

COLUMBIA COUNTY UTILITY COMMITTEE
POST OFFICE BOX 1529
LAKE CITY, FLORIDA 32056-1529

COLUMBIA COUNTY EXTENSION OFFICE
164 MARY ETHEL LANE
LAKE CITY, FLORIDA 32025

AGENDA

NOVEMBER 9, 2010

6:00 P.M.

HONORABLE JODY DUPREE, UTILITY COMMITTEE CHAIRMAN:

- (1) Call to Order**
- (2) David Kraus: Utility Services Policies**
 - a) Service Deposit Policy**
 - b) Damage or Replacement of Meters Policy**
 - c) Tampering Prohibited Policy**
 - d) Billing Practices**
- (3) Amendments to 2007-15**
 - a) Proposed Board Action**
 - b) Staff Assisted Rate Case**
 - c) Staff Assisted Rate Case with Alternative Rate Setting**
- (4) Review**
 - a) Provisional Franchise Agreement**
 - b) Pass Through Resolution**
 - c) Resolution on Price Index**
- (5) Claim of Exemption by Lance Utilities**
- (6) Amend and Adopt Columbia County Water and Wastewater Systems Handbook**
- (7) Review Committee By-Laws**
- (8) Minute Approval – Utility Committee**
 - a) September 28, 2010**
- (9) Other Discussion**

Memorandum

To: Columbia County Utility Committee
From: David Kraus, Senior Staff Assistant
Date: November 1, 2010
RE: Policy Recommendations for County Operated Utility

Attached is a draft of an ordinance that would establish four policies for water and wastewater utility services: Service Deposits, Damage and Replacement of Meters, Tampering and Billing. The draft ordinance serves as my recommendations for these policies.

Proposed Policy Changes for Columbia County Utilities Services

Refund of Deposits

Our ordinance, 2010-11 states that, "Deposits will be refundable in accord with the regulations of the County". We have no such policy or regulation. The FPSC recommends refunds of the residential deposits after 23 months if the customer has not, in the preceding 12 months, "made more than one late payment, paid by a check refused by a bank, been disconnected for non-payment, tampered with the meter, or used service in a fraudulent or unauthorized manner". Hernando County charges an administrative fee to the deposit "not to exceed 5 percent of the deposit and does not refund deposits prior to termination on commercial and non-owner occupied residential accounts. Additionally, they provide the County with the ability to increase the amount of the deposit after the second delinquency in a 12 month period. Finally, it is common practice for any interest earned on a deposit to annually be posted as a credit to the customer's account or, after a final billing, to be paid to the customer with the final refund.

Meter Damage

Damage or replacement charge: Where meters or appurtenances are broken or damaged by the negligence of the owners, tenants, or occupants of the premises, the cost or repair or replacement and mobilization costs shall be paid by the customer; and if the cost of repair or replacement is not paid upon submission of a bill for charges, the water supply shall be turned off and shall not be turned on again until payment of such amount due is made. Damage charges shall be set by Board policy.

Billing Practices

We have begun billing our sewer only customers and propose the following billing practices be established by policy or rule.

All bills are due the 1st of the month and become past due on the 20th. After the 20th the bill is considered past due and a late fee of \$10.00 will be added to the bill after the 20th. (Some utilities charge a percentage for late fees such as 1% per month). The service will be scheduled for disconnection 10 days later and notice of the 10 days will be given to the customer. Service will not be disconnected over a weekend or holiday, but will occur on the next business day. Payment must be received in the office prior to the end of the 10th day to avoid disconnection and any reconnection fees. The reconnection fee is currently \$50.00. Finally, some counties will place a lien on property for any charges that remain unpaid after 60 days.

Definition of Senior

Ordinance 2010-11 provides for water and sewer rates for seniors but does not define a senior. Should a senior rate be attached to an account when person who is named on the account reaches 65?

Tampering Prohibited

Our current ordinance, 2010-2 reads:

County Utility Facilities. Unless expressly authorized in writing by the County Manager, or during a County recognized emergency, no individual or organization shall tamper with, work on, or in any way alter or damage any County Utility facility; or cut into or make any connection with or alter the operation of any County Utility facility.

Private Facilities. Whenever the private (Customer's) side of a utility service connection requires repair, the Customer shall request that the County Utility make adjustments to the County's side of the utility service connection if required to accommodate the repair. Such adjustments by the County shall be paid for by the Customer.

The following, if added to our policies and rules, would add some clarification and address some additional situations:

Tampering with district property prohibited.

No person shall turn off or turn on water at the water meter, curb stop, corporation stop or valve, or in any way disconnect or remove the water meter or disturb alter or damage any water connection, meter or water main belonging to Columbia County unless authorized by the County Manager or his/her designee.

No person shall, without authority from the County, remove, open, hitch to, dig out, sod or curb over any fire plug or hydrant, valve, valve box, meter box, manhole or other fixture belonging to Columbia County's water or sanitary sewer systems, or without approval of the County, use water directly from a line, hydrant, valve or other fixture without a water meter installed by the Columbia County Utilities Services

No customer shall furnish water to any other person either by use of pipes or fixtures on his own premises or by extending pipes to the premises of other persons unless this connection existed prior to the adoption of 2010-14.

No person shall construct a fence, shed or other structure or plant trees or shrubs which has the effect of obstructing or limiting access by the County to a water meter, water and/or sanitary sewer lines, valves or other fixture belonging to the County located within a utility easement or right of way. In addition to any other remedies under the law, the County shall have the right, upon failure of the property owner to modify or remove the obstacle within 30 days following notification to do so, to remove or modify the obstacle to provide access to the fixture. In the case of an emergency, the County shall have the right to take whatever measures are reasonably necessary to repair, replace or otherwise protect the County owned water and/or sanitary sewer systems.

No unauthorized person shall cause storm water, ground water, or any other unauthorized water or material to enter the sanitary sewer system, including sanitary sewerage from septic tank trucks. This shall include the connection of downspouts or air conditioning condensate lines into the sanitary sewer system; raising manhole lids or opening sanitary sewer line cleanouts to allow drainage; dumping garbage, refuse or other wastes in manholes; draining of swimming pools into the sanitary sewers; or any other means of causing or allowing any substance not considered sanitary sewerage or not legally paid for as sanitary sewerage to enter into the sanitary sewer system.

Questions for Utility Committee to consider:

1. Should County refund deposits prior to termination of service?
 - a. On residential only or both residential and commercial?
 - b. After 23 months with 12 months of consecutive good pay history or just after 12 months of good pay history?
2. Does the County want to charge an administrative fee on deposits?
3. How should the County handle any interest earned on a deposit?
4. Define receipt of payment – should it be in office by end of business day rather than postmarked?
5. What should the County Charge for late fees? A flat fee or a percentage of the balance (i.e. \$10.00 or 1%)?
6. Should the past due until termination period be 5 days, 10 days, or 14 days?
7. What should the County's disconnection policy state about weekends and holidays?
8. The County has a reconnection fee but no disconnection fee. Do we want a disconnection fee?
9. At what age does someone become a senior?
10. In qualifying for senior rates, should the County look only at account holder or account holder and spouse? If the residence is occupied by a senior parent but the account is handled by a child caring for the parent, should it qualify for a senior rate?
11. Does the County want to adopt the additional language on tampering and/ or a damage to meter charge?
12. What happens if a residential property owner opens/operates a business in the home (i.e. beauty shop, insurance agent, etc)? Should they pay a residential rate until County zoning requires a special exemption on the property?

