



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: February 21, 2000
TO: Division of Records and Reporting
FROM: Division of Water and Wastewater (Lingo) *H*
RE: Docket No. 970409-SU, Initiation of limited proceeding to restructure wastewater rates for Florida Water Service Corporation's Tropical Isles service area in St. Lucie County

Please file the attached document in the above-referenced docket file. Thank you.

\FJL

Attch: 5/01/98 letter from Simpson to WAW/Lingo re: TIPAC's thanks to all

cc: Division of Legal Services (Gervasi, Fudge)

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FPSC-RECORDS/REPORTING

ROBERT J. SIMPSON
345 Seahorse Terrace,
Fort Pierce, FL 34982

May 1, 1998

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MAY 07 1998

Florida Public Service Commission
Division of Water and Wastewater

To: Those fine folks who helped on the Tropical Isles Sewerage Problem.

1. Effusive thanks to all listed below for your great help in fighting Florida Water Services' (FWS) excessive wastewater rate levied upon Tropical Isles (TI). Because it is too costly for me to send individual notes -- which are richly deserved -- the Park Owners, duplicated these for me.

2. The major goal in "Sewerage" was to have reasonable TI wastewater rates -- nearer \$13.50 charged in 1996 than the \$44.00 sought by FWS. After over two years of battles, FWS decided it could make no significant rate reduction and, largely because of complaints from TI residents, TI Homeowners Association (TIHA), Office of Public Counsel (OPC), Federation of Mobile Home Owners (FMO) and, later, Public Service Commission (PSC) staff, FWS offered to sell the plant back to any TI "entity" for \$40,000 which represented the improvements FWS made since 1988.

3. Events.

a. TI residents had the first opportunity to buy the plant on a not-for-profit, PSC-exempt basis, but this was not accomplished, because attorneys said F.S. 367.022 (7) required 100 per cent of TI households to approve it. (See Section 4.)

b. Next, no group of TI residents wanted to buy the plant (1) and operate it on a profit basis or (2) as a non-profit corporation subject to PSC control.

c. Thus, the final "entity", apparently available to bring control of the plant closer to home was to have a Park Owner (PO) purchase, who stated consistently that he preferred

1) residents' exempt, non-profit ownership which, probably, would save each residence (regardless of number of residents) \$12.00 to \$20.00 per month under FWS' 1997 rates.

2) OPC, TI Public Affairs Committee (PAC), PO, PSC, Rep. Pruitt and independent advisers recommended the residents' purchase option.

d. The PO is currently in process of purchasing the Plant.

4. To Do

a. PAC should work with FMO, Rep. Pruitt and Sen. Cowin to change F.S. 367.022 (7) which states, "Nonprofit corporations, associations or cooperatives providing service solely to members who own and control such nonprofit corporations, associations or cooperatives..."

A simple majority should be enough provided all households are given equal service plus the opportunity to join the not-for-profit corporation. One cannot get 100% of an adult community to agree on anything other than adjourning a monthly meeting!

Try to educate the dozen or so who voted against this that they won't personally have to manage or clean the plant under any ownership. None of the nay votes ever contacted a PAC member to get facts before the vote!

b. PAC must work closely with the Park Owner during the purchase process to get the most favorable residential rates approved by PSC. One factor might be what value is set for depreciation: actual purchase of \$40,000 plus costs or a current appraisal of around \$250,000.

Costs of operating this plant should be under \$25.00 per month per household if exempt.

Good luck and, again, thanks.


