



# Public Service Commission

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

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**DATE:** July 18, 1996  
**TO:** Alice Crosby, Division of Legal Services  
Division of Records and Reporting  
**FROM:** Patricia Brady, Division of Water and Wastewater *pb*  
**RE:** Docket No. 960340-WS, Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Duval County by Sun Katcher Apartments.

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On March 15, 1996, an application for exemption from Florida Public Service Commission regulation was filed on behalf of Sun Katcher Apartments (Sun Katcher or apartment complex) pursuant to Section 367.022(8), Florida Statutes. The application was signed by Mr. John S. Ranney as Director of Operations for Envirotech and primary contact for the application. The physical location of the system is 11990 Beach Boulevard, Jacksonville, Florida 32216. This location is in Duval County. The mailing address and phone number for Mr. Ranney is c/o Envirotech, 1502 Roberts Drive, Jacksonville, Florida 32250 (904/246-7999).

According to the application, Centennial Mortgage, Inc., (Centennial) owns the apartment complex. Included with the application was a statement by Ms. Patti McDonald, Vice President of Property Asset Management (Property Asset), authorizing Mr. Ranney to act on behalf of Centennial. Ms. McDonald indicated that Property Asset was Centennial's agent. By letter of April 12, 1996, staff requested that Property Asset provide authorization directly from Centennial for Mr. Ranney to act on its behalf or evidence of Property Asset's power of attorney for Centennial. On May 24, 1996, a letter of clarification was filed by Mr. Harry Alcock, Vice President of AIMCO/Teal Pointe, L.P. (AIMCO), stating that AIMCO had acquired Sun Katcher from Centennial on December 21, 1995, and that Property Asset, as a subsidiary of AIMCO, has full authority to act on behalf of Centennial. A representative from Property Asset stated the subsidiary's intent to immediately register Sun Katcher Apartments as a fictitious name for AIMCO.

The application was filed in accordance with Section 367.022(8), Florida Statutes, and Rules 25-30.060(1), (2), and (3)(h), Florida Administrative Code. The application states that water and wastewater services will be provided at a rate or charge that does not exceed the actual purchase price. The application also states that the reseller is aware of the requirements of Rule 25-30.111, Florida Administrative Code, regarding annual reporting requirements and the requirements of Section 367.122, Florida Statutes, and Rules 25-30.262 through .267, Florida Administrative Code, regarding examination and testing of meters. Furthermore, by signing the application, Mr. Ranney has acknowledged that he is aware of the penalty pursuant to Section 837.06, Florida Statutes, for knowingly making false statements in writing with the intent to mislead.

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Sun Katcher is an existing apartment complex with 360 units which will be retrofit with individual 3/4" water meters to record residents' actual water usage. Water and wastewater services are provided to the apartment complex by the City of Jacksonville (Jacksonville) through three (3) six-inch master meters. As of May 1996, Jacksonville charges Sun Katcher the following commercial rates for the (3) six-inch meters.

	Base Facility Charge	Usage Charge (per 100 cubic feet)
Jacksonville's water *	\$226.85 x 3 = \$680.55	\$0.63
Jacksonville's wastewater	\$170.45 x 3 = \$511.35	\$2.90

- \* There is a 10% Public Service Tax on water service, only.

The reseller proposes to charge each of the 360 units a prorata share of the apartment complexes' base facility charges. Water and wastewater usage rates are intended to be charged at the identical rates charged by the City of Jacksonville. Based on Jacksonville's current rates and charges, the proposed rates and charges for Sun Katcher's residents would be as follows:

	Base Facility Charge	Usage Charge (per 100 cubic feet)
Sun Katcher's water *	\$680.55 / 360 = \$1.89	\$0.63
Sun Katcher's wastewater	\$511.35 / 360 = \$1.42	\$2.90

- \* There will be a 10% Public Service Tax on water service, only.

The proposed methodology of prorating base facility charges evenly across all 360 apartment units and charging the identical usage rates charged by Jacksonville, ensures that service will be provided at a rate or charge that does not exceed the actual purchase price.

The apartment complex has contracted with Envirotech to provide meter reading and billing services. Meters will be read on a monthly basis and tenants will be billed within 10 days of the date that their meters are read. The application states a \$30.00 refundable deposit will be required for each unit and held by the reseller. The application also states that there will be no common area or miscellaneous charges billed to residents. Instead, the cost of the billing service will be paid directly by the reseller.

Section 2.08(C)(14) of the Administrative Procedures Manual grants staff the administrative authority to approve requests for determination of exempt status that are clear-cut and without controversy. Staff finds the application in compliance with statutory requirements and without apparent controversy. Staff recommends that an administrative order be issued finding Sun Katcher Apartments exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes.

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Staff recommends that the order require the current owner of Sun Katcher, and successors in title, to notify the Commission within 30 days of any change in circumstances or method of operation of the water or wastewater systems so that the exempt status may be reevaluated. Furthermore, staff recommends that this docket be closed.

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