ORDINANCE NO. 2010-_____

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY FLORIDA ESTABLISHING OPERATIONAL POLICIES FOR WATER AND WASTEWATER UTILITY SERVICES

WHEREAS, the County currently is in the process of constructing water and sewer systems, including water transmission and service lines and wastewater collection lines, in the unincorporated area of the County known as the Ellisville area; and

WHEREAS, it is the intent of the County to provide water and wastewater services promptly and efficiently to customers located in areas of the unincorporated County designated now or hereafter as a County "Exclusive Service Area" pursuant to Ordinance No. 2010-1, which Exclusive Service Area currently includes only the Ellisville area; and

WHEREAS, the County adopted Ordinance No. 2010-11 at a duly noticed public meeting on August 19, 2010 which establish the initial water and sewer capacity charges, water service connection charges and water and sewer monthly service charges, deposits and miscellaneous charges to be charged to and collected from Customers receiving water and/or wastewater services; and

WHEREAS, The County now wishes to adopt additional policies on deposits, damage and replacement of meters, tampering, and terms of service.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY, FLORIDA, AS FOLLOWS:

Section 1. Service Deposits

- a) In accordance with Ordinance No 2010-11 Section 1.05 (v), the County shall charge a service deposit at the time of initiation of service. Any deposit collected shall be refundable after 23 months of continuous service if, within the preceding 12 months, the customer has not:
- 1) made more than one late payment;
 - 2) paid by a check refused by a bank;
 - 3) been disconnected for non payment;
 - 4) tampered with the meter; or
 - 5) used service in a fraudulent or unauthorized manner.

- b) **The County shall have the option to increase the deposit after a second delinquency within a 12 month period. The increased amount of the deposit shall not exceed twice the amount of the average service bill during the previous 12 months.**
- c) **Any interest earned on a customer's deposit shall annually be refunded as a credit on the customer's bill or after a final billing shall be paid to the customer with the final refund.**

Section 2. Damage and Replacement of Meters:

- a) **Where Meters or appurtenances are broken or damaged by the negligence of the owners, tenants or occupants of the premises, the cost of repair or replacement and any mobilization costs shall be paid by the customer.**
- b) **If the cost of the repair or replacement is not paid upon the submission of the bill or acceptable payment arrangements are not made, the water supply shall be shut off and shall not be turned on again until payment of such amount due is made.**

Section 3. Tampering Prohibited:

- a) **No person shall turn off or turn on water at the water meter, curb stop, corporation stop or valve, or in any way disconnect or remove the water meter or disturb, alter or damage any water connection, meter or water main belonging to Columbia County unless authorized by the County Manager or his/her designee.**
- b) **No person shall, without authority from the County, remove, open, hitch to, dig out, sod or curb over any fire plug or hydrant, valve, valve box, meter box, manhole or other fixture belonging to Columbia County's water or sanitary sewer systems, or without approval of the County, use water directly from a line, hydrant, valve or other fixture without a water meter installed by the Columbia County Utilities Services**
- c) **No customer shall furnish water to any other person either by use of pipes or fixtures on his own premises or by extending pipes to the premises of other persons unless this connection existed prior to the adoption of 2010-14.**
- d) **No person shall construct a fence, shed or other structure or plant trees or shrubs which has the effect of obstructing or limiting access by the County to a water meter, water and/or sanitary sewer lines, valves or other fixture belonging to the County located within a utility easement or right of way. In addition to any other remedies under the law, the County shall have the right, upon failure of the property owner to modify or**

remove the obstacle within 30 days following notification to do so, to remove or modify the obstacle to provide access to the fixture. In the case of an emergency, the County shall have the right to take whatever measures are reasonably necessary to repair, replace or otherwise protect the County owned water and/or sanitary sewer systems.

- e) No unauthorized person shall cause storm water, ground water, or any other unauthorized water or material to enter the sanitary sewer system, including sanitary sewerage from septic tank trucks. This shall include the connection of downspouts or air conditioning condensate lines into the sanitary sewer system; raising manhole lids or opening sanitary sewer line cleanouts to allow drainage; dumping garbage, refuse or other wastes in manholes; draining of swimming pools into the sanitary sewers; or any other means of causing or allowing any substance not considered sanitary sewerage or not legally paid for as sanitary sewerage to enter into the sanitary sewer system.

Section 4. Billing Practices:

- a) Until changed by the Board of County Commissioners, all water and wastewater service bills will become due on the first day of the month and past due on the 20th day of the month.
- b) After the 20th day of the month, all bills will be considered past due and a \$10.00 late fee will be added to the bill. Service will be scheduled for disconnection 10 days after the bill becomes past due. If payment is not received in the office within these 10 days, service will be shut off until payment of such amount past due plus any late fees and reconnection charges are made.
- c) Service will not be disconnected for non-payment over a weekend or holiday but will occur after 12:00 noon on the next business day.
- d) After 60 days of nonpayment, the County may place a lien against real or personal property.
- e) Senior rates may only be charged when the individual named on the account and responsible for the account reaches or exceeds 65 years of age. The customer must notify the County utility office with proof of age to change their existing rate to the senior rate.

MEMORANDUM

To: Columbia County Utility Committee
From: David Kraus
Date: November 1, 2010

RE: Amendments to Ordinance 2007-15 concerning Proposed Board Action,
Staff Assisted Rate Cases and Alternative Rate Setting

Based upon the direction provided at the last Utility Committee meeting, I have attached a proposal for amending 2007-15 to include proposed board actions, staff assistance on rate cases and alternative rate setting. The intent of the amendments is to provide the small utilities with the ability to obtain rate relief in a timely manner, reduce the cost in processing a change in rates, provide a method to reduce rate shock to the customers, and allow a utility the opportunity to recover its operating costs and earn a return on its investment so that it remains viable. Finally, the attached amendment defines a role for the Utility Committee in the rate setting process.

