

M E M O R A N D U M

August 16, 1996

TO: ALICE CROSBY, DIVISION OF LEGAL SERVICES
DIVISION OF RECORDS AND REPORTING

FROM: CHRISTINE TOMLINSON, DIVISION OF WATER AND WASTEWATER *CTM*

RE: DOCKET NO. 960654-WS; REQUEST FOR EXEMPTION FROM FLORIDA PUBLIC SERVICE COMMISSION REGULATION FOR PROVISION OF WATER AND WASTEWATER SERVICE IN BROWARD COUNTY BY LOS PRADOS.

On May 24, 1996, this Commission received an application from Los Prados (utility) for a reseller exemption pursuant to Section 367.022(8), Florida Statutes for the water and wastewater system. The primary contact person for Los Prados is Fred Pierce, regional manager of ZOM Residential Services, Inc. Mr. Pierce's address is 2255 Glades Road, Suite 324 Atrium, Boca Raton, Florida 33431. The application was signed by Mr. Pierce. A letter of authorization was provided by Mr. Mark Mahony, Senior Vice President of Consolidated Apartment Ventures, L.P., owner of the Los Prados, stating that Mr. Pierce has the authority to sign the reseller application.

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. Included with the exemption application was a statement setting out statutory and factual basis for the exemption. The application acknowledged the requirements of Rule 25-30.111, Florida Administrative Code, regarding annual reporting requirements. The applicant also acknowledged the requirements of Section 367.122, Florida Statutes, which deals with the examination and testing of meters; and Rules 25-30.262 through 25-30.267, Florida Administrative Code which explains the responsibilities of the utility owner for insuring the accuracy of the meters.

Los Prados is an apartment complex, consisting of 444 units. Los Prados is located at 832 N.W. 86th Avenue, Plantation, Florida 33324. Los Prados plans to purchase water and wastewater service from the City of Plantation (the City) and resell these services to the residents at a rate that does not exceed the actual price paid for the water and wastewater service.

Included with the application was a schedule of the utility's current rates and charges, an explanation of the reseller's proposed rates and charges, an explanation of the proposed method of billing customers for water and wastewater service, and a schedule showing the amount billed will not exceed the amount paid for water and wastewater. Enviro-check will do the billing on behalf of the Los Prados. Los Prados does plan on charging a \$25.00 NFS fee for any check which is returned from the bank for lack of funds, pursuant to Section 832.07(1)(a), Florida Statutes. Los Prados does not propose any other miscellaneous/administrative charges or security deposits. Los Prados will be responsible for service to common areas. The utility does not propose to charge any additional administrative/processing fees to the residents. Furthermore, the applicant acknowledged Section 837.06, Florida Statutes, regarding false statements.

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Los Prados is proposing an allocation method for billing the individual apartments based on the total number of residents on a per bathroom basis. Upon receiving the bill from the City, the base water and wastewater charge will be allocated evenly to each 444 apartments (\$2.61 for water and \$7.22 for wastewater per unit). The consumption from the twenty three meters would be added together to get the total consumption for the community for that month. The total consumption would then be allocated based on the number of residents per bathroom. Therefore, the allocated consumption would be divided by the total number of residents in all 444 apartment units. Los Prados contains four different floor plans: 112 of Plan A-1, 128 of Plan A-2, 72 of Plan B-1, and 132 of Plan B-2. Lease statistics for Los Prados show that the average number of residents in a Plan A-1 unit is 1.14 persons, Plan A-2 unit is 1.27 persons, Plan B-1 unit is 1.52 persons, and in a Plan B-2 unit is 1.48 persons.

