

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: March 28, 2014
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Peter H. Lester, Professional Accountant Specialist, Division of Accounting & Finance
RE: Docket No. 130210-WS, CHC VII, Ltd., Staff assisted rate case

Attached is a letter (with attachments) from Robert Nicely, a customer of the above water and wastewater utility. Please file this in the docket file with its own document number. Thank you and please let me know if you have any questions.

PL/pl

cc: Lee Eng Tan
Curt Mouring
Clarence Prestwood
Sonica Bruce
Melinda Watts

RECEIVED FPSC
14 MAR 28 PM 1:51
COMMISSION
CLERK

FAX/MEMO

Robert E. Nicely
NY Home 716-693-1215 Cell 716-830-1899 (Fax 716-694-7802)
Florida 863-299-8719 (and Fax)

DATE: March 26, 2014
TO: Peter Lester 850-413-6468 ✓
FAX # Lee Eng Tan 850-413-6185
REF: Packet # 130210-WS
NUMBER OF PAGES INCLUDING COVER: 11

Per our conversation.

Robert E. Nicely / JRM

Florida Public Service Commission
Via Fax to:
Peter Lester 850-413-6468
Lee Eng Tan 850-413-6186

Re: Docket #130210-WS by CHC VII, Ltd

I am a concerned resident of Swiss Golf and Tennis and Hidden Golf ("SG&T and HG") and I am present to address the Florida Public Service Commission regarding the concerns of our community with regard to the above referenced Docket by CHC VII, Ltd. ("CHC"), the sole owner of SG&T and HG.

In 2007, CHC was petitioner to the PSC Docket #070415 that resulted in a finding of overages of income and a recommendation to use the overage to improve the system (new meters, etc.). CHC rejected that proposal and withdrew their 2007 petition (see attachment 1).

What has changed since then? From my perspective as a resident, I believe nothing has changed. Same old meters, same bad tasting water.

What has changed dramatically is the financial structure of CHC. In 2007 they were joint debtors in a \$37 million mortgage with others. On July 2, 2012 that mortgage was changed to a single debtor, CHC. The debt was increased \$11 million to approximately \$47 million. Interest on the debt was reduced to \$4.18 a/p and was guaranteed by Fanny Mae (see attachments 2,3,4,5,6).

In 2012, CHC made a financial filing in a tax rate case in Polk County. They deducted the total interest on the debt of over \$2.7 million (see attachment 7) to reduce their income to less than \$100,000. Where is the \$11 million and where are the earnings from it. If CHC is the sole debtor, then it should have income from \$11 million of at least \$400,000. The absence of this reflects adversely as to the validity of their apportionment of office and labor expenditures dedicated to the utility.

Part of our park is in the City of Winter Haven water district. They have two meters. One for irrigation and one for house water use. The rates are different for each. They also have a vacation rate - a monthly base charge for water and a metered charge for irrigation. Irrigated water is cheaper than the house water rate. Furthermore, Winter Haven is a municipality whereby the income, if any, goes to benefit its residents. The CHC income benefits its partners. Since over 50% of the residents are in residence only 5 or 6 months per year, two meters should be required to be installed prior to any increase being applied to their residence (part of your recommendation in 2007 was that meters be replaced).

Sweetwater Community, Inc. is a resident owned park. It appears to have been developed and owned by the same limited partnerships that developed SG&T and HG. It has approximately 400 units and has the same amenities as SG&T and HG, they too, have an 18 hole golf course. I was given the privilege of reviewing their accounting records, in part.

At present, the monthly stipend is \$268.00/unit. That includes basic cable, trash removal, free entertainment, pool area, club and pub privileges, tennis courts, an 18 hole golf course, etc. They hire a licensed private contractor to maintain the water and waste water facilities at \$7,000 per month. The contractor has a person on site six days a week and on call 24 hours. The golf course is in pristine condition and owners pay \$2.00 per round. CHC charges \$20.00/round and the residents at SG&T and HG pay for their own cable and trash removal.