DRAFT AMENDMENT TO ORDINANCE 2007-15

[I recommend placing the following text in **Section 5 Rates and Charges** as item l (right after pass through and price index) and **renumbering items l through u as m through v.**]

- (l) ***Proposed Board Action, Staff Assisted Rate Cases and Alternative Rate Setting:***
 - 1) ***Proposed Board Action:*** Upon a petition by a utility or by its own motion the Board may conduct a limited action to consider or act upon any matter within its jurisdiction, including any matter the resolution of which requires a utility to adjust its rates. In this limited action, County staff will conduct an investigation and/or audit and present its findings to the Columbia County Utility Committee. The Committee will conduct a hearing on the matter and make a recommendation directly to the Board in the form of a Proposed Board Action and in lieu of a formal hearing by a hearing officer.
 - a) If the Proposed Board Action involves rate setting, the staff will conduct a customer meeting in or around the service area as a part if the investigation and/or audit.
 - b) Upon a receipt of a Proposed Board Action, the Board will conduct a public hearing and shall approve, modify or reject the recommendation of the Committee. Upon a rejection, the Board may order the Utility Committee to reconsider the matter, may order a public hearing before a Hearing Officer, or may order no action be taken on the matter.
 - c) A substantially affected person may file a written petition to protest the Board's Proposed Board Action within 21 days of the Order. In the event of a Protest, the Board may place refundable interim rates in effect pending the outcome of the protest. The Board may select a Hearing Officer or the Utility Committee to hear the protest before the matter returns for Board consideration.
 - 2) ***Staff Assisted Rate Case:*** A staff assisted rate case as a form of Proposed Board Action shall follow all procedures established for a Proposed Board Action.
 - a) Water and Wastewater utilities whose gross annual operating revenues are \$250,000 or less or \$500,000 or less on a combined water and wastewater basis, may petition the Board for staff assistance in rate applications by submitting a completed application. A staff assisted rate case may be initiated by motion of the Board. Staff assisted rate cases are intended to provide the small utilities with the ability to obtain rate relief in a timely manner, reduce the cost in processing a change in rates, provide a method to reduce rate shock to the customers, and allow a utility the opportunity to recover its operating costs and earn a return on its investment so that it remains viable.

- b) In accordance with Section 367.0814 (6) F.S. a utility that requests staff assistance waives its rights to protest by agreeing to accept the final rates and charges approved by the Board unless said rates and charges would produce less revenue than the existing rates and charges. Any reasonable and prudent rate case expenses by the utility may be recoverable through the rates developed by with approval of the Board and in accordance with this Ordinance (2007-15).
- c) Within 60 days of receipt of completed application, the Columbia County Utility Committee shall evaluate the application and determine the petitioner's eligibility for a staff assisted rate case. The determination of eligibility may be conditional pending an evaluation of the condition of the petitioner's books and records. All recommendations of ineligibility shall be in writing and state the deficiencies in the application
- d) In making a recommendation on granting or denying the application, the Utility Committee shall consider:
 - 1) Whether the utility qualifies for staff assistance with gross annual operating revenues of \$250,000 or less for water or sewer; or with gross annual operating revenues of \$500,000 or less on a combined water and wastewater basis;
 - 2) Whether the petitioner's books and records are organized so as to allow County staff to verify costs and other relevant factors within a 30 day time period;
 - 3) Whether the petitioner has filed all annual reports;
 - 4) Whether the petitioner has paid all applicable regulatory assessment fees
 - 5) Whether the petitioner has at least 1 year of actual experience in the utility business;
 - 6) Whether the petitioner has filed additional relevant information in support of eligibility including the reasons why the information should be considered;
 - 7) Whether the petitioner has complied in a timely manner with all Board decisions and requests that affect water and wastewater utilities for a period of 2 years prior to the filing of the request; and
 - 8) Whether the utility has applied for a staff assisted rate case within 2 years prior to the receipt of this application.
- e) The Board or its designee will deny the application if a utility does not remit the required application fee prior to staff action.
- f) A substantially affected person may file a written petition to protest the Board's Proposed Board Action in a staff assisted rate case within 21 days of the Order.

- g) In the event of a protest of the Proposed Board Action Order in a staff assisted rate case, the utility shall:
 - 1) Provide pre-filed direct testimony in accordance with the procedures outlined for a hearing as detailed in Section 9 of Ordinance No. 2007-15;
 - 2) Sponsor a witness to support the source documentation provided to the County staff in preparation of the staff audit, staff engineering and accounting report and staff recommendations in this case;
 - 3) Include in its testimony any factual information to support its position on any issue it chooses to take a position different than that contained in the Board's Order;
 - 4) Meet all other requirements of the order establishing procedures.
 - h) In the event of a protest of the Proposed Board Action Order in a staff assisted rate case, the County staff shall:
 - 1) Provide pre-filed direct testimony to explain its analysis and recommendations. In the event that the staff wishes to alter its position on any issue, it shall provide factual testimony to support its changed position.
 - 2) Meet all other requirements of the order establishing procedures; and
 - 3) Provide to the utility materials to assist the utility in the preparation of its testimony and exhibits. These materials shall consist of examples of testimony and exhibits used in other cases as well as examples of prehearing statements and briefs filed in other cases if available.
 - i) In the event of a Protest, the Board may place refundable interim rates in effect pending the outcome of the protest. The Board may select a Hearing Officer or the Utility Committee to hear the protest before the matter returns for Board consideration.
 - j) Failure to comply with the dates established in the procedural order or to file a timely request for an extension of time for good cause, may result in dismissal of the staff assisted rate case.
- 3) **Alternative Rate Setting:** Under Section 367.0814(9) F.S. the Board, by rule, hereby establishes standards and procedures whereby rates and charges of small utilities may be set using criteria other than those set forth in Florida Statute 367.081(1), (2)(a) and (3). The Board, at its sole discretion, may use any alternative rate setting methodology used by the Florida Public Service Commission or authorized by Florida Statutes or Florida Administrative Code (Sections 25-30.456 and 25-30.457 F.A.C.) as a method for setting rates for small utilities as part of a staff assisted rate case.

Columbia County

APPLICATION FOR A RATE CASE

I. GENERAL DATA

A. Name of Utility:

B. Address:

1. Telephone Nos.: ()

2. County:

Nearest City:

3. General Area Served:

C. Authority:

1. Water Certificate No.

Date Received:

2. Wastewater Certificate No.

Date Received:

3. Date Utility Started Operations: Water:

Wastewater:

D. How System Was Acquired:

If utility was purchased, give date

Amount Paid \$

1. Name of Seller:

2. Was seller affiliated with present owners? Yes No

3. Did you purchase: Stock or assets only

E. Type of Legal Entity:

Corporation

Partnership

Sole Proprietorship

F. Ownership & Officers:

	Name	Title	Percent Ownership
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

G. List of Associated Companies and Addresses:

H. If you have retained an attorney and/or a consultant to represent the utility for this application, furnish the name(s) and address(es):

Name:

Address:

II. ACCOUNTING DATA

A. Outside Accountant

- 1. Name:
- 2. Firm:
- 3. Address:
- 4. Telephone: ()

B. Individual To Contact On Accounting Matters:

- 1. Name:
- 2. Telephone: ()

C. Location of Books and Records:

D. Have you filed an Annual Report with the Commission? Yes No
Date Last Filed:

E. Has your latest Regulatory Assessment Fee Payment been made?
(January 30 or July 30 whichever is applicable) Jan 30 July 30

F. Basic Rate Base Data: (Most recent two years)

1. Water:

	20	20
Cost of Plant In Service	\$ _____	\$ _____
Less Accumulated Depreciation	_____	_____
Less Contributed Plant	_____	_____
Net Owner's Investment	\$ _____	\$ _____

2. Wastewater:

20

20

Cost of Plant In Service

\$ _____ \$ _____

Less Accumulated Depreciation

Less Contributed Plant

Net Owner's Investment

\$ _____ \$ _____

G. Basic Income Statement: *(Most recent two years)*

1. Water:

20

20

Revenues (By Class)

a.

