



## Public Service Commission

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

DATE: September 30, 1996  
 TO: Division of Records and Reporting  
 Division of Legal Services (Crosby)  
 FROM: Division of Water & Wastewater (Walker) *NAD 63m*  
 RE: Docket No. 960629-WS; Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Seminole County by Stonebrook Apartments

On May 20, 1996, this Commission received an application from Placid Lake Associates, LTD. for a reseller exemption on behalf of Stonebrook Apartments (Stonebrook or reseller) pursuant to Section 367.022(8), Florida Statutes. Our review indicates that the applicant meets the requirements for status as an entity that resells water and wastewater service at a rate or charge that does not exceed the actual purchase price thereof, as provided in Section 367.022(8), Florida Statutes.

The application was filed in accordance with Section 367.022(8), Florida Statutes, and Rule 25-30.060(3)(h), Florida Administrative Code. Mr. Thomas L. Cavanaugh, who was identified as a general partner with Placid Lake Association, LTD., a limited partnership, described why he believes Stonebrook qualifies for a reseller exemption. Stonebrook is an apartment community located in Seminole County. The applicant intends to render service at or below cost. The application indicates that 244 apartments will be served.

Mr. Cavanaugh acknowledged being aware of the requirements of Rule 25-30.111, Florida Administrative Code, regarding submission of an annual report. Likewise, he also acknowledged being aware of the requirements of Chapter 367.122, Florida Statutes, regarding examination and testing of meters, and Rules 25-30.262 through 25-30.267, Florida Administrative Code, regarding the utility owner's responsibility for insuring the accuracy of meters. Mr. Cavanaugh signed the application for reseller exemption and acknowledged that he was aware that, pursuant to Section 837.06, Florida Statutes, penalties may be imposed for making false statements.

According to the application, the City of Sanford will provide water and wastewater service. The city's per meter base facility charge is \$376.81 (8" meter) for water service and \$563.20 (8" meter) for wastewater service. The city's usage charges for water service are \$1.20 per thousand gallons from 0 to 2,000 gallons and \$1.45 for each additional thousand gallons. The city's usage charges for wastewater service are \$2.20 per thousand gallons from 0 to 2,000 gallons and \$3.31 for each additional thousand gallons. In addition, a 10% utility tax is assessed on total water charges and a \$3.00 per unit charge will be assessed as a stormwater fee.

The reseller's proposed rates were also reported. The respective rates of \$376.21 for water service and \$563.20 for wastewater service will be equally divided

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among 244 apartment units. The corresponding per apartment charges will be \$1.54 for water service and \$2.31 for wastewater service. An exact duplication of the county's gallonage rates was proposed. WaterMaster Metering Systems, Inc., has been retained to provide monthly billing services on behalf of Stonebrook. Presently, the apartment units are not separately metered. Therefore, as proposed in the application, residents will be billed a prorated portion of the total charge to Stonebrook for water and wastewater service.

Stonebrook will not collect security deposits or bill residents for usage in common areas. According to the application, no administrative or operating charges will be charged to residents. Further, bills will be rendered on a monthly basis. Since Stonebrook intends to bill residents the rates that the City of Sanford charges, excessive collections are not expected. However, Stonebrook pledged to reimburse residents if a year-end audit reveals excessive collections. The service address for Stonebrook is: 1000 Stonebrook Drive, Sanford, Florida, 32773. The mailing address for Stonebrook is: C/O P.A.C. Land Development, 2281 Lee Road, Suite 206, Winter Park, Florida, 32789.

A sample billing for a resident in the Stonebrook apartment complex follows. This example indicates that about 5,000 gallons were used per apartment unit.

Base Facility Charge - Water	\$ 376.21
Metered Water	1,755.45
10% Utility Tax	<u>213.23</u>
Total Water Expense	2,344.89
Apartment Units	<u>244</u>
Price Per Unit	<u>\$ 9.61</u>

Base Facility Charge - Wastewater	\$ 563.20
Sewer Flow	4,006.19
Stormwater Charge	<u>732.00</u>
Total Wastewater Expense	5,301.39
Apartment Units	<u>244</u>
Price Per Unit	<u>\$ 21.73</u>

In summary, staff has determined that Stonebrook meets the necessary qualifications for a nonprofit reseller exemption pursuant to Section 367.022(8), Florida Statutes and Rule 25-30.060(3)(h), Florida Administrative Code. Staff recommends that an administrative order be issued that declares that Stonebrook is exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff further recommends that the order require Stonebrook to notify this Commission in the event of any change of circumstances or method of operation of its water and wastewater systems. Furthermore, staff recommends that this docket be closed.