Sweetwater income is approximately \$110,000/mo. from the units and approximately \$25,000 from miscellaneous sources. They are able to maintain the park in pristine condition, pay all bills and build up a reserve of over \$500,000 and recently paved all streets. CHC streets are in need of paving, especially the easement street leading to our south gate.

I respectfully request:

First. Deny CHC request. If you correctly appropriate the income from the \$11 million and the labor and unaccounted water, the water and waste water system would have a positive balance.

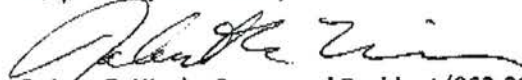
Second. Before any rate increases are put in place per residence, require CHC to install two new meters per household, one for Irrigation and one for water. Set a fair monthly rate for irrigation while the premises are vacant and a vacation rate similar to the City of Winter Haven.

Third. Replacing the meters could substantially lower labor costs (see Ledger article, attachment 8).

Lastly, after a year of experience with the new meters, the system should be reviewed and a final determination should be made as to the fairness of the rates.

Thank you for allowing me 3 minutes to address the Commission on April 10, 2014.

Respectfully submitted,



Robert E. Nicely, Concerned Resident (863-299-8719)
383 Tennis Lane
Winter Haven, FL 33881

Docket No. 070415-WS
Date: December 13, 2007

Attachment # 1

Issue 5: What are the appropriate amount of test year revenues in this case?

Preliminary Recommendation: The appropriate amount of test year revenues in this case are \$204,245 for the water system and \$87,888 for the wastewater system. (Lingo, Deason)

Staff Analysis: The utility reported test year revenues of \$142,085 for the water system and \$83,134 for the wastewater system. However, staff auditors discovered that the utility failed to bill its general service and irrigation customers (all related parties to the utility), thereby greatly understating revenues. In addition, staff auditors discovered irregular billing cycles.

Based on detailed billing information obtained from the utility, staff recalculated test year revenues. Staff recommends revenue imputations of \$62,160 for the water system and \$4,754 for the wastewater system. Staff's recommended revenues also reflect the correction of any irregular billing cycles that occurred during the test period. Imputation of revenues in this case is consistent with how unbilled customers and the associated revenues have been handled in prior cases.⁶ Based on the foregoing, staff recommends that the appropriate amount of test year revenues in this case are \$204,245 for the water system and \$87,888 for the wastewater system.

⁶ Order No. PSC-97-0931-FOF-WU, issued August 5, 1997 in Docket No. 961447-WU, in re: Application for staff-assisted rate case in Lee County by Spring Creek Village, Ltd.

Attachment #2

Prepared By & Return To:
 Ronald L. Clark, Esq
 Post Office Box 6559
 Lakeland, Florida 33807

INSTR # 2000123513
 CR NR 04507 PG 1434

RECORDED OR/POW/2000 02:39 PM
 RICHARD M. WEISS CLERK OF COURT
 PALM COUNTY
 DOC. TAX PD F. S. 201.047 16,800.00
 INT. TAX PD F. S. 1991 9,600.00
 DEPUTY CLERK: S. Higgins

MORTGAGE AND SECURITY AGREEMENT

BANK OF AMERICA, N.A.

This mortgage and security agreement ("Mortgage") made this 25th day of JULY, 2000, by and between Hidden Cove, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("Hidden Cove"), Lucerne, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("Lucerne"), Hidden Cove West, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("Hidden Cove West"), H&W, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("H&W"), Century Financial Center, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("Century Financial"), Sunco Properties, Ltd. VI, a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("Sunco"), Highlands Lake, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("Highlands Lake"), CHC VII, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("CHC VII"), Plantation Landings, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("Plantation") and CRF II, Ltd., a Florida limited partnership, whose mailing address is Post Office Box 5252, Lakeland, Florida 33807 ("CRF") (Hidden Cove, Lucerne, Hidden Cove West, H & W, Century Financial, Sunco, Highlands Lake, CHC VII, Plantation and CRF shall be collectively referred to herein as "Mortgagor" and individually as "Individual Mortgagor"), and BANK OF AMERICA, N.A., whose mailing address is 331 South Florida Avenue, Lakeland, Florida 33801 ("Mortgagee")