\$ _____ \$ _____

b.

c.

Total Operating Revenues:

\$ _____ \$ _____

Less Expenses:

a. Salaries & Wages - Employees

b. Salaries & Wages - Officers, Directors, & Majority Stockholders

c. Employee Pensions & Benefits

d. Purchased Water

e. Purchased Power

f. Fuel for Power Production

g. Chemicals

h. Materials & Supplies

i. Contractual Services

j. Rents

k. Transportation Expenses

l. Insurance Expense

m. Regulatory Commission Expense

n. Bad Debt Expense

o. Miscellaneous Expense

p. Depreciation Expense

q. Property Taxes

r. Other Taxes

s. Income Taxes

Operating Income (Loss)

\$ _____ \$ _____

III

ENGINEERING DATA

A. Outside Engineering Consultant:

- 1. Name:
- 2. Firm:
- 3. Address:
- 4. Telephone: ()

B. Individual to contact on engineering matters:

- 1. Name:
- 2. Telephone: ()

C. Is the utility under citation by the Department of Environmental Protection (DEP) or County Health Department? If yes, explain:

D. List any known service deficiencies and steps taken to remedy problems:

E. Name of plant operator(s) and DEP operator certificate number(s) held:

F. Is the utility serving customers outside of its certificated area? If yes, explain:

G. Wastewater:

- 1. Gallons per day capacity of treatment facilities:
 - a. Existing:
 - b. Under Construction:
 - c. Proposed:
- 2. Type and make of present treatment facilities:
- 3. Approximate average daily flow of treatment plant effluent:

4. Approximate length of wastewater mains:

Size (diameter):					
Linear feet:					

- 5. Number of manholes:
- 6. Number of lift stations:
- 7. How do you measure treatment plant effluent?
- 8. Is the treatment plant effluent chlorinated? Yes No

- 13. Do you have a meter change out program? No Yes
- 14. Meter installation or tap in fees - Water \$ _____
- 15. Service availability fees - Water \$ _____
- 16. Has the existing treatment facility been approved by DEP? No Yes
- 17. Total gallons pumped during most recent twelve months:
- 18. Total gallons sold during most recent twelve months:
- 19. Gallons unaccounted for during most recent twelve months:
- 20. Gallons purchased during most recent twelve months:

IV. RATE DATA

A. Individual to contact on tariff matters:

- 1. Name:
- 2. Telephone Number: ()

B. Schedule of present rates: (Attach additional sheets if more space is needed)

1. Water:

- a. Residential Water _____
- b. General Service _____
- c. Special Contract _____
- d. Other - Specify _____

2. Wastewater:

- a. Residential Wastewater _____
- b. General Service _____
- c. Special Contract _____
- d. Other - Specify _____

C. Number of Customers: (Most recent two years)

1. Water Metered	20	20
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - Specify	_____	_____
2. Water Unmetered	20	20
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - Specify	_____	_____
3. Wastewater	20	20
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - Specify	_____	_____

V. AFFIRMATION

I, _____ the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge, and belief.

Signed _____

Title _____

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

MEMORANDUM

To: Columbia County Utility Committee
From: David Kraus
Date: November 1, 2010
RE: Provisional Franchise, Pass through and Price Index

The Utility Committee recommended the next three items to be prepared for the Board of County Commissioners to approve. They have been prepared and submitted to the County Attorney for review. They have been placed on the Utility Committee Agenda for review and comment.

Provisional Franchise

**Granted by the Board of County Commissioners
of Columbia County Florida**

Granted to: _____

WHEREAS, On May 3, 2007, the Board of County Commissioners of Columbia County enacted Ordinance No. 2007-15, asserting jurisdiction within Columbia County over investor-owned water, wastewater, and effluent re-use systems, as authorized by Chapter 367, Florida Statutes; and

WHEREAS, Ordinance No. 2007-15 was filed with the Florida Department of State and thereby became effective on May 11, 2007; and

WHEREAS, by its own Order, the Florida Public Service Commission acknowledged rescission of its jurisdiction on that date; and

WHEREAS, Ordinance No. 2007-15 requires all investor-owned water, wastewater, and effluent re-use systems to apply for a Franchise to operate in Columbia County; and

WHEREAS, several investor-owned water, wastewater, and effluent re-use systems, including _____, existed and operated prior to May 11, 2007 under a Franchise issued by the Florida Public Service Commission and upon rescission of their Franchise by the Florida Public Service Commission did not apply for a Franchise under Ordinance No. 2007-15; and

WHEREAS, The Board of County Commissioners of Columbia County wishes to grant an Provisional Franchise to _____ to allow the continued operation of their investor-owned water, wastewater, and effluent re-use systems while they apply for a Franchise in accordance with Ordinance No. 2007-15 Section 6.; that this continued operation is in the public interest; that permission should be granted to operate and maintain any water and/or sewer lines along County roads and highways within their service area for necessary and useful purposes for the benefit of the land owners and residents within the said area; and that said Provisional Franchise should be an exclusive franchise to operate and maintain such system; and

WHEREAS, this investor-owned water, wastewater, and effluent re-use systems have previously held a Franchise issued by the Florida Public Service Commission and said investor-owned water, wastewater, and effluent re-use systems are regulated by the Florida Department of Environmental Protection, it is reasonable to assert that the system is adequate to serve the area for which the franchise is sought and that the Franchisee has sufficient resources to continue to maintain and operate the system while a Franchise is sought; and

WHEREAS, on _____, a public hearing was held on final approval of the Provisional Franchise and following said public hearing it has been determined by the County from the information presented that the issuance of said Provisional Franchise is justified and in the public interest;

NOW THEREFORE, COLUMBIA COUNTY, a political subdivision of the State of Florida, acting by and through its Board of County Commissioners, recognizing

the public character of the water and/or wastewater system to be operated by the Franchisee and the attendant investment of capital necessary for the proper operation and maintenance of said system, does hereby grant unto said Franchisee with a present mailing address of _____ and subject to the provisions of the laws of the State of Florida and the rules, regulations and ordinances adopted or hereafter adopted by the County, an exclusive _____ franchise for a period of 6 months from the date hereof provided that the Franchisee shall make an application for a full franchise, file all required reports and pay such assessments as required by the aforementioned rules, regulations and ordinances of the County with the sole right to operate the system herein provided for, said sole right being conditioned upon the faithful performance of the covenants herein by the Franchisee to own, maintain and operate within the existing service area a public system to serve in inhabitants within said area under such reasonable rules and regulations for the management and control of the business as said Franchisee may adopt and as do not conflict with the Laws of the State of Florida, the rules, regulations and ordinances adopted by the County and subject to the following covenants, terms, conditions, and provisions as are herein set forth:

