

March 2026

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

RE: Formal Complaint and Protest — Docket No. 20250088-WU

Sun Communities Finance, LLC d/b/a Water Oak Utility
Proposed Water Rate Increase — Lake County, Florida

Dear Members of the Florida Public Service Commission:

We, the homeowners and residents of Water Oak Estates, a 55+ retirement community in Lake County, Florida, respectfully but firmly submit this formal complaint and protest against the proposed 175.17% water rate increase filed by Sun Communities Finance, LLC, doing business as Water Oak Utility, in Docket No. 20250088-WU.

We are senior citizens. Most of us live on fixed incomes — Social Security, pensions, and modest savings. A 175.17% rate increase is not a small adjustment. It is a financial crisis for our community. A water bill that costs \$100 today would cost \$275 under the proposed rates. We cannot absorb that increase. We should not have to.

We have discovered serious problems with the information Water Oak submitted to this Commission. The customer count is wrong. The "general service" customer class has never been properly identified — and a Sun Communities Division Vice President has now confirmed in writing that those accounts are the park's own internal irrigation systems. Meters have been broken for months and ignored. Construction lot irrigation has run unmonitored for weeks at a time. And the company asking for this rate increase is the same company that already collects infrastructure money from us through our monthly lot rent — which Florida Statute 723 governs and protects.

Most importantly: Water Oak Utility is not an independent water company. Its full legal name is Sun Communities Finance, LLC. Sun Communities is our landlord. Our landlord and our water company are the same corporation. That is a conflict of interest that demands the Commission's full attention and scrutiny before a single dollar of rate increase is approved.

We ask the Commission to do its job. We ask it to protect us — the captive ratepayers who have no other water option and no other place to turn — from a rate increase that is not justified, not honest, and not fair.

This document sets forth our full challenge, issue by issue, along with the new evidence we have discovered and our formal demands.

Respectfully and firmly submitted,

The Homeowners and Residents of Water Oak Estates

Water Oak Estates — A 55+ Community, Lake County, Florida

Docket No. 20250088-WU

Issues 1 Through 4

ISSUE 1 — Who Is Water Oak Utility?

OUR SUMMARY

Water Oak Utility is a private water company in Lake County, Florida. Its true legal name is Sun Communities Finance, LLC. That means our landlord and our water company are the exact same corporation. Sun Communities collects our lot rent every month AND is asking for a 175% water rate increase. They profit on both sides — and we pay on both sides.

OUR CHALLENGE

The Commission cannot ignore this conflict of interest. When the same corporation is both the landlord and the utility, every number it submits must be treated with extreme caution. We formally demand a full investigation into every financial relationship between Sun Communities the landlord and Water Oak the utility, and we demand that every dollar of cost that belongs to the landlord's business be removed from our water rates before any increase is considered.

ISSUE 2 — What Time Period Are the Rates Based On?

OUR SUMMARY

Water Oak based this entire rate case on a "test year" that ended on September 30, 2024. A test year is like a snapshot — it shows what the utility's money looked like during a 12-month period. But a lot has changed since September 2024. There are more customers now. The irrigation waste happened. Meters broke and were not fixed. None of that is reflected in the test year.

OUR CHALLENGE

Basing a 175.17% rate increase on old, outdated data that we now know is inaccurate is fundamentally wrong. The customer count used in the test year is wrong by at least 72 accounts. The consumption data includes unmonitored irrigation waste. The meter data is unreliable because broken meters were never repaired. We demand the Commission require Water Oak to update its test year data with current, verified, accurate figures before any rate calculation is accepted.

ISSUE 3 — How Much Is Water Oak's Property Worth? (Rate Base: \$1,635,857)

OUR SUMMARY

The "rate base" is the total value of everything Water Oak owns and uses to provide water — pipes, pumps, tanks, meters, and buildings. Staff set this at \$1,635,857. This number is very important because the more their stuff is worth, the more profit they are allowed to earn from our bills. A higher rate base means a higher bill for us.

OUR CHALLENGE

We demand a full, independent audit of every single asset included in Water Oak's rate base. Utilities sometimes include things they should not — equipment that does not actually work, assets that were bought at inflated prices, or items that Sun Communities the landlord should be paying for rather than Water Oak the utility. Every dollar in the rate base is a dollar our community pays. We deserve to know that every dollar belongs there.

ISSUE 4 — What Equipment Does Water Oak Own?

OUR SUMMARY

Staff reviewed all of Water Oak's physical assets and decided which ones are properly included in the rate base. Some items were added and some were removed. The final list of approved assets directly determines how large the rate base is — and therefore how large our bills will be.