The City's rates and charges for water and wastewater service, on a monthly basis, are as follows:

WATER:

THE CITY CHARGES THEIR USERS FOR WATER SERVICE BASED PER METER

Base charge: \$1.59

Consumption charge per 1,000 gal.: \$0.87

Debt Service Charge (per unit):

Base: \$2.53

Per 1,000 gal.: \$0.56

WASTEWATER:

THE CITY CHARGES THEIR USERS FOR WASTEWATER SERVICE BASED PER METER

Base charge: None

Consumption charge per 1,000 gal.: \$1.43

Debt Service Charge (per unit):

Base: \$7.22

Per 1,000 gal.: \$0.79

Los Prados' proposed monthly rates and charges for water and wastewater service are as follows:

WATER:

Base charge: \$2.61

Consumption charge per 1,000 gal.: \$1.43

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WASTEWATER:

Base charge: \$7.22

Consumption charge per 1,000 gal.. \$2.22

To illustrate their methodology, Los Prados submitted the following example based on an actual bill that Los Prados received from the City for one month's usage.

Actuals

1. Total consumption from twenty three meters - 1,798,000 gallons
2. Los Prados contains four floor plans with accurate statistical occupancy data for each floor plan.
3. All 444 apartment units are fully occupied with a total of 594 residents.

Los Prados received the following bill from the City:

Consumption of 1,798,000 gallons

Water Charge:

23 meters x \$1.59	\$ 36.57
1,798 x \$0.87	1,564.26
444 units x \$2.53	1,123.32
1,798 x \$0.56	<u>1,006.88</u>

TOTAL WATER BILL \$3,731.03

Wastewater Charge:

1,798 x \$1.43	2,571.14
444 units x \$7.22	3,205.68
1,798 x \$0.79	<u>1,420.42</u>

TOTAL WASTEWATER BILL \$7,197.24

TOTAL \$10,928.27

Individual resident bills:

Basis of calculations:

1. The total amount of residents in all 444 apartment units is 594.
The occupancy per floor plan is also known. (see below)
2. The consumption for all apartment units was 1,798,000 gallons.

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3. Consumption of 1,798,000 gallons divided by 594 residents equals approximately 3,000 gal per resident.
4. Los Prados contains four floor plans consisting of the following:
- | <u>Plan</u> | <u>Plan Type</u> | <u>Persons per unit</u> | <u>Number of units per plan</u> |
|-------------|------------------|-------------------------|---------------------------------|
| A-1 | 1-BdRm, 1-Bath | 1.14 | 112 |
| A-2 | 1-BdRm, 1-Bath | 1.27 | 128 |
| B-1 | 2-BdRm, 1-Bath | 1.52 | 72 |
| B-2 | 2-BdRm, 1-Bath | 1.48 | 132 |

The residents would have received the following bill from Los Prados:

Plan A-1:

Water Base Charge	\$ 2.61
Water Usage (3 kgal/person x 1.14 persons x \$1.43)	\$ 4.89
Sewer Base Charge	\$ 7.22
Sewer Usage (3 kgal/person x 1.14 persons x \$2.22)	\$ 7.59
TOTAL BILL (Plan A-1)	\$ 22.31

Plan A-2:

Water Base Charge	\$ 2.61
Water Usage (3 kgal/person x 1.27 persons x \$1.43)	\$ 5.45
Sewer Base Charge	\$ 7.22
Sewer Usage (3 kgal/person x 1.27 persons x \$2.22)	\$ 8.46
TOTAL BILL (Plan A-2)	\$ 23.74

Plan B-1:

Water Base Charge	\$ 2.61
Water Usage (3 kgal/person x 1.52 persons x \$1.43)	\$ 6.52
Sewer Base Charge	\$ 7.22
Sewer Usage (3 kgal/person x 1.52 persons x \$2.22)	\$ 10.12
TOTAL BILL (Plan B-1)	\$ 26.47

Plan B-2:

Water Base Charge	\$ 2.61
Water Usage (3 kgal/person x 1.48 persons x \$1.43)	\$ 6.35
Sewer Base Charge	\$ 7.22
Sewer Usage (3 kgal/person x 1.48 persons x \$2.22)	\$ 9.86
TOTAL BILL (Plan B-2)	\$ 26.04