. The automatic annual rate increase shall apply to connection fees as established herein, but not capacity impact fees.

(D) The application of the automatic annual rate index adjustment will be presented to the Board annually as part of the budgetary process and may be

Resolution 2012-02 Consolidated Utility System Water & Wastewater Rates

implemented without additional public hearing, prior authorization or further approval by the Board. If the application of any automatic annual rate adjustment results in a change in rates of five percent (5%) or greater, such adjustment shall first require Board approval prior to implementation. Any pass through adjustment pursuant to Section 5(C) above, shall be presented for Board approval as soon as applicable upon receipt of notification.

(E) The rates, fees and charges for water and wastewater services provided by or made available by the Authority shall at all times be sufficient to meet all requirements of system operation, maintenance, replacement, debt service costs, and other reserves and costs contained in indentures of trust or bond official statements issued by the authority to acquire and improve the utility system, as amended by any other applicable Financing Documents.

SECTION 6. UNPAID FEES TO CONSTITUTE LIEN.

In the event that the fees, rates or charges for the services and facilities of any water or wastewater system are not paid as and when due; any unpaid balance thereof and all interest accruing thereon shall be a lien on any parcel or property affected thereby. Such liens shall be equal in rank and dignity with the liens by all state, county, district or municipal taxes and non-ad valorem assessments. Except as otherwise provided by law, such lien shall be superior in dignity to all other prior liens, mortgages, titles, and claims, until paid. The Authority shall have the right to foreclose and collect said lien in the manner provided by law for the foreclosure of mortgages on real property or any other lawful means and appoint or retain an agent to institute such foreclosure and collection proceedings.

SECTION 7. UNLAWFUL CONNECTION PROHIBITED.

No Person shall be allowed to connect into any water or wastewater line owned by the Authority without the written consent of the Authority, and then the connection with such line shall be made only under the direction and supervision of the Authority. Any Owner, Customer or plumber who shall make any connection without such consent of the Authority shall be subject to criminal prosecution and civil damages.

SECTION 8. OWNER OF PREMISES RESPONSIBLE FOR ALL ACTS.

Every Owner will be held fully responsible and liable by and to the Authority for all that is done or omitted on, in or about the premises by any agent or Customer or other Persons not in the employ of the Authority, who may gain access thereto.

SECTION 9. NO FREE SERVICE.

No water or wastewater service shall be furnished or rendered free of charges to any Person.

SECTION 10. APPLICABILITY.

This Resolution shall be applicable to all lands supplied with utility service by the Authority within the Consolidated Utility System, Pasco County, Florida.

SECTION 11. SEVERABILITY AND EFFECTIVE DATE.

(A) If any phrase or portion or part of this Resolution is found to be invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion.

(B) This Resolution shall become effective immediately upon its passage and adoption.

PASSED AND DULY ADOPTED at the meeting of the Board of the Florida Governmental Utility Authority on the 20th day of October, 2011.

FLORIDA GOVERNMENTAL UTILITY AUTHORITY

BY: _____
Chairman

ATTEST:

Clerk to the Board

Reviewed and Approved as to Form

General Counsel

Appendix A

APPENDIX A

Florida Governmental Utility Authority (FGUA)

Schedule of Water Charges for Colonial Manor

A. The following provisions shall apply to the service designations included herein as follows:

1. Residential Service shall mean service to all individually metered residential customers, including, but not limited to, private residences, apartment units, condominiums, and mobile homes.
2. General Service shall mean service for all purposes including all commercial service and master-metered commercial service, industrial service, and any other service not classified as Residential Service.

B. The following are the monthly water rates for service to the Colonial Manor service area as designated at the time of acquisition by the FGUA (the "Colonial Manor Area"), as may be amended from time to time by the FGUA:

WATER SERVICE	Existing Rates	Rates Effective	
		October 1, 2011	October 20, 2011
All Services (Residential & General Service)			
Monthly Base Facility Charge			
5/8" x 3/4" Meter	\$ 15.40	\$ 15.87	\$ 18.17
3/4" Meter	23.10	23.81	27.26
1" Meter	38.50	39.68	45.43
1 1/2" Meter	77.00	79.35	90.86
2" Meter	123.20	126.96	145.38
3" Meter	246.40	253.92	290.75
4" Meter	385.00	396.75	454.30
6" Meter	770.00	793.50	908.60
Consumption Charge (per 1,000 gallons of metered water)			
Residential Class			
Per 1,000 Gallons			
0 - 10,000 Gallons	\$ 5.61	\$ 5.78	\$ 6.62
Above 10,000 Gallons	11.21	11.55	13.23
General Service			
Per 1,000 Gallons	\$ 5.81	\$ 5.99	\$ 6.86

C. Bills for utility service shall be rendered monthly.

D. The Monthly Base Facility Charge as shown shall represent the minimum bill. All utility accounts, including inactive Utility Accounts, shall be charged the Monthly Base Facility Charge.