OUR CHALLENGE

We formally challenge any asset that belongs to Sun Communities the landlord rather than Water Oak the water utility. We challenge any equipment that is broken, unused, or imprudently purchased. We challenge any infrastructure that is already being funded through our monthly lot rent. Specifically, we demand to know whether any of the irrigation infrastructure — the same systems that ran unmonitored on vacant construction lots — is included in the rate base and being paid for by residents.

Issues 5 Through 7

ISSUE 5 — What Are Water Oak's Operating Expenses? (\$180,882 Per Year)

OUR SUMMARY

These are the day-to-day costs of running the water system — electricity to run the pumps, chemicals to treat the water, staff to maintain the equipment, and more. Staff approved \$180,882 per year in operating expenses. Every dollar of this approved amount gets added into our water rates.

OUR CHALLENGE

We demand a line-by-line accounting of every expense Water Oak submitted. We want to know whether any management fees paid to Sun Communities the parent company are included. We want to know whether any legal fees from this very rate case are in there — because customers should never pay for a utility's cost of asking for a rate increase. We want to know whether costs from the unmonitored irrigation systems — including power costs to run them for hours every day on vacant lots — were counted as part of these operating expenses. If they were, they must be removed.

ISSUE 6 — How Much Can Water Oak Deduct for Aging Equipment? (\$112,819 Per Year)

OUR SUMMARY

"Depreciation" is the amount of value that equipment loses as it gets older. Water Oak is allowed to include \$112,819 per year in depreciation in our rates. That is money we pay today so that someday, when the equipment wears out, Water Oak has the funds to replace it. The idea is fair in theory — but only if the utility is actually maintaining and eventually replacing the equipment.

OUR CHALLENGE

We challenge this depreciation allowance on the grounds that Water Oak has demonstrated it does not maintain its equipment properly. Residents have reported broken meters and transmitters for months. Water Oak has done nothing. If a utility cannot maintain its existing equipment, it should not be collecting depreciation funds for future equipment. Furthermore, we demand proof that depreciation funds collected in previous years were actually used to maintain and improve the water system — and not transferred to Sun Communities.

ISSUE 7 — How Much Profit Is Water Oak Allowed to Make? (8.51%, or \$139,162/Year)

OUR SUMMARY

Water Oak is allowed to earn an 8.51% profit on its \$1,635,857 rate base. That works out to \$139,162 per year in guaranteed profit — paid entirely by the homeowners of Water Oak Estates. This profit goes to Sun Communities, the corporation that also collects our lot rent.

OUR CHALLENGE

We formally challenge this profit guarantee. Sun Communities is already profiting from this community through lot rent. Guaranteeing an additional \$139,162 per year in utility profit — on top of lot rent — while asking senior citizens on fixed incomes to absorb a 175% rate increase is not just unreasonable. It is wrong. We demand the Commission examine every financial benefit Sun Communities receives from this community before approving any level of profit return on the water utility.

Issues 8 and 9

ISSUE 8 — Did Water Oak Qualify for a Special Rate Calculation?

OUR SUMMARY

There is a simpler, more customer-friendly way to calculate water rates called the "operating ratio methodology." To use it, the utility's assets cannot be worth more than 1.25 times its yearly costs. Water Oak's assets are worth more than nine times its costs — more than seven times over the limit. So Water Oak failed this test and had to use the standard rate-of-return method instead.

OUR CHALLENGE

Failing this test by such a large margin is a red flag. It means Water Oak has a very large asset base compared to its actual operating costs. That large asset base drives a large rate base, which drives a large profit guarantee, which drives our rate increase. The Commission must ask: Why does a small utility serving one retirement community need \$1.6 million in assets? Who approved those purchases? Were any of them unnecessary, overpriced, or done to benefit Sun Communities rather than our community's water service?

ISSUE 9 — How Much Money Can Water Oak Collect From Us Each Year? (\$462,434)

OUR SUMMARY

This is the heart of the rate case. Staff determined that Water Oak needs \$462,434 per year in total revenue. Right now, Water Oak collects only \$168,055 per year. The difference — \$294,379 — is what they want to add to our bills. That is a 175.17% increase. If your current bill is \$100, it would become \$275 under the proposed rates.

OUR CHALLENGE

This 175.17% increase is built on a foundation that is cracked from top to bottom. The customer count is wrong by 72 accounts. The consumption data includes months of wasted irrigation water on vacant lots. The meter data is unreliable because broken equipment was never fixed. And the general service accounts — whose water use helped inflate these cost figures — are actually Sun Communities' own irrigation systems, as confirmed in writing by a corporate Vice President. Every one of these flaws reduces the true revenue gap. The 175.17% figure is not honest, and it is not fair. We demand it be recalculated from scratch.

