

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for original certificates to provide water and wastewater service in Polk County by Deer Creek RV Golf & Country Club, Inc.

DOCKET NO. 20160248-WS
ORDER NO. PSC-2017-0440-FOF-WS
ISSUED: November 17, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISÉ
DONALD J. POLMANN
GARY F. CLARK

ORDER APPROVING APPLICATION FOR AN ORIGINAL CERTIFICATE FOR AN EXISTING WATER SYSTEM AND APPROVING EXISTING RATES AND CHARGES DEER CREEK RV GOLF & COUNTRY CLUB, INC.

BY THE COMMISSION:

Background

Deer Creek RV Golf & Country Club, Inc. (Deer Creek or Utility) is located in Polk County. Based on its application, Deer Creek provides water and wastewater services to approximately 862 residential customers and 22 general service customers.

Deer Creek is part of a Development of Regional Impact (DRI), which was established in the early 1980s.¹ Under the DRI, several contiguous mobile home communities and commercial properties were developed. The ownership of the developments has changed hands several times and several different agreements were made as to how utility service would be managed and billed. On December 5, 2013, Deer Creek acquired the recreational facilities, amenities, and other property exclusively serving several of the communities.

Deer Creek does not operate either a water treatment facility or a wastewater treatment facility; it purchases those services from Polk County. Deer Creek does maintain the water and wastewater lines that serve the Deer Creek communities. Deer Creek's billing service allocates the bill received from Polk County for water and wastewater service back to the residents within the Community based on the meter readings at each location.

¹Pursuant to Section 380.06(1), Florida Statutes, a Development of Regional Impact is defined as "any development which, because of its character, magnitude or location, would have a substantial effect upon the health, safety, or welfare of citizens of more than one County."

On December 23, 2016, Deer Creek filed an application for original water and wastewater certificates. Deer Creek is seeking to be certificated because it is operating at a loss and cannot continue to function under one of the statutory exemptions listed under Section 367.022, Florida Statutes (F.S.). Deer Creek's utility plant consists of a water distribution system, water meters, and a wastewater collection system with a master lift station. Effluent from the lift station is transferred to Polk County for treatment and disposal. Water is provided to Deer Creek by Polk County via a single master meter.

Pursuant to Section 367.031, F.S., this Commission shall grant or deny an application for a certificate of authorization within 90 days after the official filing date of the completed application. The application was deemed complete on March 7, 2017, which is considered the official filing date. Deer Creek waived the 90-day statutory deadline through November 7, 2017.

This Order addresses the application for original water and wastewater certificates and the appropriate rates and charges for the Utility. We have jurisdiction pursuant to Sections 367.031 and 367.045, F.S.

Decision

On December 23, 2016, Deer Creek filed its application for original water and wastewater certificates in Polk County. Upon review, Commission staff determined the original filing was deficient and sent several data requests to the Utility seeking additional information. Deer Creek corrected the deficiencies on March 7, 2017, which is considered the official filing date for the application. The Utility's application is in compliance with the governing statutes, Sections 367.031 and 367.045, F.S.

Notice

On March 31, 2017, Deer Creek filed proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code (F.A.C.). Subsequent to the filing of the notice, we received three letters expressing concern regarding Deer Creek's ability to manage a utility. These concerns included complaints received by Deer Creek, unaccounted for water and leaks in the system, and communication with the Utility. The letters did not include a return address, email address, or any means to contact the customer; therefore, Commission staff was not able to seek clarification on whether or not the customers intended to pursue an objection and request a formal hearing. As of October 18, 2017, no other person or entity objected to the application and the time for filing such objections has expired.

Land Ownership and Service Territory

Deer Creek provided adequate service territory system maps and a territory description as required by Rule 25-30.034, F.A.C. The legal description of the service territory is appended to this Order, as Attachment A. Deer Creek did not submit a recorded executed warranty deed as Deer Creek's utility plant consists of a water distribution system, water meters, and a wastewater collection system with a master lift station. All treatment services are purchased from Polk County.

Financial and Technical Ability

Pursuant to Rule 25-30.034(1)(i), F.A.C., the Utility provided statements describing its financial and technical ability to provide service. We reviewed the financial statements of Deer Creek and find the current owner has documented adequate resources to support the Utility's water and wastewater operations.

Regarding technical ability, as stated above, Deer Creek does not operate either a water treatment facility or a wastewater treatment facility; it purchases the treatment services from Polk County. As of October 17, 2017, Deer Creek has no compliance issues on file with the Florida Department of Environmental Protection and is current with its monitoring requirements. Meter reading and billing services are provided by NES and White Accounting Service, LLC. Both are professional contractors engaged in the business of billing services.