APPENDIX A

Florida Governmental Utility Authority (FGUA)

Schedule of Water Charges for Dixie Groves

A. The following provisions shall apply to the service designations included herein as follows:

1. Residential Service shall mean service to all individually metered residential customers including, but not limited to, private residences, apartment units, condominiums, and mobile homes
2. General Service shall mean service for all purposes including all commercial service and master-metered commercial service, industrial service, and any other service not classified as Residential Service

B. The following are the monthly water rates for service to the Dixie Groves service area as designated at the time of acquisition by the FGUA (the "Dixie Groves Area"), as may be amended from time to time by the FGUA:

	Existing Rates	Rates Effective	
		October 1, 2011	October 20, 2011
WATER SERVICE			
All Services (Residential & General Service)			
Monthly Base Facility Charge..			
3/8" x 3/4" Meter	\$ 10.62	\$ 10.94	\$ 12.53
3/4" Meter	15.93	16.41	18.80
1" Meter	26.55	27.35	31.33
1 1/2" Meter	53.10	54.70	62.66
2" Meter	84.96	87.52	100.25
3" Meter	169.92	175.04	200.51
4" Meter	265.50	273.50	313.29
6" Meter	531.00	547.00	626.58
Consumption Charge (per 1,000 gallons of metered water)			
<i>Residential Class</i>			
Per 1,000 Gallons	\$ 3.51	\$ 3.62	\$ 4.14
<i>General Service</i>			
Per 1,000 Gallons	\$ 3.51	\$ 3.62	\$ 4.14

C. Bills for utility service shall be rendered monthly

D. The Monthly Base Facility Charge as shown shall represent the minimum bill. All utility accounts, including Inactive Utility Accounts, shall be charged the Monthly Base Facility Charge.

APPENDIX A

Florida Governmental Utility Authority (FGUA)

Schedule of Water Charges for Pasco

A. The following provisions shall apply to the service designations included herein as follows:

1. Residential Service shall mean service to all individually metered residential customers including, but not limited to, private residences, apartment units, condominiums, and mobile homes.
2. General Service shall mean service for all purposes including all commercial service and master-metered commercial service, industrial service, and any other service not classified as Residential Service.

B. The following are the monthly water rates for service to the Pasco service area as designated at the time of acquisition by the FGUA (the "Pasco Area"), as may be amended from time to time by the FGUA:

WATER SERVICE	Existing Rates	Rates Effective	
		October 1, 2011	October 20, 2011
All Services (Residential & General Service)			
Monthly Base Facility Charge:			
5/8" x 3/4" Meter	\$ 5.94	\$ 6.12	\$ 7.01
3/4" Meter	8.91	9.18	10.51
1" Meter	14.85	15.30	17.52
1 1/2" Meter	29.70	30.60	35.05
2" Meter	47.52	48.96	56.07
3" Meter	95.04	97.92	112.15
4" Meter	148.50	153.00	175.23
6" Meter	297.00	306.00	350.46
Consumption Charge (per 1,000 gallons of metered water)			
<i>Residential Class</i>			
Per 1,000 Gallons	\$ 2.17	\$ 2.24	\$ 2.56
<i>General Service</i>			
Per 1,000 Gallons	\$ 2.17	\$ 2.24	\$ 2.56

C. Bills for utility service shall be rendered monthly

D. The Monthly Base Facility Charge as shown shall represent the minimum bill. All utility accounts, including Inactive Utility Accounts, shall be charged the Monthly Base Facility Charge.

APPENDIX A

Florida Governmental Utility Authority (FGUA)

Schedule of Water Charges for Virginia City

A. The following provisions shall apply to the service designations included herein as follows:

1. Residential Service shall mean service to all individually metered residential customers including, but not limited to, private residences, apartment units, condominiums, and mobile homes.
2. General Service shall mean service for all purposes including all commercial service and master-metered commercial service, industrial service, and any other service not classified as Residential Service.

B. The following are the monthly water rates for service to the Virginia City service area as designated at the time of acquisition by the FGUA (the "Virginia City Area"), as may be amended from time to time by the FGUA:

	Existing Rates	Rates Effective	
		October 1, 2011	October 20, 2011
WATER SERVICE			
All Services (Residential & General Service)			
<u>Monthly Base Facility Charge:</u>			
5/8" x 3/4" Meter	\$ 7.98	\$ 8.22	\$ 9.42
3/4" Meter	11.97	12.33	14.12
1" Meter	19.95	20.55	23.54
1 1/2" Meter	35.90	41.10	47.08
2" Meter	63.84	65.76	75.33
<u>Consumption Charge (per 1,000 gallons of metered water):</u>			
<i>Residential Class</i>			
Per 1,000 Gallons	\$ 4.02	\$ 4.15	\$ 4.74
<i>General Service</i>			
Per 1,000 Gallons	\$ 4.02	\$ 4.15	\$ 4.74

C. Bills for utility service shall be rendered monthly

D. The Monthly Base Facility Charge as shown shall represent the minimum bill. All utility accounts, including Inactive Utility Accounts, shall be charged the Monthly Base Facility Charge.