Issues 10 and 11

ISSUE 10 — How Is the Bill Broken Up? (Rate Structure and Tiers)

OUR SUMMARY

Every home would pay two parts on their water bill. The first part is a flat monthly Base Facility Charge — you pay it just for being connected, no matter how much water you use. The second part is a gallonage charge based on how many gallons you use, broken into three tiers. The first 3,000 gallons is the cheapest. After 3,000 gallons, you pay 1.5 times more per gallon. After an even higher amount, you pay 1.75 times more per gallon. Staff's own data shows that 46% of all homes in this community already use more than 3,000 gallons per month. That means almost half of all residents will pay penalty rates every single month.

OUR CHALLENGE

Nearly half of all homeowners being charged penalty rates every month is not a conservation tool — it is a punishment system for ordinary households who have no other water option. Senior citizens may need more water for health and hygiene reasons. We cannot shop around for a different utility. We are captive customers. Furthermore, staff predicts that because of these high rates, customers will cut their water use nearly in half — from 4,540 gallons to 2,244 gallons per month. If true, that proves the rates are too high. You cannot force people to cut essential water use in half and call those rates just and reasonable. We demand the Commission redesign the rate structure so it does not punish ordinary residential use in a senior community.

ISSUE 11 — Will Rates Go Down After Four Years?

OUR SUMMARY

Part of our new water bill would include money to pay for the cost of this very rate case — the lawyers, the filings, and the staff time. That extra charge is spread over four years. Florida law — Section 367.081(8), Florida Statutes — says that after those four years are up, our rates **MUST** automatically drop by \$2,888 per year to remove that charge. Water Oak must file new tariff sheets and notify customers at least one month before the reduction takes effect.

OUR CHALLENGE

We fully support this mandatory rate reduction, but we do not trust Water Oak or Sun Communities to implement it without being watched very closely. This reduction is required by law — it is not optional and it is not negotiable. We demand the Commission require Water Oak to submit its reduced tariffs 60 days early — not 30 — so there is time to review and catch any tricks. We demand that any attempt to hide this reduction inside another rate filing be treated as a tariff violation. Our community paid for this rate case through four years of higher bills. The law guarantees us a refund. We expect it to be delivered, on time, in full.

Issues 12 and 13

ISSUE 12 — Can Rates Go Up While We Are Still Fighting? (Temporary Rates)

OUR SUMMARY

Yes — but only under strict conditions. If anyone other than Water Oak formally protests the new rates, the rates can still go into effect right away on a "temporary" basis. But before that happens, Water Oak must put up a financial guarantee of \$201,015 — through a bond, a letter of credit, or an escrow account — to protect customers. If the Commission later decides the rate increase was wrong, Water Oak must refund every dollar it collected, plus interest. Water Oak must file a report by the 20th of every month showing exactly how much money is sitting in the refund pot. All costs of running the refund system are Water Oak's responsibility — not ours.

OUR CHALLENGE

Temporary rates are a direct, immediate threat to senior citizens on fixed incomes. Once a 175% increase hits — even temporarily — many of our neighbors cannot absorb it while waiting months or years for a refund. We demand that the \$201,015 security amount be independently verified as enough to cover all refund exposure including interest. We demand escrow — not a bond or letter of credit — be required, with the Commission Clerk as a mandatory co-signer. We demand that missing even one monthly report triggers automatic suspension of the temporary rates. And we demand the Commission explicitly prohibit Sun Communities from ever recovering the administrative costs of this refund system through any future rate filing.

ISSUE 13 — Must Water Oak Fix Its Financial Books? (90-Day Requirement)

OUR SUMMARY

After the Commission makes its final decision, Water Oak must go back and update all of its financial records to match what the Commission decided. This must follow the national rulebook for utility accounting called the NARUC Uniform System of Accounts. Water Oak must send a written confirmation to the Commission within 90 days that all changes have been made. If it needs more time, it must ask at least 7 days before the deadline and explain why. Staff can grant up to 60 extra days.

OUR CHALLENGE

Accurate financial books are the foundation of every future rate case. If Water Oak's records do not properly reflect this Commission order, our community will be harmed in every rate proceeding for years to come. A utility that needed the Commission to intervene just to set basic fair rates cannot be trusted to self-certify its own compliance with a letter. We demand that an independent, qualified third party — not Water Oak's own accountants — verify that all NARUC USOA adjustments were correctly applied. We demand that any failure to comply within 90 days trigger an automatic Commission audit at Water Oak's expense.

Issue 14

ISSUE 14 — Should This Case Be Closed?