WHEREAS, Mortgagee and Mortgagor have entered into a Loan Agreement of even date herewith ("Loan Agreement"); and

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of Four Million Eight Hundred Thousand and No/100 Dollars (\$4,800,000.00) together with interest thereon, as evidenced by the promissory note of even date herewith ("Note"), executed by Mortgagor and delivered to Mortgagee, the final payment of which is due on or before August 5, 2005 which by reference is made a part hereof to the same extent as though set out in full herein; and

WHEREAS, Mortgagor has executed an Environmental Compliance and Indemnification Agreement in favor of Mortgagee (the "Environmental Agreement") dated today, under which funds may be owed to Mortgagee by Mortgagor;

Attachment # 3

Print	Zoom In	Zoom Out	Best Fit	Fit To Width	Fit To Height	Rotate
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STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM

INSTR # 2012116790
 BK 00608 PGS 0546-8595 PG(s) 18
 RECORDED 07/02/2012 05:09:56 PM
 RICHARD H WEISS, CLERK OF COURT
 POLK COUNTY
 RECORDING FEES 66.50
 RECORDED BY S Curtsinger

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON

B. SEND ACKNOWLEDGEMENT TO:
 Name: CASSIN & CASSIN LLP
 Address: 2900 Westchester Avenue, Suite 402
 Address Attn: Recording Dept.
 City/State/Zip: Purchase, New York 10677

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (In OR 1b) - Do Not Abbreviate or Combine Names

1.a ORGANIZATION'S NAME
CHC VII, LTD.

1.b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1.c MAILING ADDRESS Line One
500 S. Florida Avenue

1.d MAILING ADDRESS Line Two
Suite 700

1.e CITY Lakeland STATE FL POSTAL CODE 33801 COUNTRY USA

1.f TAX ID# N/A 1.g ORGANIZATION DEBTOR LP 1.h JURISDICTION OF ORGANIZATION Florida 1.i ORGANIZATIONAL ID# NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (In OR 1b) - Do Not Abbreviate or Combine Names

2.a ORGANIZATION'S NAME

2.b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2.c MAILING ADDRESS Line One

2.d MAILING ADDRESS Line Two

2.e CITY STATE POSTAL CODE COUNTRY

2.f TAX ID# 2.g ORGANIZATION DEBTOR 2.h JURISDICTION OF ORGANIZATION 2.i ORGANIZATIONAL ID# NONE

3. SECURED PARTY'S NAME (or NAME OF TOTAL ASSIGNOR OF ASSIGNOR'S IP) - INSERT ONLY ONE SECURED PARTY (In OR 1b)

3.a ORGANIZATION'S NAME
FANNIE MAE

3.b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3.c MAILING ADDRESS Line One
c/o Walker & Dunlop, LLC

3.d MAILING ADDRESS Line Two
7501 Wisconsin Avenue, Ste. 1200

3.e CITY Bethesda STATE MD POSTAL CODE 20814 COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

See Schedule "A" annexed hereto and made a part hereof.