APPENDIX A

Florida Governmental Utility Authority (FGUA)

Schedule of Water Charges for Holiday

A. The following provisions shall apply to the service designations included herein as follows:

1. Residential Service shall mean service to all individually metered residential customers including, but not limited to, private residences, apartment units, condominiums, and mobile homes
2. General Service shall mean service for all purposes including all commercial service and master-metered commercial service, industrial service, and any other service not classified as Residential Service.

B. The following are the monthly water rates for service to the Holiday service area as designated at the time of acquisition by the FGUA (the "Holiday Area"), as may be amended from time to time by the FGUA:

	Existing Rates	Rates Effective	
		October 1, 2011	October 20, 2011
WATER SERVICE			
All Services (Residential & General Service)			
Monthly Base Facility Charge:			
5/8" x 3/4" Meter	\$ 15.07	\$ 15.53	\$ 17.78
3/4" Meter	22.61	23.30	26.68
1" Meter	37.68	38.83	44.46
1 1/2" Meter	75.35	77.65	88.91
2" Meter	120.56	124.24	142.26
3" Meter	241.12	248.48	284.52
4" Meter	576.75	588.25	644.57
6" Meter	753.50	776.50	859.13
Consumption Charge (per 1,000 gallons of metered water)			
Residential Class			
Per 1,000 Gallons			
0 - 8,000 Gallons	\$ 7.58	\$ 7.81	\$ 8.94
8,001 - 15,000 Gallons	9.47	9.76	11.17
Above 15,000 Gallons	11.37	11.72	13.42
General Service			
Per 1,000 Gallons	\$ 8.15	\$ 8.40	\$ 9.62

C. Bills for utility service shall be rendered monthly

D. The Monthly Base Facility Charge as shown shall represent the minimum bill. All utility accounts, including Inactive Utility Accounts, shall be charged the Monthly Base Facility Charge.

FGUA APPROVED RATES

As of October 20, 2011

FGUA Approved Rates:

	Water Bills at 7,000 Gallons October, 2011	Wastewater Bills at 7,000 Gallons October, 2011	Water Bills at 7,000 Gallons October 1, 2012	Wastewater Bills at 7,000 Gallons October 1, 2012
Colonial Manor	\$ 64.51	N/A		
Holiday	\$ 80.36	N/A		
Lindrick	\$ 45.59	\$ 104.75	51.04	117.33

AUF PAA Approved Rates:

PAA Approved Rates	
Water Bills at 7,000 Gallons	Wastewater Bills at 7,000 Gallons
Jasmine Lakes	\$ 48.26 \$ 91.57
Palm Terrace	\$ 65.02 \$ 91.57
Zephyr Shores	\$ 65.02 \$ 91.57

Pasco County Rates \$ 25.27 \$47.83

DOCUMENT NUMBER-DATE

08135 NOV-3 =

FPSC-COMMISSION CLERK



PASCO COUNTY, FLORIDA

"Bringing Opportunities Home"

DADE CITY 352 523-2411
LAND O'LAKES 813 996-2411
WEST PASCO 727 847-8115
FAX 727 815-7010

COUNTY ADMINISTRATOR'S OFFICE
WEST PASCO GOVERNMENT CENTER
8731 CITIZENS DRIVE, SUITE 340
NEW PORT RICHEY, FL 34654
E-MAIL: pcadmin@pascocountyfl.net

June 21, 2011

Mr. George P. Kemeny
14160 Boulder Creek La.
Hudson, FL 34667

*22 Impact Report
32
2011*

Dear Mr. Kemeny:

This letter is in response to your letters dated May 25, 2011 (to Mr. Gallagher) and June 13, 2011 (to me). I apologize for the relay in responding.

Upon receipt of your May letter, I contacted Mr. Rihs, FGUA Community Service Representative for Pasco County. Please see his email response of June 2, which is attached.

In summary, FGUA charges an active utility account fee (a base fee) for its FGUA Lindrick Utility System, regardless of whether there is any consumption to the existing account holder or property owner. Since there is existing infrastructure for a primary meter, per the FGUA Lindrick Utility System Tariff (Rate Resolution 2010-02), the FGUA cannot waive your base charges. The meter must remain in the ground and base charges will continue to accrue until a new tenant occupies the residence and opens a new account or the home is sold. This "base fee" is intended to reserve water capacity for your home and pay your share of the infrastructure costs.

I have requested the FGUA staff to place this matter for discussion at the July 21, 2011 FGUA Board Meeting being held at the West Pasco Government Center, in the Board Room, at 1:00 p.m. I do not believe that we will change the policy, as it is consistent in the utility industry and a part of our bond covenants, but I thought it important for you to be able to hear an explanation in person.