OUR SUMMARY

No — not yet. The case must stay open until three things are confirmed. First, the 21-day window for anyone to file a protest must pass with no qualifying objection. Second, Water Oak must file updated rate sheets and a customer notice that staff reviews and approves. Third, Water Oak must send a written confirmation that its financial books have been properly adjusted. Only after all three are verified by staff — not just claimed by Water Oak — can the case officially close.

OUR CHALLENGE

Closing this docket is the Commission's last chance to hold Sun Communities and Water Oak fully accountable in this proceeding. Once the docket is closed, our most powerful legal forum disappears. We demand that staff verification be completed within 30 days of Water Oak's final submission — not on an open-ended timeline. We demand that the full 21-day protest window expire cleanly before any rates are collected. We demand that closing this docket does not erase a single customer protection — including the four-year rate reduction, the refund rights, and the right to accurate utility records. Every protection must be explicitly confirmed in the closure order. We will not accept a rubber-stamp closure that leaves our community unprotected.

Newly Discovered Facts That Were Not Available During the Original Rate Case Filing

After Water Oak filed its rate case and after the test year ended on September 30, 2024, new facts came to light. Each one of these facts, on its own, is serious enough to require the Commission to take a second look at this rate case. Together, they call into question the honesty, accuracy, and fairness of everything Water Oak submitted.

EVIDENCE 1 — THE CUSTOMER COUNT IS WRONG

Water Oak told the Commission there are 1,265 residential customers. The actual number of homeowner accounts in this community is 1,337. That is 72 more families than Water Oak reported — 72 families whose monthly water payments were not counted in the revenue figures. More customers means more revenue is already coming in. That means the revenue gap that justifies the 175.17% increase is smaller than Water Oak claimed. Every financial calculation in this rate case must be redone using the correct, verified customer count.

EVIDENCE 2 — AMY HERNDON'S WRITTEN ADMISSION

Throughout this rate case, Water Oak listed 16 accounts in a category called "general service." These accounts and their water consumption were used in the rate calculations submitted to the Commission. Water Oak never clearly identified who these 16 accounts actually belong to. Amy Herndon, Division Vice President of Sun Communities, has now confirmed this in writing. Her written statement identifies these accounts as internal irrigation systems — the park's own infrastructure, owned and controlled by Sun Communities itself. This is not a rumor. This is not hearsay. This is a written statement from a named corporate officer of the same company that owns Water Oak Utility. Her statement cannot be walked back, denied, or ignored. It must be entered into the record and investigated by the Commission immediately.

EVIDENCE 3 — UNMONITORED IRRIGATION WASTE ON VACANT CONSTRUCTION LOTS

New homes being built in this community had their computer-controlled irrigation systems running at the following rate: four hours per day, seven days per week, for weeks and months at a time. Water Oak set those irrigation systems and then stopped paying attention to them. No one from Water Oak monitored the consumption. No one noticed or reported the excessive usage. That water simply flowed — uncontrolled and unchecked — on vacant lots where no family was living. Those irrigation accounts are classified as "general service" customers. Their massive water consumption was counted in the test year. That means Sun Communities' own construction site water waste was included in the figures used to calculate the \$462,434 revenue requirement — and the 175.17% rate increase that flows from it. Residents should never pay for water wasted by the corporation that owns both their home community and their water utility.

EVIDENCE 4 — BROKEN METERS REPORTED AND IGNORED

Multiple residents reported broken water meters and faulty transmitters to Water Oak Utility. These reports were made repeatedly, by multiple homeowners, over an extended period of time. Water Oak was informed. Water Oak did nothing. The equipment remains broken today. This is critically important because every single number in this rate case — the revenues, the consumption figures, the regression estimates — comes from meter data. If the meters are broken and the utility knows it and has done nothing to fix them, then the data cannot be trusted. The revenue requirement cannot be trusted. And the 175.17% rate increase built on that broken data cannot be trusted. Furthermore, Florida law requires the park owner to maintain utility connections and systems in proper operating condition. Ignoring broken meters is a direct violation of that legal duty.

EVIDENCE 5 — WE ARE ALREADY PAYING FOR THIS THROUGH OUR LOT RENT

Every homeowner in this community pays monthly lot rent to Sun Communities — the same corporation that owns Water Oak Utility. Under Florida Statute 723, a portion of that lot rent is meant to cover infrastructure operating expenses for the community — including the water infrastructure. Florida Statute 723.031 explicitly states that a charge may not be collected from a resident that results in the payment of money for sums already collected as part of the lot rental amount. Sun Communities is collecting infrastructure money through lot rent on one side, and asking for infrastructure money through a 175% water rate increase on the other side. That is double-charging. That is prohibited by Florida law. And Florida Statute 723.021 provides that if a party is found to have violated the good faith and fair dealing requirements of Chapter 723, the court shall award attorney's fees and costs to the prevailing party.

