

ORIGINAL

MEMORANDUM

January 9, 1998

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

FROM : MARTHA GOLDEN, DIVISION OF WATER AND WASTEWATER *MAGS from jmw*

RE : DOCKET NO. 951335-WS, RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY DECLARING MANATEE COUNTY SUBJECT TO THE PROVISIONS OF CHAPTER 367, FLORIDA STATUTES - REQUEST FOR EXEMPTION FOR PROVISION OF WATER AND WASTEWATER SERVICE BY ROYAL GARDEN ESTATES DIVISION OF NATIONAL MODULAR VILLAGES, INC.

On October 10, 1995, the Board of County Commissioners of Manatee County adopted Resolution No. R-95-109, pursuant to Section 367.171, Florida Statutes, declaring that as of October 10, 1995, the water and wastewater utilities in that County shall become subject to the provision of the Water and Wastewater Regulatory Law, Chapter 367, Florida Statutes. The resolution was acknowledged by this Commission on November 9, 1995, by Order No. PSC-95-1393-FOF-WS. Pursuant to Section 367.131, Florida Statutes, a utility subject to the jurisdiction of this Commission must obtain a certificate of authorization or an order recognizing the exempt status of the system.

On December 4, 1995, this Commission received an application from Royal Garden Estates (Royal) for a reseller exemption pursuant to Section 367.022(8), Florida Statutes. Upon review of the application, it was determined that the correct name of the applicant is Royal Garden Estates Division of National Modular Villages, Inc. The primary contact person for Royal is Mr. John Smilde, Owner. The mailing address and the physical address for Royal is 6904 44th Avenue W., Bradenton, Florida, 34209. Mr. Smilde's address is 3901 71st Street W., Bradenton, Florida, 34209. According to the application, the system is owned by Mr. Smilde, Ms. Judith Pilsbury, and Mr. JoAnne Straz.

The applicant, operating as a corporation, has 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 from the owner of the system setting out the statutory and factual basis for the exemption. The applicant 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

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FDSC - DIVISION OF RECORDS AND REPORTING

Page 2

Docket No. 951235-WS

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.

Additionally, the application contains a statement that service is provided at a rate or charge that does not exceed the actual purchase price. Royal purchases bulk water and wastewater service from the Manatee County Public Services Department (Manatee County or County). Included with the application was a schedule of the utility's current rates, a schedule of the reseller's proposed rates, an explanation of the proposed method of billing customers, and a schedule showing the amount billed will not exceed the amount paid for water and wastewater. Furthermore, Mr. Smilde acknowledged Section 837.06, Florida Statutes, regarding false statements.

Manatee County's monthly rates for water and wastewater are as follows:

WATER:

Base Charge for
Mobile Home/
Travel Trailer -

\$2.40 per unit

Gallage Charge - \$0.96 per 1,000 gallons up to 3,600 gallons
\$1.31 per 1,000 gallons over 3,600 gallons

WASTEWATER:

Base Charge for
Mobile Home/
Travel Trailer -

\$5.88 per unit

Gallage Charge - \$2.53 per 1,000 gallons at 85% of water
consumption

Royal's proposed monthly rates for water and wastewater are as follows:

WATER AND WASTEWATER COMBINED:

Base Charge - \$8.28 per unit

Gallage Charge - \$3.11 per 1,000 gallons

Royal's combined base charge was calculated by adding Manatee County's base charges for water and wastewater (e.g., \$2.40 + \$5.88 = \$8.28). Royal's combined gallage charge was calculated by

adding Manatee County's water gallonage charge for the first block of consumption and 85% of Manatee County's wastewater gallonage charge (e.g., $\$0.96 + (\$2.53 \times .85) = \$3.11$).

Under the County's billing methodology, the gallonage portion of the wastewater bill is calculated by charging the County's wastewater charge for 85% of the water gallons used. Under the reseller's proposed methodology this concept is reversed. Royal proposes to bill all of the water usage but only at 85% of the County's wastewater rate. Mathematically the result is the same under either methodology. The application states that there are no customer deposits, and common costs and any other fees will be recovered in the rent. Residents will be billed within 10 days after the meters are read.

Staff has reviewed Royal's proposed rates and billing methodology, and determined that the reseller's rates will not exceed the actual purchase price. Using the reseller's proposed rates, the customers will always be billed an amount either equal to or less than that billed by Manatee County.

According to Section 2.08(C)(14), Administrative Procedures Manual, staff has been given administrative authority to approve clear-cut or non-controversial requests for determination of exempt status. Staff recommends that an administrative order be issued as soon as possible finding Royal Garden Estates Division of National Modular Villages, Inc. exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. In the event of any change of circumstances or method of operation, Royal or its successor(s) in interest, should be ordered to notify the Commission within thirty days of such change so that its exempt status may be reevaluated. Additionally, staff recommends that this docket should remain open for the processing of additional applications.

I: royal.mag