Sincerely,

Michele L. Baker, Chief
Assistant County Administrator
FGUA Board Member
MLB/pp
Attachment

cc: Robert Sheets, Systems Manager
Steve Spratt, Assistant Systems Manager
Matthew Rihs, Customer Service Representative, Pasco County Systems

POST MAIL TO: MICHÈLE BAKER

U8135 NOV-3 =

FPSC-COMMISSION CLERK

Michele Baker

From: Matthew Rihs <MRihs@govmserv.com>
Sent: Thursday, June 02, 2011 11:01 AM
To: Michele Baker
Cc: Meredith Miller
Subject: RE: kemeny letter

Michele:

Thank you for advising us and forwarding Mr. Kemeny's letter disputing the FGUA's authorization to install a meter at a home that is "ready to serve" and charging inactive utility account fees.

Mr. Kemeny visited the FGUA office in April after the FGUA had reinstalled the meter in February, as a field audit had revealed that the house on his property did not have a meter installed. I had advised him that the FGUA Board of Directors had approved inactive utility account fees prior to the acquisition of the system in November 2009 and that the costs covers the cost of maintaining the service lines throughout the utility, including the ones that lead to his property. In the event that the property owner moved back into the property, the lines would be ready to serve the customer. I also had advised him that the previous utility owner, Lindrick Service Corporation, by authorizing the removal of its meter, was not following its own approved tariff. Mr. Kemeny requested the FGUA remove the meter, and I advised him that we are not authorized to do so. Mr. Kemeny requested a letter be sent with the language from the tariff permitting the FGUA to charge inactive utility account fees, and a letter was mailed to him the following day.

The FGUA heard from Mr. Kemeny's attorney on May 23, and I walked his attorney through where he could access the tariff and noted where the sections relevant to the charges were located. The attorney indicated to me from his perception that he did not see how his client could have the meter removed and have the base fees being charged waived.

Last Friday, Commissioner Mariano contacted me, advising me that Mr. Kemeny contacted his office in reference to this concern and I had advised him and his staff about our efforts to address his concerns. Per Commissioner Mariano's request, I spoke to County Attorney Joseph Richards to determine the differences between the County's policies and the FGUA's policies. According to County Policy, as you may be aware, the County charges \$45.00 to temporarily disconnect service as a "vacation rate" and does not charge base utility fee charges until the customer returns and reestablishes service. The FGUA Lindrick Utility System Tariff approved by the FGUA Board in November 2009 (Rate Resolution 2010-02) does not authorize vacation rates. Mr. Richards and I advised Commissioner Mariano of our discussion last Friday afternoon.

The FGUA Board of Directors approved the existing tariff (rules and regulations), which includes the "inactive utility account fee," prior to the FGUA acquiring the system in November 2009. The FGUA advised potential future customers of the proposed acquisition, tariff and rates by contacting local community and civic associations, through written letter and local print media and also advertised and held public hearings on the proposed acquisition, tariff and rates.

Specifically, the following information authorizes the FGUA to charge the inactive utility account fees for any meter at the property:

- Terms and Conditions, Section 2:

"Inactive Utility Account" shall mean an account which is no longer incurring water or wastewater usage charges. These accounts will continue to be charged base charges".

*Did
not
send
Mr. Kennedy
this page /pp*

To: "Michele Baker" <mbaker@pascocountyfl.net>

Here is the letter you asked Sue to scan for you.
Pauline

Pauline Palmer, Executive Sec., Administration
7530 Little Rd.,
New Port Richey, FL 34654
727-847-8115
ppalmer@pascocountyfl.net<<mailto:ppalmer@pascocountyfl.net>>
727-815-7010 Fax
<<mailto:ppalmer@pascocountyfl.net>>

From: Sue Drumm
Sent: Wednesday, June 01, 2011 2:00 PM
To: Pauline Palmer
Subject: Scan

Sue Drumm
Project Coordinator II (BCC)
Pasco County Administration
7530 Little Road, Suite 340
New Port Richey, FL 34654
Phone 727-847-2411, Ext. 8497
sdrumm@pascocountyfl.net<<mailto:sdrumm@pascocountyfl.net>>
Fax 727-815-7010



"Bringing Opportunities Home"

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Gregory P. Kemeny
14160 Boulder Creek Lane
Hudson, FL 34667
email: casswell@msn.com

May 25, 2011

Administrator John J. Gallagher
7530 Little Road, Suite 340
New Port Richey, FL 34654

Certified Mail
7008 1300 0001 9900 1531

Dear Mr. Gallagher:

The purpose of this letter is to bring this deceptive business practice to your attention.

On December 30, 2008 I asked the Lindrick water company to remove the water meter and discontinue the water service at my house.