We Formally and Officially Demand the Following Actions

Based on the issues challenged above and the new evidence presented in Section Seven, we formally demand the following actions from the Florida Public Service Commission. These demands are grounded in Florida law, Commission rules, and the facts documented in this complaint.

Demand 1	<p>Reopen the Record</p> <p>The rate case record must be reopened to allow the new evidence in this document to be formally entered, examined, and considered before any rate increase is approved.</p>
Demand 2	<p>Order a Full Affiliated-Transaction Audit</p> <p>Every financial transaction between Sun Communities Finance, LLC and its parent Sun Communities, Inc. must be independently audited to ensure no corporate costs have been improperly shifted onto our water bills.</p>
Demand 3	<p>Investigate the General Service Accounts</p> <p>Amy Herndon's written statement must be entered into the record. All 16 general service accounts must be formally identified. Any consumption data from Sun Communities' own irrigation systems must be removed from the revenue requirement.</p>
Demand 4	<p>Correct the Customer Count</p> <p>All rate calculations must be redone using the verified current count of 1,337 residential accounts — not the 1,265 Water Oak reported to the Commission.</p>
Demand 5	<p>Audit Every Meter and Transmitter</p> <p>An independent third-party audit of all meters and transmitters must be completed before any rate increase takes effect. Test year data from broken meters must be excluded and calculations must be redone with verified data only.</p>
Demand 6	<p>Investigate the Lot Rent Double-Charging</p> <p>The Commission must determine whether Sun Communities is already recovering infrastructure costs through lot rent under Chapter 723, and remove any such costs from the water utility revenue requirement.</p>
Demand 7	<p>Suspend All Temporary Rate Implementation</p> <p>No temporary rates under Issue 12 should be implemented until all investigations above are complete. The financial harm to our community of implementing a 175% temporary increase while these questions remain unanswered would be irreversible.</p>

Demand
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Refer This Matter to the Office of Public Counsel

We formally request that the Florida Office of Public Counsel be notified of this complaint and invited to intervene on behalf of the residential ratepayers of this community. We need experienced legal representation, and Florida law provides it through the Office of Public Counsel at no cost to us.

OUR FINAL WORD

We want to be absolutely clear about what this document is and what it is not.

This is not a complaint from people who simply do not want to pay more for water. We understand that costs rise over time. We understand that infrastructure must be maintained and paid for. We understand that the Commission has a process, and we respect that process.

What we do not accept — and what we will never accept — is a 175.17% rate increase built on a wrong customer count, months of unmonitored corporate irrigation waste, broken meters that were reported and ignored, undisclosed affiliated conflicts of interest between our landlord and our water company, and costs that Florida law says we are already paying through our monthly lot rent.

What we do not accept is a situation where the same corporation collects our lot rent, runs our water system, sets irrigation on vacant lots and forgets it, ignores broken meters for months, and then asks the Commission to let it nearly triple our water bills — while its own Division Vice President has confirmed in writing facts that were never honestly disclosed to this Commission.

The Florida Public Service Commission was created for one purpose above all others: to make sure that people who have no choice but to use a monopoly utility are treated fairly. We are exactly those people. We are senior citizens on fixed incomes. We cannot move. We cannot choose a different water company. We have no leverage except the law — and we are asking this Commission to uphold it.

We are asking the Commission to look at the real numbers — not the numbers Sun Communities submitted, but the real ones. We are asking the Commission to investigate the conflicts of interest, audit the affiliated transactions, verify the meter data, examine the lot rent structure, and make a decision that is actually fair to the people who actually live here.

WE ARE ORGANIZED. WE HAVE EVIDENCE. WE KNOW OUR RIGHTS. WE WILL NOT STOP.

Respectfully and firmly submitted,

The Homeowners and Residents of Water Oak Estates

A 55+ Community — Lake County, Florida

Docket No. 20250088-WU

Office of Public Counsel (850) 488-9330 FREE Legal Help	PSC Commission Clerk 2540 Shumard Oak Blvd Tallahassee, FL 32399	PSC Consumer Help (800) 342-3552 www.floridapsc.com	FL Bar Referral (800) 342-8011 Find a Utility Attorney
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Docket No. 20250088-WU | Sun Communities Finance, LLC d/b/a Water Oak Utility | Formal PSC Complaint and Protest | Water Oak Estates Homeowners | 2026 | All statutory references cite Florida Statutes and Florida Administrative Code.

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