The current owner has been operating the system since 2013. Maintenance of the distribution and collection system is provided by the Deer Creek maintenance staff and supplemented, as needed, by qualified contractors with expertise in water and wastewater systems and lift-station service and maintenance. Administrative and oversight duties are provided by the Board and Officers of Deer Creek.

Rates

The Utility has been billing its water and wastewater customers base facility charges (BFC) based on a proration of the Polk County water and wastewater BFCs for a 12" master meter and the County's gallonage charges. While the County's rates are per 1,000 gallons, the Utility bills based on 100 gallons.

The residential customers are individually metered. However, the Utility does not bill the clubhouses or pools. We advised the Utility that all customers receiving water or wastewater service should be billed for those services.

In its application, the Utility requested rates that included the additional costs for the County franchise fee, the Commission's regulatory assessment fees (RAFs), and a 10 percent allowance for unaccounted for water. Commission staff advised the Utility that the County franchise fee shall be shown as a separate line item on the customer's bill pursuant to Rule 25-30.335(6), F.A.C. Because the Utility's application was filed pursuant to Rule 25-30.034, F.A.C., and customers have not been noticed of a proposed change in rates, we find that the rates currently being charged, excluding the 10 percent allowance for unaccounted for water and RAFs, which are not included in the current rates, shall be approved. The Utility may apply for a pass through, pursuant to a Section 367.081(4), F.S., to recover the cost of RAFs and the Polk County rate increase that became effective on October 1, 2017. The Utility has not noticed its customers or billed the October 1 County rate increase. Additional cost recovery, such as costs associated with unaccounted for water, may be requested in a staff assisted rate case. The Utility does not collect and has not requested miscellaneous service charges or service availability charges. We find that the existing rates, as shown on Schedule No. 1, shall remain in effect until a change is authorized by this Commission in a subsequent proceeding.

Conclusion

Based on the information above, we find that Deer Creek be granted Certificate Nos. 670-W and 572-S to serve the territory described in Attachment A, effective the date of our vote. This Order shall serve as Deer Creek's water and wastewater certificates and it shall be retained by the Utility. We also find that the existing rates, as shown on Schedule No. 1, shall remain in effect until a change is authorized by this Commission in a subsequent proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Deer Creek shall be granted Certificate Nos. 670-W and 572-S to serve the territory described in Attachment A, effective the date of the Commission's vote. This order shall serve as Deer Creek's water and wastewater certificates and it shall be retained by the Utility. It is further

ORDERED that the existing rates, as shown on Schedule No. 1, remain in effect until a change is authorized by this Commission in a subsequent proceeding.

ORDERED this docket shall be closed.

By ORDER of the Florida Public Service Commission this 17th day of November, 2017.



HONG WANG
Chief Deputy Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

WDT

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Deer Creek RV Golf & Country Club, Inc.
Description of Water and Wastewater Service Territory

Polk County

Commence at the Southeast corner of the Southwest 1/4 of Section 17, Township 26 South, Range 27 East, Polk County, Florida and run thence N 0°13'28" E, along the East boundary of said Southwest 1/4, a distance of 525.01 feet to the Point of Beginning; continue N 0°13'28" E, 2120.74 feet to the Northeast corner of said Southwest 1/4; run thence S 89°54'39" W, along the North boundary of the Northeast 1/4 of the Southwest 1/4 a distance of 1325.49 feet to the Southeast corner of the Southwest 1/4 of the Northwest 1/4 of said section 17, run thence N 0°04'18" E, along the East boundary of said Southwest 1/4 of the Northwest 1/4, a distance of 725.00 feet; run thence N 76°22'33" W, 943.27 feet; run thence N 89°55'42" W, 45.00 feet to a point on a curve having a radius of 610.00 feet, a central angle of 91°04'15" and whose chord bears S 45°36'26" W, run thence Southwesterly along said curve an arc distance of 969.56 feet; run thence S 53°41'40" W, 566.40 feet; run thence S 36°18'20" E, 20.00 feet; run thence S 62°06'42" W, 58.12 feet; run thence S 07°25'05" W, 119.44 feet to a point on a curve to the left having a radius of 248.82 feet, a central angle of 35°18'22" and whose chord bears S 10°14'07" W, run thence Southwesterly along said curve an arc distance of 153.32 feet; run thence S 27°53'18" E, 1000.00 feet to a point on a curve to the left having a radius of 267.19 feet, a central angle of 33°27'28" and whose chord bears S 44°37'02" E, run thence Southeasterly along said curve an arc distance of 156.03 feet to a point on a reverse curve to the left having a radius of 405.94 feet, a central angle of 27°27'35" and whose chord bears S 47°36'58" E, run thence Southeasterly along said curve an arc distance of 914.55 feet; run thence S 33°53'10" E, 20.00 feet to a point on a curve to the left having a radius of 30.00 feet, a central angle of 90°00'00" and whose chord bears S 78°53'10" E, run thence Southeasterly along said curve an arc distance of 47.12 feet; run thence N 56°06'50" E, 173.05 feet to a point on a curve to the left having a radius of 1801.37 feet, a central angle of 08°50'08" and whose chord bears N 51°26'15" E, run thence Northeasterly along said curve an arc distance of 227.78 feet, run thence N 47°01'11" E, 113.93 feet to a point on a curve to the left having a radius of 1435.17 feet, a central angle of 03°25'15" and whose chord bears N 48°43'49" E, run thence Northeasterly along said curve an arc distance of 85.69 feet; run thence N 50°26'26" E, 40.00 feet; run thence S 39°33'34" E, 80.00 feet; run thence N 50°26'26" E, 62.98 feet to a point on a curve to the right having a radius of 919.27 feet, a central angle of 13°17'28" and whose chord bears N 57°05'10" E, run thence Northeasterly along said curve an arc distance of 213.24 feet; run thence S 26°07'38" E, 40.00 feet to a point on a non-tangent curve to the left having a radius of 431.38 feet, a central angle of 01°59'28" and whose chord bears S 62°43'17" W, run thence Southwesterly along said curve an arc distance of 14.99 feet; run thence S 26°07'43" E, 177.16 feet to a point on a curve to the right having a radius of 546.84 feet, a central angle of 23°48'35" and whose chord bears S 11°48'45" E, run thence Southerly along said curve an arc distance of 227.24 feet; run thence S 00°09'14" E, 447.65 feet to a point on a curve to the left having a radius of 869.08 feet, a central angle of 11°32'54" and whose chord bears S 05°55'41" E, run thence Southerly along said curve an arc distance of 175.17 feet; run thence S 11°42'08" E, 333.23 feet; run thence S 89°50'46" W, 554.14 feet; run thence N 12°26'07" W, 867.28 feet to a point on a non-tangent curve to the right having a radius of 1451.41 feet, a central angle of 00°40'47" and whose chord bears S 48°08'46"