They did remove it and they said that after the house has been sold, the new owner have to pay for reconnect charge - or I have to pay that reconnect charge if I wanted the water in the house for inspection before closing. I said that's OK.

That house - located in 4741 Casswell Dr., New Port Richey, FL 34652 - is empty more than 5 years, that house is on the market more than 5 years and there is no water and no electricity for years.

And now, more than 28 months later, in April 2011 the FGUA water service co. - without asking me first and/or without my knowledge - one day just did put back the water meter on the house and started to charge me for water "basic and sewer" charge. Again, there is no water usage and of course, no sewer usage either at all, and I don't think they have the right to put back the water meter in the house without my knowledge or telling me first.

I went to their office, and spoke with their customer service representative and he said, according to FGUA policy I have to pay their bill or lien will be filed on the house. He said, that charges were imposed, not just on me, but on any inactive meter that FGUA controls.

I respectfully, but firmly disagree.

Seems to me that, ridiculously enough, the FGUA have designed own statutes to favor themselves against homeowners. The entire management of FGUA should be ashamed of themselves for trying to put this fraudulent charges upon the unsuspecting customers.

Gregory P. Kemeny letter (May 25, 2011) to Administrator Gallagher, page 1 of 2

RECEIVED

MAY 26 2011

JUNTY ADMIN. OFFIC

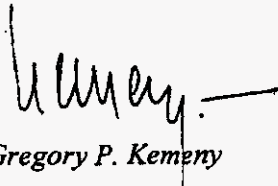
Page 2

I am uncommonly disgusted with that money hungry, unfair and deceptive business practice. I've already contacted to my attorney's office to help me to get trough. Before we file a complaint and bring this thing to the court, I'd like to have your written response in my hand.

I'm asking you to research this matter. If there is any additional information which you need, please do not hesitate to email or write a letter to me.

Your anticipated cooperation regarding this matter is appreciated. I really hope that, with your help, this issue will be solved soon.

Respectfully yours,



Gregory P. Kemeny

CC:

Michele Baker

From: Matthew Rihs <MRihs@govmserv.com>
Sent: Wednesday, June 08, 2011 7:33 PM
To: Michele Baker
Cc: Meredith Miller
Subject: RE: kemeny letter
Attachments: Kemeny Response E-mail to M. Baker 6-2-11.pdf

Good evening, Michele:

I believe you should have received my response to Mr. Kemeny's concern on June 2. However, if you did not receive it, I have attached a PDF copy of my previous response to this e-mail.

In review, the FGUA charges an inactive utility account fee (a base fee) for its FGUA Lindrick Utility System, regardless of whether there is any consumption to the existing account holder or property owner. Since there is existing infrastructure for a primary meter (i.e. ~~at~~ the home), per the FGUA Lindrick Utility System Tariff (Rate Resolution 2010-02), the FGUA cannot waive ~~Mr. Kemeny's~~ base charges, the meter must remain in the ground and base charges will continue to accrue until a new tenant occupies the residence and opens a new account or the home is sold. ~~Mr. Kemeny~~ was not satisfied with this outcome and it is likely the reason he may have contacted your office.

Also, last week, the FGUA was contacted by Sherman Applegate, Public Works Director for the City of New Port Richey on this concern, as Mr. Kemeny sent a letter to the City regarding his concerns regarding the FGUA's policy on the inactive utility account fee. I responded to Mr. Applegate and advised him of my previous discussions with Mr. Kemeny that the inactive utility account fee cannot be waived per the FGUA Tariff policy, that the meter must remain in the ground, and our actions to address inquiries following Mr. Kemeny notifying you and Commissioner Mariano's office.

If there are any additional actions you would like for us to take on this concern, or if you have any additional questions, please let me know.

Thank you,

Matthew Rihs
mrihs@govmserv.com
Community Service Representative
Florida Governmental Utility Authority
Government Services Group, Inc.
(727) 372-0115 office
(727) 247-3864 cell
(727) 372-2677 fax
www.govserv.com

From: Michele Baker [mailto:mbaker@pascocountyfl.net]
Sent: Wednesday, June 08, 2011 6:46 PM
To: Matthew Rihs
Subject: FW: kemeny letter

Matt – what is the status of your review of this issue? Thanks, Michele

Michele L. Baker, Chief
Assistant County Administrator
727-847-8115
"Respect, Integrity, Innovation, Service Excellence, & Quality"

From: Michele Baker
Sent: Wednesday, June 01, 2011 3:40 PM
To: mrihs@govmserv.com
Subject: Fwd: kemeny letter

Please review and advise.

Michele (from my HTC smartphone on the Now Network from Sprint!)