5. ALTERNATE DESIGNATION (if applicable)

LESSOR/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOER

AG. LIEN NON-UCC FILING SELLER/BUYER

6. Florida DOCUMENTARY STAMP TAX - YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.

Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA File with Polk County, Florida W&D/Hidden Golf and Swiss Golf MHC (1866-74)

STANDARD FORM - FORM UCC-1 (REV. 01/2007) Filing Office Copy Approved by the Secretary of State, State of Florida

Attachment # 4

Print	Zoom In	Zoom Out	Best Fit	Fit To Width	Fit To Height	Rotate
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INSTR # 2012116788
 BK 88688 PGE 0550-0580 PG (c) 31
 RECORDED 07/02/2012 05:09:56 PM
 RICHARD M WEISS, CLERK OF COURT
 POLK COUNTY
 HTG DOC 30,948.35
 INTANG TAX 22,256.19
 RECORDING FEES 265.00
 RECORDED BY S Curtisinger

**THIS SECURITY INSTRUMENT
 PREPARED BY, AND AFTER
 RECORDING RETURN TO:
 Michael Herman, Esq.**

re

Cassin & Cassin LLP
 2900 Westchester Avenue, Suite 402
 Purchase, New York 10577
 Attention: Recording Department

(Reserved)

**CONSOLIDATED AMENDED AND RESTATED MULTIFAMILY MORTGAGE,
 ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
 AND FIXTURE FILING**

(FLORIDA)

Hidden Golf and Swiss Golf MHC
 1 Century Drive
 Winter Haven, Florida 33881

THIS IS A RENEWAL AND CONSOLIDATION MORTGAGE SECURING THE RENEWAL OF THAT CERTAIN PROMISSORY NOTE DATED January 9, 2009. THIS MORTGAGE EVIDENCES AN INCREASE THERETO IN THE AMOUNT OF \$9,646,400.00. DOCUMENTARY STAMP TAX ON THE ORIGINAL OBLIGATION HAS BEEN FULLY PAID.

- [PROVISION 1 - CHECK BOX IF INTEREST RATE IS FIXED] THIS IS A BALLOON MORTGAGE AND THE FINAL PRINCIPAL PAYMENT OR THE PRINCIPAL BALANCE DUE UPON MATURITY IS \$37,703,810.78, TOGETHER WITH ACCRUED INTEREST, IF ANY, AND ALL ADVANCEMENTS MADE BY THE MORTGAGEE (LENDER) UNDER THE TERMS OF THIS SECURITY INSTRUMENT.
- [PROVISION 2 - CHECK BOX IF INTEREST RATE IS VARIABLE] THIS IS A BALLOON MORTGAGE SECURING A VARIABLE ADJUSTABLE RATE OBLIGATION, ASSUMING THAT THE INITIAL RATE OF INTEREST WERE TO APPLY FOR THE ENTIRE TERM OF THE SECURITY INSTRUMENT, THE FINAL PRINCIPAL PAYMENT OR THE PRINCIPAL BALANCE DUE UPON MATURITY WOULD BE APPROXIMATELY \$ _____ TOGETHER WITH ACCRUED INTEREST, IF ANY, AND ALL ADVANCEMENTS MADE BY THE MORTGAGEE (LENDER) UNDER THE TERMS OF THIS SECURITY INSTRUMENT. THE ACTUAL BALANCE DUE UPON MATURITY MAY VARY DEPENDING ON CHANGES IN THE RATE OF INTEREST.

Fannie Mae Consolidated, Amended and Restated
 Multifamily Security Instrument
 Florida

Form
 6025.FL.AH
 01-11

© 2011 Fannie Mae

Attachment # 5

Print	Zoom In	Zoom Out	Best Fit	Fit To Width	Fit To Height	Rotate
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**CONSOLIDATED, AMENDED AND RESTATED MULTIFAMILY MORTGAGE,
ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

This CONSOLIDATED, AMENDED AND RESTATED MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "Security Instrument") dated as of June 29, 2012, is executed by CHC VII, LTD., a limited partnership organized and existing under the laws of Florida, as mortgagor ("Borrower"), to and for the benefit of WALKER & DUNLOP, LLC, a limited liability company organized and existing under the laws of Delaware, as mortgagee ("Lender").