- 1) Such terms and conditions as may be deemed necessary by the Board to protect the public health, safety and welfare;
- 2) That the Utility must serve the entire area(s) identified in *any previous* Franchise;
- 3) That the Franchise is no impediment to acquisition of the Utility by the County (purchase or condemnation), and that any un-served area has no value to the franchisee and requires no compensation;
- 4) That the County has full power and authority to grant a license or franchise over any easements;

- 5) That the Utility shall prevent the creation of and shall not allow conditions which are or may become physically dangerous to any member of the general public;
- 6) That the Utility shall repair any and all damage and/or injury to public and private streets, roads, highways, etc. caused by utility at no cost to the County and that the Utility shall promptly repair all such damage or injury;
- 7) That the Utility shall indemnify and hold harmless the County, the Board, and its members, and all employees and members;
- 8) That in the event of widening, repairing, relocating, or reconstruction by the County of any public street, public road or public right-of-way, the Utility shall, at no cost to the County relocate as needed all lines and other tangible property of the Utility;
- 9) That the issuance of the Franchise shall not entitle the franchisee to any consideration and shall not prevent, bar, or hinder the County from closing, abandoning, relocating, etc. any public street, road, or other right-of-way or easement, except those that are private;
- 10) That the Utility shall comply with all applicable rules, regulations, and standards pertaining to such Utility from all governmental agencies having jurisdiction;
- 11) That the Utility shall always maintain and keep all improvements in good repair and shall provide all Services within a reasonable time to all Persons requesting such Service within the service area;
- 12) That if the Board determines that it is appropriate for the Utility to install fire hydrants for the purposes of combating fires, the County may order the Utility to install fire hydrants and the Utility shall install fire hydrants and the cost together with a fair return on the Utility's investment, shall be recoverable in Utility's authorized rates;
- 13) That the issuance of a Franchise by the Board shall not be deemed to constitute a County requirement that any landowner use the Utility's water, nor shall this Ordinance be construed to constitute a County imposed prohibition against any landowner using well water for consumption, irrigation, recreation and/or yard maintenance.
- 14) *That the Provisional Franchise may be revoked under the procedures outlined in Ordinance No. 2007-15 in the event of any violation of the Franchise terms, violation of this Ordinance, and/or violation of any other Federal, State or local law, ordinance or rule;*

- 15) *That Service shall be available to all inhabitants of the currently serviced area upon execution of this Franchise and that failure to continue such service may result in the revocation of the Franchise;*
- 16) *That the County may purchase the Utility no later than upon expiration of the Franchise for a purchase price equal to the then existing rate base of the Utility;*
- 17) *That the System shall be approved by all appropriate governmental agencies as to design, construction, operation, capacity, maintenance, expansion and otherwise;*
- 18) *That if a Utility requires a deposit from its customers, it shall once each year credit to each respective customer account, pro rata, all interest accrued on the principal. Such accrued and unpaid interest shall be credited or paid to the customer when the customer's deposit is discontinued;*
- 19) *That the enumeration herein of special requirements and specific regulations shall not be taken or held to imply the relinquishment by the County of its power to make other reasonable requirements or rules, regulations or ordinances and that the County hereby expressly reserves the right to make all regulations which may be necessary or proper to secure in the most proper manner the welfare, safety and accommodation of the public, including among other things, the right to adopt and enforce regulations to protect the public from danger and inconvenience in management and operation of the system, and furthermore nothing contained herein shall constitute a waiver of the requirements of the water and/or sewer rules and regulations hereto adopted by the County.*
- 20) *That the Franchisee is hereby authorized to charge the rates approved in the Utility's most recent tariff sheet as approved by the Florida Public Service Commission or Columbia County and no charge shall be made by the Franchise except as provided herein or approved by Columbia County Board of County Commissioners. The Franchisee further agrees to provide for the inspection of the books, records and accounts periodically.*

RESOLUTION NO. 2010-_____

A RESOLUTION ADOPTING PASS THROUGH INCREASES OR DECREASES AS A RULE OF THE BOARD FOR THE PURPOSES OF REGULATING INVESTOR-OWNED WATER, WASTEWATER, AND EFFLUENT RE-USE SYSTEMS IN COLUMBIA COUNTY IN ACCORDANCE WITH 118-225 (k)(1) OF THE COLUMBIA COUNTY CODE OF ORDINANCES

WHEREAS, On May 3, 2007, the Board of County Commissioners of Columbia County enacted Ordinance No. 2007-15, asserting jurisdiction within Columbia County over investor-owned water, wastewater, and effluent re-use systems, as authorized by Chapter 367, Florida Statutes; and

WHEREAS, Ordinance No. 2007-15 was filed with the Florida Department of State and thereby became effective on May 11, 2007; and

WHEREAS, by its own Order, the Florida Public Service Commission acknowledged rescission of its jurisdiction on that date; and

WHEREAS, pursuant to Florida Statutes Section 367.081(4)(b), water and wastewater utilities are permitted to adjust the rates and charges to its customers without those customers bearing the additional expense of a public hearing with these adjustments depending on the increases and decreases in non-controllable expenses subject to inflationary pressures such as chemicals, utilities and other general operational and maintenance costs; and

WHEREAS, Section 118-225 (k)(1) of the Columbia County Code of Ordinances enables the Board Of County Commissions to authorize or require pass through increases or decreases by rule.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY AS FOLLOWS:

Section 1. Pursuant to section 118-225 (k) (1) of the Columbia County Code of Ordinances, the Board of County Commissioners of Columbia County adopts pass through regulations as defined by Florida Statutes Section 367.081(4)(b) by a Rule of the Board as defined in Ordinance No. 2007-15.

Section 2. The Rule shall be effective immediately.

Adopted this ___th day, _____, 2010.

**COLUMBIA COUNTY BOARD
OF COUNTY COMMISSIONERS**

_____, **Chairman**

ATTEST:

DeWitt P. Carson, Clerk

RESOLUTION NO. 2010-_____

A RESOLUTION ESTABLISHING A PRICE INDEX FOR 2010 AND ESTABLISHING PROCEEDURES FOR IMPLEMENTING PRICE INDEX RATE ADJUSTMENTS IN COMPLIANCE WITH FLORIDA ADMINISTRATIVE CODE 25-30.420 FOR THE PURPOSES OF REGULATING INVESTOR-OWNED WATER, WASTEWATER, AND EFFLUENT RE-USE SYSTEMS IN COLUMBIA COUNTY

WHEREAS, On May 3, 2007, the Board of County Commissioners of Columbia County enacted Ordinance No. 2007-15, asserting jurisdiction within Columbia County over investor-owned water, wastewater, and effluent re-use systems, as authorized by Chapter 367, Florida Statutes; and

WHEREAS, Ordinance No. 2007-15 was filed with the Florida Department of State and thereby became effective on May 11, 2007; and

WHEREAS, by its own Order, the Florida Public Service Commission acknowledged rescission of its jurisdiction on that date; and

WHEREAS, section 118-225 (k)(2) of the Columbia County Code of Ordinances and Florida Statutes Section 367.081(4)(a), enable the Board Of County Commissions, on or before March 31 of each year, to establish by order a price increase or decrease index in costs from the most recent 12 month historical data available and that the Board of County Commissioners by rule may establish the procedures to determine such indices and the procedures for the Board or utility may implement rate adjustments based upon the indices; and