----- Forwarded message -----
From: "Pauline Palmer" <ppalmer@pascocountyfl.net>
Date: Wed, Jun 1, 2011 2:31 pm
Subject: Scan
To: "Michele Baker" <mbaker@pascocountyfl.net>

Here is the letter you asked Sue to scan for you.
Pauline

Pauline Palmer, Executive Sec., Administration
7530 Little Rd.,
New Port Richey, FL 34654
727-847-8115
ppalmer@pascocountyfl.net
727-815-7010 Fax

From: Sue Drumm
Sent: Wednesday, June 01, 2011 2:00 PM
To: Pauline Palmer
Subject: Scan

Sue Drumm
Project Coordinator II (BCC)
Pasco County Administration
7530 Little Road, Suite 340
New Port Richey, FL 34654
Phone 727-847-2411, Ext. 8497
sdrumm@pascocountyfl.net
Fax 727-815-7010



"Bringing Opportunities Home"

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CUSA18A7

Gregory P. Kemeny
14160 Boulder Creek Lane
Hudson, FL 34667
email: casswell@verizon.com

June 13, 2011

Michele Baker
FGUA, Pasco County Chair
Pasco County Chief Assistant County Administrator
7530 Little Road, Suite 340
New Port Richey, FL 34654

Certified Mail
7010 0780 0001 0764 5130

Dear Ms. Baker:

The purpose of this letter is to bring this deceptive business practice to your attention.

On December 30, 2008 I asked the Lindrick water company to remove the water meter and discontinue the water service at my house.

They did remove it and they said that after the house has been sold, the new owner have to pay for reconnect charge - or I have to pay that reconnect charge if I wanted the water in the house for inspection before closing. I said that's OK.

That house - located in 4741 Casswell Dr., New Port Richey, FL 34652, FGUA acc.#: 300003532 - is empty more than 5 years, that house is on the market more than 5 years and there is no water and no electricity for years.

And now, more than 28 months later, in April 2011 the FGUA water service co. - without asking me first and/or without my knowledge - one day just did put back the water meter on the house and started to charge me for water "basic and sewer" charge. Again, there is no water usage and of course, no sewer usage either at all, and I don't think they have the right to put back the water meter in the house without my knowledge or telling me first.

I went to their office, and spoke with their customer service representative and he said, according to FGUA policy I have to pay their bill or lien will be filed on the house. He said, that charges were imposed, not just on me, but on any inactive meter that FGUA controls.

I respectfully, but firmly disagree.

Seems to me that, ridiculously enough, the FGUA have designed own statutes to favor themselves against homeowners. The entire management of FGUA should be ashamed of themselves for trying to put this fraudulent charges upon the unsuspecting customers.

RECEIVED

JUN 14 2011

Gregory P. Kemeny letter (June 13, 2011) to Ms. Baker, page 1 of 2

JUNTYADMIN. OFFIC

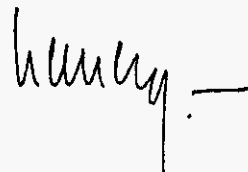
Page 2

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I'm asking you to research this matter. If there is any additional information which you need, please do not hesitate to email or write a letter to me.

Your anticipated cooperation regarding this matter is appreciated. I really hope that, with your help, this issue will be solved soon.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Gregory P. Kemeny". The signature is written in a cursive style with a horizontal line at the end.

Gregory P. Kemeny

CC:

7-1
NO RECORD
AND RECORD

To Mr. Schrader
Please Review & Advise
2/11/11

Gregory P. Kemeny
14160 Boulder Creek Lane
Hudson, FL 34667
email: casswell@verizon.com

RECEIVED

July 5, 2011

JUL 08 2011

BOCC - DADE CITY

Chairman Ted Schrader
Pasco Board of County Commissioners
7530 Little Road
New Port Richey, FL 34654

Certified Mail
7010 0780 0001 0764 5369

Dear Mr. Schrader:

The purpose of this letter is to bring this deceptive business practice to your attention.

On December 30, 2008 I asked the Lindrick water company to remove the water meter and discontinue the water service at my house.

They did remove it and they said that after the house has been sold, the new owner have to pay for reconnect charge - or I have to pay that reconnect charge if I wanted the water in the house for inspection before closing. I said that's OK.

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RICK SCOTT
GOVERNOR

STATE OF FLORIDA
Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

www.flgov.com
850-488-7146
850-487-0801 fax

June 27, 2011

Mr. Gregory P. Kemeny
14160 Boulder Creek Lane
Hudson, Florida 34667

COPY

Dear Mr. Kemeny:

Thank you for contacting Governor Rick Scott. The Governor appreciates your concerns about your water meter and rates charged by the Florida Government Utility Authority. Governor Scott asked me to respond on his behalf.