RECITALS:

A. Lender is the holder of a promissory note dated January 9, 2009, in the original principal amount of Thirty-Seven Million Five Hundred Thirteen Thousand Six Hundred and 00/100 Dollars (\$37,513,600.00) (the "Original Note") made by Borrower and payable to the order of Grandbridge Real Estate Capital LLC ("Original Lender").

B. The Original Note is secured by a Consolidated, Amended and Restated Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated January 9, 2009, from Borrower to and for the benefit of Original Lender, recorded among the Public Records of Polk County, Florida in Official Record Book 7798, at Page 157 (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "Original Mortgage") on certain improved real property located in Polk County, Florida.

C. The Original Note is being consolidated, amended and restated in its entirety to reflect among other things, a change in the interest rate and terms of payment and an increase in the original principal amount from Thirty-Seven Million Five Hundred Thirteen Thousand Six Hundred and 00/100 Dollars (\$37,513,600.00) to Forty-Seven Million One Hundred Sixty Thousand and 00/100 Dollars (\$47,160,000.00).

D. The Original Mortgage has been assigned by Original Lender to Lender pursuant to an Assignment, dated as of June 29, 2012 and recorded or intended to be recorded among the Public Records of Polk County, Florida, immediately prior hereto.

E. Borrower and Lender now desire to amend and modify the terms of the Original Mortgage and have agreed, for purposes of convenience, to consolidate, amend and restate the Original Mortgage, in its entirety.

NOW, THEREFORE, Borrower and Lender, by its acceptance hereof, in consideration of the mutual promises and agreements contained in this Agreement, each hereby covenant and agree as follows:

Fannie Mae Consolidated, Amended and Restated
Multifamily Security Instrument
Florida

Form
6025.FL.AR
01-11

Page 1
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Attachment # 6

Print	Zoom In	Zoom Out	Best Fit	Fit To Width	Fit To Height	Rotate
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IN WITNESS WHEREOF, Borrower has signed and delivered this Security Instrument under seal (where applicable) or has caused this Security Instrument to be signed and delivered by its duly authorized representative under seal (where applicable). Where applicable law so provides, Borrower intends that this Security Instrument shall be deemed to be signed and delivered as a sealed instrument.

Witnesses:

BORROWER:

Suzanne A. Brindley
Name:

CHC VII, LTD., a
Florida limited partnership

Michael Korian
Name:

By: **CENTURY PROPERTIES MHP, LLC, a**
Florida limited liability company, its
General Partner

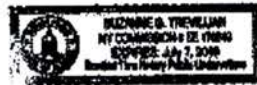
Benjamin D. E. Falk (SEAL)
By: **Benjamin D. E. Falk**
Title: Vice President

STATE OF FLORIDA)
COUNTY OF Polk)ss

I, Suzanne G. Trull, a Notary Public in and for the said County in the State aforesaid, do hereby certify that **BENJAMIN D. E. FALK**, known to me to be the same person whose name is subscribed to the foregoing instrument as **VICE PRESIDENT** of **CENTURY PROPERTIES MHP, LLC**, a Florida limited liability company, the General Partner of **CHC VII, LTD.**, a Florida limited partnership, appeared before me this day in person and acknowledged that he, being thereunto duly authorized, signed, and delivered the said instrument as the free and voluntary act of said limited liability company, and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 22 day of June, 2012.

Suzanne A. Brindley
NOTARY PUBLIC, STATE OF FL
(Name of Notary Public, Print, Stamp or
Type as Commissioned)



Personally known to me, or
 Produced identification

(Type of Identification Produced)

Fannie Mae Consolidated, Amended and Restated
Multifamily Security Instrument
Florida