WHEREAS, section 25-30.420 (1) of the Florida Administrative Code allows for applications for the price index to be accepted from April 1 of the year the index is established through March 31 of the following year and on February 15, 2010 the Florida Public Service Commission established a price index for 2010; and

WHEREAS, although March 31, 2010 has passed, the Board of County Commissioners wishes to permit investor-owned water, wastewater, and effluent re-use systems to have the option to use the 2010 price index to adjust the rates and charges to its customers without those customers bearing the additional expense of a full rate adjustment proceeding and with these adjustments tied to operational and maintenance costs;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY AS FOLLOWS:

Section 1. The Board of County Commissioners establishes the 2010 Price Index as adopted by the Florida Public Service Commission on February 15, 2010 as the 2010 Price Index for Columbia County and that since the 2010 Price Index was established by the FPSC prior to March 31, 2010, the FPSC approval of the Index shall serve as the approval of the Board for 2010;

Section 2. The Board of County Commissioners, by rule, shall establish the following procedures to implement rate adjustment using a price index:

- (1) The County shall mail each regulated water and wastewater utility a copy of the proposed board action order establishing the index for the year and a copy of the

application. Applications for the newly established price index will be accepted from April 1 of the year the index is established through March 31 of the following year. The index shall be applied to all operation and maintenance expenses, except for amortization of rate case expense, costs subject to pass-through adjustments pursuant to Section 367.081(4)(b), F.S., and adjustments or disallowances made in a utility's most recent rate proceeding.

(2) Any utility seeking to increase or decrease its rates based upon the application of the index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S., shall file an original and five copies of a notice of intention and the materials listed in (a) through (i) below with Columbia County at least 60 days prior to the effective date of the increase or decrease. The adjustment in rates shall take effect on the date specified in the notice of intention unless the Board finds that the notice of intention or accompanying materials do not comply with the law, or the rules or orders of the Board. The notice shall be accompanied by:

- (a) Revised tariff sheets;
- (b) A computation schedule showing the increase or decrease in annual revenue that will result when the index is applied;
- (c) The affirmation required by Section 367.081(4)(c), F.S.;
- (d) A copy of the notice to customers required by subsection (6);
- (e) The rate of return on equity that the utility is affirming it will not exceed pursuant to Section 367.081(4)(c), F.S.;
- (f) An annualized revenue figure for the test year used in the index

calculation reflecting the rate change, along with an explanation of the calculation, if there has been any change in the utility's rates during or subsequent to the test year;

- (g) The utility's Department of Environmental Protection Public Water System identification number and Wastewater Treatment Plant Operating Permit number.
 - (h) A statement that the utility does not have any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP) or the County Health Department(s) or that the utility does have active written complaints, corrective orders, consent orders, or outstanding citations with the DEP or the County Health Department(s).
 - (i) A copy of any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP) or the County Health Department(s).
- (3) If the Board, upon its own motion, implements an increase or decrease in the rates of a utility based upon the application of the index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S., the Board will require a utility to file the information required in subsection (2).
- (4) Upon a finding of good cause, the Board may require that a rate increase pursuant to Section 367.081(4)(a), F.S., be implemented under a bond or

corporate undertaking in the same manner as interim rates. For purposes of this subsection, "good cause" shall include:

- (a) Inadequate service by the utility;
 - (b) Inadequate record-keeping by the utility such that the Board is unable to determine whether the utility is entitled to implement the rate increase or decrease under this rule.
- (5) Prior to the time a customer begins consumption at the rates established by application of the index, the utility shall notify each customer of the increase or decrease authorized and explain the reasons therefore.
- (6) No utility shall file a notice of intention pursuant to this rule unless the utility has on file with the Board an annual report as required by subsection 25-30.110(3), F.A.C., for the test year specified in the order establishing the index for the year.
- (7) No utility shall implement a rate increase pursuant to this rule within one year of the official date that it filed a rate proceeding, unless the rate proceeding has

Section 3. The Rule shall be effective immediately.

MEMORANDUM

To: Columbia County Utility Committee

From: David Kraus

Date: November 1, 2010

RE: Request for Exemption from the
Columbia County Utilities Regulatory Ordinance 2007-15

Jeffery Hill, owner of Lance Utility off of Country Club Road, has filed a claim for exemption from 2007-15 citing his exemption granted by the FPSC on July 18, 2006.

In this ruling, the FPSC granted the exemption due to the fact that Lance Utilities served less than 40 equivalent residential customers (ERC) and cited Rule 25-30.055(1) F.A.C.. I have attached this rule for reference. Ordinance 2007-15 does not include this rule, or any reference to this rule, under Section 3 (b) or anywhere else in the Ordinance.

The Utility Committee would recommend to the Board to approve or deny this claim of exemption.

Under 2007-15, Section 6 (q) the Board can grant the exemption by final order without a public hearing. However, if a "person or entity with standing" files a complaint, the Board may elect "at its own discretion" to hold a public hearing.

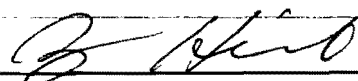
Date: October 22, 2010

To: Senior Staff Assistant, Col. County

From: Jeffrey L. Hill, owner, PWS #2124409

Re: Letter on October 12, 2010

Please note, for the benefit of our community, that instead of increasing our costs we need the exemption from the regulatory assessments fees and the costs of written report. We were previously granted this exemption by the Florida Public Service Commission on July 18, 2006 at a meeting of record in Tallahassee, Florida. Thank you for your attention to this matter.

 Oct. 22, 2010

Jeffrey L. Hill

908 S.E. Country Club Rd.

Lake City, FL. 32025

Phone: 386-752-7230

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Determination of Florida Public Service Commission jurisdiction for provision of water service in Columbia County by Lance Water System.

DOCKET NO. 060481-WU
ORDER NO. PSC-06-0682-PAA-WU
ISSUED: August 7, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

NOTICE OF PROPOSED AGENCY ACTION
ORDER INDICATING EXEMPT STATUS OF LANCE WATER SYSTEM

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Lance Water System (Lance Water or utility) is a small water system, which provides water service to approximately 41 mobile homes and single family homes in Columbia County. Mr. Jeffery Hill is the owner. Lance Water is located in the Suwannee River Water Management District (Suwannee River); however, the utility does not have a Consumptive Use Permit (CUP). Suwannee River has indicated that Lance Water refuses to apply for a CUP. In addition, Suwannee River has filed a suit against Mr. Hill for modifying a dam that has caused flooding. Wastewater service is provided by individually owned septic tanks.