Although we appreciate your concerns, utilities owned by governmental entities are not regulated by the Governor's Office or the Florida Public Service Commission. These utilities are specifically exempted by Florida Statutes. For assistance, you may wish to contact the Florida Government Utility Authority. Contact information for the Utility Authority is provided below:

Florida Government Utility Authority
280 Wekiva Springs Road
Longwood, Florida 32779
Toll-Free: 1-877-552-3482

Our government is structured on the notion that local communities can best assess the needs of their residents. Voters elect their county officials to manage local government business. For further assistance you may wish to contact the Pasco Board of County Commissioners regarding the rates or services of the Florida Government Utility Authority. Contact information for the Board of County Commissioners is provided below:

Chairman Ted Schrader
Pasco Board of County Commissioners
7530 Little Road
New Port Richey, Florida 34654-5598
Telephone: 352-521-4256

Thank you again for taking the time to contact Governor Scott's Office.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Britt".

Jennifer Britt
Office of Citizen Services

JB/cas



PASCO COUNTY, FLORIDA

"Bringing Opportunities Home"

DADE CITY 352 523-2411
LAND O'LAKES 813 996-2411
WEST PASCO 727 847-8115
FAX 727 815-7010

COUNTY ADMINISTRATOR'S OFFICE
WEST PASCO GOVERNMENT CENTER
8731 CITIZENS DRIVE, SUITE 340
NEW PORT RICHEY, FL 34654
E-MAIL: pcadmin@pscocountyfl.net

June 21, 2011

Mr. George P. Kemeny
14160 Boulder Creek La.
Hudson, FL 34667

COPY

Dear Mr. Kemeny:


This letter is in response to your letters dated May 25, 2011 (to Mr. Gallagher) and June 13, 2011 (to me). I apologize for the relay in responding.

Upon receipt of your May letter, I contacted Mr. Rihs, FGUA Community Service Representative for Pasco County. Please see his email response of June 2, which is attached.

In summary, FGUA charges an active utility account fee (a base fee) for its FGUA Lindrick Utility System, regardless of whether there is any consumption to the existing account holder or property owner. Since there is existing infrastructure for a primary meter, per the FGUA Lindrick Utility System Tariff (Rate Resolution 2010-02), the FGUA cannot waive your base charges. The meter must remain in the ground and base charges will continue to accrue until a new tenant occupies the residence and opens a new account or the home is sold. This "base fee" is intended to reserve water capacity for your home and pay your share of the infrastructure costs.

I have requested the FGUA staff to place this matter for discussion at the July 21, 2011 FGUA Board Meeting being held at the West Pasco Government Center, in the Board Room, at 1:00 p.m. I do not believe that we will change the policy, as it is consistent in the utility industry and a part of our bond covenants, but I thought it important for you to be able to hear an explanation in person.

Sincerely,


Michele L. Baker, Chief
Assistant County Administrator
FGUA Board Member
MLB/pp
Attachment

cc: Robert Sheets, Systems Manager
Steve Spratt, Assistant Systems Manager
Matthew Rihs, Customer Service Representative, Pasco County Systems

"Pasco County—Florida's premier county for balanced economic growth, environmental sustainability, and first-class services."

WALLER & MITCHELL

ATTORNEYS AT LAW

5332 MAIN STREET • NEW PORT RICHEY, FLORIDA 34652 • TELEPHONE (727) 847-2288 • FAX (727) 848-4183 • (800) 304-2288

info@rdwaller.com

ROLAND D. WALLER
Board Certified Real Estate Lawyer
roland.waller@rdwaller.com

JOHN D. PIERCE
john.pierce@rdwaller.com

THOMAS W. MITCHELL, JR.
tom.mitchell@rdwaller.com

May 26, 2011

VIA E-MAIL: sspratt@govmsrv.com

Florida Government Utility Authority
Attention: Steve Spratt

Re: 4775 Polaris Court
New Port Richey, FL

Dear Mr. Spratt:

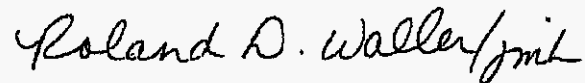
I appreciate your discussing with me the collection policies of Florida Government Utility Authority. Mr. Pelham has provided to me your policies concerning past due bills. I expressed my opinion as to the practices of FGUA in collecting money from new owners of property for past due water bills. The Public Service Commission does not allow private utilities to deny water service to new owners for past due water bills nor does Pasco County. Notwithstanding the Public Service Commission rules which you are not governed by and Pasco County's policies, your policies do allow you to collect for outstanding balances on water bills before new service is initiated.

You have advised that you have the ability to lien property for unpaid water bills. You have advised my client, the new owner of the above referenced property, that he must pay approximately \$2,500 to pay the back due water bills. I find this particularly inequitable because you have the ability to terminate water service and you may lien the property so that parties are on notice of your outstanding bills. My client acquired the property at a foreclosure sale so he was not in a position to obtain an estoppel letter or check on the unpaid water bills.

Florida Government Utility Authority
Attention: Steve Spratt
May 26, 2011
Page 2

I ask that you investigate the water bill and reduce it to an amount of three monthly billing amounts. I also ask that you implement a policy so that the amount of the unpaid water bills is kept to an amount of \$100 so that a new purchaser of property will not be obligated to pay such a large amount for someone else's water bill.