Form 6025.FL.AR
01-11

Page 21
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Attachment # 7

Received On: 10/29/2012 1:18:39 PM

Debtors' Evidence

Petition No: 2012-00025

STATEMENT OF INCOME

For the Period Ended DECEMBER 31, 2011

ELECTRIC UTILITIES	\$ 82,708.59
GARAGE UTILITIES	15,044.64
SEWER UTILITIES	1,291.01
TELEPHONE EXPENSE	3,323.42
WATER UTILITIES	16,927.33
OPERATING EXPENSES	\$ 1,805,664.68
INCOME FROM OPERATIONS	\$ 3,260,900.16
OTHER INCOME AND EXPENSES	
BAD DEBT'S	\$ (39,171.70)
INTEREST EXPENSE	(2,792,297.75) -
TOTAL OTHER INCOME AND EXPENSES	\$ (2,832,469.45)
INCOME (LOSS) FROM OPERATIONS	\$ 428,334.71
NET INCOME (LOSS) - SALES	\$ (172,692.99)
NET INCOME (LOSS) - GOLF	(179,002.43)
NET INCOME (LOSS)	\$ 76,639.39

NOT before interest

2,869,932.14

Averaged 6 vacancies in singlewide section in 2011

From Clerk at the court.

Attachment # 8

THE LEDGER • THURSDAY, MARCH 20, 2014 • WWW.THELEDGER.COM

polk news

Polk City Replacing Water Meters

By CODY DULANEY
LEDGER MEDIA GROUP

POLK CITY | With the hope of increasing utility revenue and efficiency, the city will spend more than \$300,000 to replace 1,200 water meters.

City Council members unanimously authorized staff Monday night to proceed with a citywide water meter replacement program.

The staff will work out a contract and financing agreement with Master Meters for the program, with a \$150,000 down payment.

The return on investment will be almost immediate, City Manager Patricia Jackson said.

"Not only with revenue but also in efficient labor," she said.

Currently, Polk City uses seven water meter types under three brand names, and it takes 82 hours of labor per month to read all the meters.

"Reading the meters takes so much time that it's affecting the rest of the utility operations," City Attorney Tom Cloud said.

In addition to the labor costs, the city also pays for two separate maintenance agreements.

To maintain the equipment, Polk City spends nearly \$4,500 per year between Sunstate Meter & Supply and Master Meters.

With the council's authorization Monday, all water meters in the city will be replaced with the same Master Meters system.

Reading the meters is expected to require only 20 hours of labor per month, reducing labor by more than 60 hours per month.

In addition, the system will not only show water use by gallons but also provide detailed information on hourly, daily and monthly consumption. The current system only provides monthly usage.

And the new meters will send a message to city workers in case of malfunctions, evidence of tampering or backflow issues, allowing the problem meter to be easily located.

The city has had problems

in the past because many meters are outdated, damaged or broken, making it difficult to discover problems and correct them.

Water meters slow with age, which produces inaccurate readings and inequalities throughout the payment system, said Glenn Burden, area manager with Woodard & Curran, which maintains the city's water system.

Customers with old meters are typically paying less than other residents on the same street for the same amount of water.

"You will gain extra revenue, but it's also about fairness," Burden said. "Everyone will be paying the same amount for the same amount of water usage, which also takes away wasted labor."

"This is a sound investment for the city," he said.

Last year, staff began conducting a test on 50 water meters throughout the city. Those 50 meters were replaced with the new system, and staff reviewed the data after six months.

The results showed a 23 percent increase in revenue, and with the savings in labor and increased efficiency, the new systems earned 60 percent of the cost of the 50 meters installed during that time.

The increase in revenue was because of the more accurate readings and labor efficiency, Jackson said.

"There is no question in my mind, we have to do this," council member Trudy Block said, "but the question is: How do we fund it?"

The commission wants to pay half of the \$300,000 cost up front and finance the remaining \$150,000 over seven years at an interest rate of 2.49 percent. The price covers 1,200 water meters, 200 registers to read the meters, miscellaneous equipment and the labor to install the system.

The contract is expected to be ready for council review at the April 21 meeting.

[Cody Dulaney can be reached at cody.dulaney@newschief.com or 863-401-6969. Follow him on Twitter @dulaneycd.]