At issue here is whether Lance Water is exempt from regulation by the Florida Public Service Commission pursuant to section 367.022(6), Florida Statutes. Mr. Hill believes that the utility is exempt from Commission regulation as a small system pursuant to section 367.022(6), Florida Statutes, which provides that “[s]ystems with the capacity or proposed capacity to serve 100 or fewer persons” are exempt from Commission regulation. In addition, Rule 25-30.055(1), Florida Administrative Code, provides:

A water or wastewater system is exempt under section 367.022(6), Florida Statutes, if its current or proposed water or wastewater treatment facilities and distribution or collection system have and will have a capacity, excluding fire

DOCUMENT NUMBER-DATE

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FPSO-COMMISSION CLERK

flow capacity, of no greater than 10,000 gallons per day or if the entire system is designed to serve no greater than 40 equivalent residential connections (ERCs).

(Emphasis added.)

According to the Florida Department of Environmental Protection Sanitary Survey, Lance Water's plant design capacity is 26,000 gallons per day (gpd). This exceeds the 10,000 gpd limit for a small system exemption as set forth in Rule 25-30.055(1), Florida Administrative Code. However, the utility is currently serving less than 40 ERCs and there are no plans to expand service. Based on these facts, Lance Water is exempt from Commission jurisdiction at this time. We note, however, that should Lance Water expand its service or if we learn of additional facts which negate Lance Water's exemption, we may exert our jurisdiction at that time.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Lance Water System is exempt from regulation by the Commission. It is further


ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 7th day of August, 2006.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By:



Kay Flynn, Chief
Bureau of Records

(SEAL)

KEF

25-30.055 Systems with a Capacity or Proposed Capacity to Serve 100 or Fewer Persons.

(1) A water or wastewater system is exempt under Section 367.022(6), F.S., if its current or proposed water or wastewater treatment facilities and distribution or collection system have and will have a capacity, excluding fire flow capacity, of no greater than 10,000 gallons per day or if the entire system is designed to serve no greater than 40 equivalent residential connections (ERCs). For purposes of this rule only, one ERC equals 250 gallons per day.

(a) Unless the Commission determines that valid local statistical data should be used, ERCs for residential use are as follows:

Single family detached dwellings	1 ERC per unit
Multiple family dwellings	.8 ERC per unit
Mobile homes	.8 ERC per unit

(b) ERCs for nonresidential use shall be based on meter size and type as follows:

1. For Water Systems

Meter Size	Meter Type	ERCs
5/8"	Displacement	1.0
3/4"	Displacement	1.5
1"	Displacement	2.5
1 1/2"	Displacement or Turbine	5.0
2"	Displacement, Compound or Turbine	8.0
3"	Displacement	15.0
3"	Compound	16.0
3"	Turbine	17.5
4v	Displacement or Compound	25.0
4"	Turbine	30.0
6"	Displacement or Compound	50.0
6v	Turbine	62.5
8"	Compound	80.0
8"	Turbine	90.0
10"	Compound	115.0
10"	Turbine	145.0
12"	Turbine	215.0

2. For Wastewater Systems

Meter Size	Meter Type	ERCs
5/8"	Displacement	1.0
3/4"	Displacement	1.5
1"	Displacement	2.5
1 1/2"	Displacement or Turbine	5.0
2"	Displacement, Compound or Turbine	8.0
3"	Displacement	15.0
3"	Compound	16.0
3"	Turbine	17.5
4"	Displacement or Compound	25.0
4"	Turbine	30.0
6"	Displacement or Compound	50.0
6"	Turbine	62.5
8"	Compound	80.0
8"	Turbine	90.0
10"	Compound	115.0
10"	Turbine	145.0

12"

Turbine

215.0

(c) Where undeveloped land is adjacent to a system or proposed system the Commission may, where appropriate, estimate ERCs for service to future development on the adjacent undeveloped land. Unless the Commission determines that valid local statistical data should be used, ERCs for residential acreage should be estimated as follows:

Residential Use	ERCs/Acre
Mobile home	4.8
Detached single family	4.0

Estimates for other types of residential acreage and for commercial and industrial uses shall be made on a case by case basis.

Specific Authority 350.127(2), 367.121(1)(f) FS. Law Implemented 367.022(6) FS. History—New 1-5-84, Formerly 25-10.10, 25-10.010, Amended 11-10-86.

MEMORANDUM

To: Columbia County Utility Committee
From: David Kraus, Senior Staff Assistant
Date: November 1, 2010

RE: Revisions to the Columbia County Water and Wastewater Systems Handbook

The Water and Wastewater Systems Handbook needs the following revisions before final adoption by the Board of County Commissioners:

- 1) Appendix C, Oil and Grease Management and Surcharge Program, page C-6: This page refers to the Utility Standards Manual. This reference should be changed to “the Columbia County Water and Wastewater Systems Handbook, also known as the “Columbia County Water and Wastewater Technical Manual”.
 - 2) Appendix D, Drawings, page D-1: Needs to read that “Electronic copies of AutoCAD drawings will be available upon request from the Columbia County Utilities Services at 386-719-7565 or from the Columbia County Utilities web site.
 - 3) Appendix B, Backflow Preventers and Control Plan: All references to the Columbia County Water Facilities Department should be changed to Columbia County Utilities. All references to the Columbia County Water Treatment Facilities as the water purveyor should be changed to Columbia County Utilities. All references to the Cross Connection Control Supervisor shall be changed to “either the County’s distribution system operator, water treatment plant operator or their designee”.
- Form Letter A, Cross Connection Control Program: Telephone number on the form and titles for person signing the letter.
- 4) Section 5, Water Distribution Systems: The reference to the County’s 2007 Drinking Water Facilities Plan (current edition) should be changed to “the current edition of the County’s Drinking Water Facilities Plan”.
 - 5) Appendix E, Ordinances and Map: Exhibit A Map of Ellisville Utility Water Service Area, is this map correct?

UTILITY COMMITTEE

September 28, 2010

9:00 a.m.

The Columbia County Utility Committee met in a scheduled meeting in the City of Lake City Council Chambers at 9 a.m.

Members Present:

Commissioner Jody DuPree (Chairman)
Commissioner Scarlet Frisina
At Large Member Billy Dow
At Large Member Walt Graham

Members Absent:

Councilman George Ward
Councilman Eugene Jefferson
Commissioner Stephen Bailey (Other appointment)

Others in Attendance for County:

Senior Staff Assistant David Kraus
Deputy Clerk Sandy Markham
County Purchasing Director Ben Scott
GTC Design Group, Chad Williams
Bill Garner of Nabors, Giblin & Nickerson

Public Works Director Kevin Kirby
Marc Neihaus, Eutaw Utilities
Asst. County Manager Lisa Roberts
Utilities-Drainage Superintendent J.M. Moody

Order:

Chairman DuPree called the meeting to order and announced there was not a quorum. The record of the meeting will be forwarded to the Board of County Commissioners for action.

Espenship Investments' ("E.I.") Request for Interim Rates

David Kraus gave a brief Power Point presentation relating to EI's request for an interim rate increase. The complete presentation is attached.

Mr. Kraus pointed out the following:

Gatorland Utilities a/k/a Gator Utilities operates two water systems; one located in Woodgate Village and the other in Country Dale Estates. In July 2010, the management team changed and became known as Espenship Investments, LLC ("EI"). In September 2010, EI submitted a request for an emergency rate increase. EI's quandary is that revenues are significantly lower than their expenditures.