Sincerely yours,



Roland D. Waller

RDW/jmh

cc: Michael David Philip (via e-mail)
John C. Pelham (via e-mail)
Michele Baker (via e-mail)

Michele Baker

From: John C. Pelham <john@penningtonlaw.com>
Sent: Wednesday, May 11, 2011 1:55 PM
To: Michele Baker
Cc: Steve Spratt
Subject: Contact from Roland Waller regarding property at 4775 Polaris Court in the Lindrick Utility System

Hey Michele. Sorry you have been brought into this discussion. I have traded email with Chip Waller for some time regarding the referenced property. The basic issue is whether the FGUA policy of requiring a new owner of property to pay any outstanding balances for utility services is appropriate. We have taken the position that under Florida law, a lien exists in favor of the utility for services rendered whether or not an actual notice of lien has been filed. This position is clearly authorized for water and sewer districts created under Chapter 153 and we think it should be equally applicable to an interlocal entity such as the FGUA. This interpretation is also consistent with the FGUA's responsibility under bond covenants to ensure that there is "no free service". Obviously, if a notice of lien has been recorded, the encumbrance runs with the land and should be paid when the property changes hands.

In the case of the property at 4775 Polaris Court, Chip initially contacted me because his client wanted to check out the plumbing prior to acquiring the property. Service had been disconnected so he was looking for a temporary connection and had been denied due to the outstanding balance. I checked with operations staff and they agreed to provide temporary service for the system evaluation. Presumably, Chip's client subsequently purchased the property and is now seeking to open a new account. Lindrick Service Corporation had recorded a lien against the property for \$663.09 in April 2009. It has been our position that liens such as this one were assets of Lindrick acquired by the FGUA at the time of acquisition of the utility. I have asked Chip to provide me with any documentation he or his client may have that would show that the Lindrick lien has been foreclosed or otherwise extinguished. To date, I have not received any documentation of this nature. Absent some evidence that the FGUA lien is no longer valid, it is my recommendation that the FGUA should stand firm in its position that the past balances must be paid before a new account is opened.

As you recall, the Board delegated authority to the System Manager to settle certain lien disputes. It is my intent to work with Steve and to continue to try to resolve this issue with Mr. Waller. Obviously, it is important to the FGUA to be able to enforce its available remedies to require payment. At the same time, we certainly realize the need to be reasonable and responsive to customers and potential customers.

I hope this helps get you current on this matter. If you would like to discuss further, please give me a call. Thanks.

John

John C. Pelham
Pennington Law Firm
215 South Monroe Street
Second Floor
Tallahassee FL 32301
850-222-3533
850-222-2126 - facsimile
john@penningtonlaw.com

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Aqua Utilities Florida, Inc. T: 352.674.2860
P.O. Box 2480 F: 352.674.2862
Lady Lake, FL 32158-2480 www.aquautilitiesflorida.com

September 8, 2010

Ms. Marge Schoegel
President
Summit Chase Homeowners Association
12533 Orangewood Ct.
Tavares, Florida 32778

Certified Mail & Hand Delivered

Re: Delinquent Water Bill

Dear Ms.

Over the last 9 months we have been meeting to discuss the Associations delinquent water bill for irrigation usage at Summit Chase. In December a new meter was installed replacing a broken meter which was not registering any water usage.

Since the new meter was installed the bill Aqua was sending to the Association was questioned therefore the Association was not making any payments. I have met with you and the Association along with Mr. Stacey Barnes (Customer Service Manager) to discuss the billing methodology we used to derive you bill.

During these meeting the Association board brought up several concerns for credits due to water main breaks and three customers we were not billing and the Association was being charged for their consumption. This has been corrected and the Association has been credited for main breaks (399,300 gallons) and the 3 customer credits (63,504 gallons).

The current outstanding bill is \$44,465.44, which Aqua is willing to allow the Association to pay back over a 15 month period (see attached payment plan) at \$2,964.36/month. Agreeing to the payment plan the Association must continue to pay the current bill.

I have attached the payment plan with a signature line, please execute the agreement. If I have not received an executed agreement by September 15th we will begin termination of the irrigation system.

As you are aware whoever installed the irrigation system did not install valves to isolate the system. In order for Aqua to terminate service our contractor will install these valves. In accordance with our tariff the Florida Public Service Commission will allow us to charge the Association the cost to install these

DOCUMENT NUMBER-DATE

08135 NOV-3 =

FPSC-COMMISSION CLERK

Should the Association choose not to make payment on this pay due bill, Aqua will be force to initiate a collection agency to intervene and collect this past due amount.

If you have any questions feel free to contact Stacey Barnes at 352-674-2834.

Sincerely,
AQUA UTILITIES FLORIDA, INC.

John M. Lihvarcik
President & Chief Operating Officer