W, run thence Southwesterly along said curve an arc distance of 17.22 feet; run thence N 12°26'07" W, 95.66 feet to a point on a non-tangent curve to the right having a radius of 1881.37 feet, a central angle of 02°36'38" and whose chord bears S 54°33'00" W, run thence Southwesterly along said curve an arc distance of 85.72 feet; run thence S 56°06'50" W, 172.92 feet; run thence S 33°53'10" E, 10.00 feet; run thence S 56°06'50" W, 105.65 feet to a point on a curve to the right having a radius of 905.01 feet, a central angle of 06°41'37" and whose chord bears S 59°27'38" W, run thence Southwesterly along said curve an arc distance of 105.73 feet; run thence S 62°48'27" W, 239.88 feet the Easterly right-of-way line of U.S. Highway 27 and a point on a non-tangent curve to the right having a radius of 4437.18 feet, a central angle of 02°32'33" and whose chord bears S 35°16'37" E, run thence Southeasterly along said curve an arc distance of 196.70 feet; run thence along said right-of-way line the following courses and distances; thence S 65°59'34" W, 15.00 feet to a point on a curve having a radius of 4422.18 feet, a central angle of 06°39'57" and whose chord bears S 20°40'27" E, run thence Southeasterly an arc distance of 514.48 feet; thence leaving said Easterly right-of-way line U.S. Highway 27, run N 89°50'47" E, 239.76 feet; run thence S 00°05'09" E, 208.71 feet to a point lying 25.00 feet North of the South boundary of said Section 17; run thence N 89°50'47" E, parallel to said South boundary 2013.87 feet; run thence N 00°09'14" W, 40.00 feet; run thence N 89°50'47" E, 50.00 feet; run thence N 00°09'14" W, 460.00 feet; run thence N 89°50'47" E, 400.95 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes

Deer Creek RV Golf & Country Club, Inc.

pursuant to

Certificate Number 670-W

to provide water service in Polk County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rule, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-2017-0440-FOF-WS	11/17/2017	20160248-WS	Original Certificate

FLORIDA PUBLIC SERVICE COMMISSION

authorizes

Deer Creek RV Golf & Country Club, Inc.

pursuant to

Certificate Number 572-S

to provide wastewater service in Polk County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rule, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-2017-0440-FOF-WS	11/17/2017	20160248-WS	Original Certificate

Deer Creek RV Golf & Country Club, Inc.

Water Service

Residential and General Service

Base Facility Charge – All Meter Sizes \$2.30

Charge Per 1,000 gallons

0-2,400 gallons \$2.75

2,401-4,700 gallons \$5.16

4,701-9,500 gallons \$10.03

Over 9,500 gallons \$17.35

Wastewater Service

Residential Service and General Service

Base Facility Charge - All Meter Sizes \$8.57

Charge Per 1,000 gallons \$6.48