The Columbia County Regulatory Ordinance and the state ordinances have no provisions for emergency rate increases. Therefore, until the County adopts a separate policy, the county must use the state rules as a minimum standard.

David Kraus said the options are:

- Full Rate Review

- Set an interim rate pending a full rate review
- Limited Proceedings
- Do Nothing

Commissioner DuPree said that he understands Mr. Chambers has asked that interim rates be established according to competitor rates. The Chair asked the Committee to be mindful that if an interim rate is set, a permanent rate study must be done by the utility owner and the time allowed for a study would have to be addressed. EI would be required to post a bond, corporate letters, etc., which must be complied with prior to an interim rate going into effect.

Mr. Ronald C. Chambers, on behalf of EI, gave the history of the private utility and said there has been no rate increase since 1984. He explained that along with mismanagement and embezzlement issues, EI's has had the problem of revenues not being sufficient enough to pay overhead and still turn a reasonable profit. Mr. Chambers requested that interim rates be established.

Citizen Input

Ms. Lauren Bradford does not feel it is fair that EI is asking for a rate increase and also planning to decrease the minimum base amount of water. Ms. Bradford said that a meter rental fee is unreasonable.

Ms. Debbie Adams said, as a matter of information, that she was told this meeting would be a private meeting and that the public would not be allowed to attend. She went on to criticize EI's poor management by stating there was an incident with EI that left hundreds of people without water for a period of three days and that EI made no effort to inform their customers of the problem. Additionally, she said the public has not been properly noticed regarding the proposed rate increases. Ms. Adams lives on Birley Road and said that she learned of a public notice posted on "some other road" by a pump house. She pointed out that EI has each customer's address and should make an effort to make contact. She asked what happens if EI abandons the well.

Ms. Cynthia Keller criticized EI for poor customer service and management. She told of an experience where her water was turned off without justification. She opposes the billing fee, and having to rent a meter, as well as increasing rates while decreasing minimum base amount for water.

Ms. Toby Strawder said that she has been a customer for many years and does not feel the proposed initial meter setting fee (\$50) and water deposit (\$50) should apply to existing customers. She opposes meter rental fees and billing fees being tacked on to the bill.

The Chair asked if there would be anyone else to speak from Woodgate Village.

Mr. Lilker asked to address the rate increase. Chairman DuPree refused his request, because he [Lilker] is not a resident of Woodgate Village. Mr. Lilker and the Chair disagreed on whether he should be allowed to speak. The Chair eventually directed Mr. Lilker to take a seat.

Mr. Lilker voiced that he'd rather stand. The Chair told Assistant County Manager Roberts to call the Sheriff Department and have someone sent to the meeting.

Ms. Christine Brown said that she didn't mind the rate increase, but does oppose the decrease in the gallons from 8,000 to 3,000 gallons.

Ms. Laura Bradford told the Committee that EI has already started charging the increased rates. She thanked Mr. Lilker for his diligence. She said that residents do not have a problem with some increase in rates, but EI has treated residents poorly. She said if the residents are not going to be helped, this should revert back to PSC.

Mr. Daniel Houston of Suwannee Utilities said as he was leaving the meeting that there were no problem with the water quality in Woodgate Village.

Attorney Input Regarding Interim Rates

Comments by Attorney Garner:

- Florida Statutes require that interim rates only be considered as part of a full rate proceeding
- The utility would have to file for a rate case
- If interim rates are awarded to utilities, it is subject to a refund depending on the final outcome
- The Board cannot legally move forward with an interim rate until after an official filing date for a rate is established, and that minimum filing requirements must be met before moving forward with an interim rate
- Once minimum filing requirements are met, an official filing date is established. Once that occurs the Board must act on the utility's request within a sixty day period.
- It is impossible for the County to give an interim rate at this time
- If EI abandons the well without following legal guidelines they will face fines up to \$500 per day, misdemeanor charges, and possible jail time.

Commissioner Dupree asked if there is a provision that would allow rates to raise with an index as a way of setting rates rather than going through a rate study. Attorney Garner said the ordinance allows the Board to pass through some costs and use indexes. These actions require that this be done by rule and by a certain time each year.

Chairman Dupree asked that legal staff put something in writing outlining the exact process for setting interim rates that would be beneficial for the county, utility and the customer.

This matter will go before the Board of County Commissioners at the next Board meeting. Commissioner Frisina reported that she would be out of town. The Chair recommended that the matter move forward expeditiously. Commissioner Frisina was in agreement that the matter should be considered at the next Board meeting, but requested copies of the minutes be provided to her.

Paradise Village and Cannon Creek Mobile Home Parks Utility Regulation Ordinance – Section 5

The Columbia County Regulatory Ordinance states certain types of utilities are not governed by the Ordinance. A utility service provided by landlords to tenants and unit owners without compensation are not covered by the ordinance and are exempt upon making application. The above mentioned utilities have made application for exemption. This will need to be approved by the Board of County Commissioners. Mr. Kraus recommended this matter go on the Board's agenda for approval.

Purchase of Meter and Meter Reading Device

Mr. Kraus recommended the handheld *Sensus TouchRead* (SR II) be purchased. These meters are identical to the meters used by the City. He also suggested the low cost touch meter reading device.

Update – Water Service Community Development Block Grant

Mr. Kraus reported that FDEP is scheduled to inspect the Ellisville Water Plant that afternoon. This is the final step before receiving clearance to sell water. No complications are expected. He noted the fire hydrants are now available in the event of a fire in the area.

Chairman DuPree asked, "What about the letter Marlin [Feagle] was going to write regarding the 60 day notice?" The Chairman did not elaborate on specifically what letter he was referencing. Asst. County Manager Roberts replied that she would check with Attorney Feagle to get a status.

In terms of the CDBG, Mr. Kraus said the Board has approved the contract and things are moving forward. The County should hear from DCA on this matter in a couple of weeks. The money will provide assistance with water connections and with housing rehabilitation.

Eastside Village Rates:

Mr. David Kraus said that Kirby D. Morgan (d/b/a Eastside Village) has responded to the County's request for additional information. The County has since requested that more information be provided.

Chairman's Discussion

There is still much to be learned about utilities. Chairman DuPree suggested that every effort be made to keep attorney fees to a minimum. In doing so, he recommended that Mr. Kraus and Attorney Garner work together to **develop a written guide/plan**. The plan would meet the consumer's needs, but also assist the Utility Committee in dissecting their roll as it relates to Ordinance 2007-15. The plan needs to outline protocol, breakdown applicable Florida Statutes, provide definitions, etc. that apply to the utilities and the Utility Committee. He said there should be a process put in place for making things happen, and will assist the County in tying up loose ends

and closing loopholes. The Chairman said that he wants the Committee and the Board of County Commissioners to be in a position where they are able to act on issues as they arise and not begin developing standards, policies, plans, etc. as the need presents itself. Commissioner Frisina agreed.

There being no further business, the meeting **adjourned** at 10:30 a.m.

ATTEST:

Jody DuPree, Chairman
Utility Committee

P. DeWitt Cason
Clerk of Circuit Court