

ORIGINAL

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January 30, 2002

Director, Division of the Commission &  
Administrative Services  
Florida Public Service Commission  
Capital Circle Office Center  
2450 Shumard Oak Boulevard  
Tallahassee, FL. 321399-0850

990374-WS

I am a resident of Camp Florida Resort and a retired Connecticut State Police Enforcement Officer that spanned three decades of service, with the major part of that service in an investigatory capacity with the Department of Finance & Control.

I would like to comment on the memorandum to you dated January 24,2002 from the Division of Economic Regulation, Office of the General Counsel, reference to Docket No. 990374-WS Application for Certificate to Operate a Water and Waste Water Utility in Highlands County by The Woodlands of Lake Placid, L. P.

According to their memorandum, Woodlands provides service to 164 residential customers located within the Camp Florida Resort RV Park. In reality there are 397 lots in Camp Florida Resort. 233 +/- rental lots and one private dwelling, owned by R. Anthony Cozier, are also supplied by Woodlands.

Woodlands of Lake Placid L.P. registered agent is CT Corporation Systems, located in Plantation, FL. The General Partner is Camper Coral, Cozier, R. Anthony is listed as registered agent and President.

At present approximately 90% of the rental lots are rented for the season and use water and sewer connections. There is no mention in the report that Woodlands is supplying services to the above mention dwelling and lots.

At this point it appears that Staff conducted an investigation, mainly by reviewing documents supplied to them by the Woodlands and did little or no field investigation to prove or disprove the information contained in those documents. Staff was aware of the complaints that were made by the residents and apparently made no effort to ascertain the validity of said complaints. One such complaint was relative to the fact that approximately 90% of the property owners are snow birds and stay at the Resort for five to six months a year. Even with this limited stay Woodlands continues to bill at the rate of \$35.00 per month for the entire year There is no reference to that fact in the memorandum. The only reference that is made is that Woodlands supplies service to 164 properties and is losing money. As said before there is no reference made

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to the fact that Woodland's supplies service to an additional 233 +/- lots and one private dwelling within the Camp Florida Resort.

Throughout the memorandum reference is made to the fact that Utilities are charged with the knowledge of the Commission's rules and Statues. It also refers to a common maxim. Familiar to all minds 'ignorance of the law' will not excuse any person, either civilly or criminally. However it appears that is exactly what they are doing by saying that in their opinion Woodlands did not intend to violate the law. As to the intent there are many people that have been heavily fined and some incarcerated for a period of time for violating a law that they did not intend to violate.

The governing documents for Camp Florida Resort Property Owners Association Inc. are recorded in Tallahassee and in Highlands County and more recently they were upheld by the Circuit Court. The document states that the owner of each unit located in the Camp Florida Resort Complex will automatically be a member of the corporation. Therefore each and every lot owner, whether he or she owns one or two hundred or more lots has to comply with the documents. Originally, Water and Sewer charges of \$25.00 per month were incorporated in the quarterly maintenance fee payable to the Property Owners Association. On December 2, 1996 Woodlands arbitrarily raised the charge to \$35.00 per month. On April 17, 2000 R. Anthony Cozier resigned as President of the POA, but remained on the Board. Beginning July 1, 2000 Woodlands started billing the property owners directly and implemented a late charge of \$5.00. According to Woodlands billing procedure service is from the first day of the month to the last day of the month with a due date of the 20<sup>th</sup> of the current month and after the 20<sup>th</sup> a late charge would be added, even though service had not been received for those additional days.

It would appear that as long as the POA included water and sewer in the maintenance fee Mr. Cozier would be bound to pay on his lots.

Water meters were installed on the 164 lots that Woodlands acknowledges it services, however meters have not been installed on the remaining 233 +/- lots nor is there any indication that the installation is in progress. The memorandum states that meters are installed on 10 commercial buildings. Seven of the ten are Bath houses owned by the POA and are not used commercially. However, they are used by people renting from Mr. Cozier's business Camp Florida Resort L.P. Another one or two meters could be at the Pool & Pool house, which is owned by Woodlands, which due to a use agreement the property owners have non-exclusive use. Another one could be the front building which belongs to the POA and originally was used as a club house. After Mr. Cozier purchased the resort from Mr. Clark, Mr. Cozier proceeded too renovated the building to house his various corporations, Camp Florida Resort L.P., HiVest, Camper Coral and Woodlands.

With regards to DISCUSSION OF ISSUES

Issue 1: Recommendations of the Staff is that Woodlands should not be ordered to show cause why it should not be fined for operating a water and waste water facility without a certificate of authorization in violation of Chapter 367.031 Florida Statues. Even though they conclude that Woodlands is in violation.

Issue 2: Should Woodlands of Lake Placid be ordered to show cause, in writing why it should not be fined for collecting charges not approved by the commission. NO, A show cause proceeding should not be initiated. Even though they conclude that Woodlands is in violation.

Issue 3: Should the utility be required to make refunds? NO, The utility reported a loss of revenue in 2000. Further Staff believes requiring a full refund would likely bankrupt the utility. Even though Staff acknowledges that the utility charged an unauthorized rate

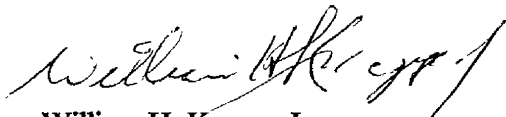
Issue 4: Staff's recommendation NO, A show cause hearings should not be initiated, Staff further recommends that the penalties should not be assessed, as the information contained in the delinquent reports is not needed for the ongoing regulation of the utility. Staff acknowledges that Florida Administrative Code Rule 25-30.110(3) requires utilities, wether the utility has actually applied for or been issued a certificate. By Staff's own calculation Woodlands should be fined Total of \$19,089 for not submitting annual reports for the years 1995, 1996, 1997, and 1998. Again Staff believes that there are mitigating circumstances for non compliance on the part of Woodlands and recommends that the penalties set forth in Rule 25-30.110 (7) should not be assessed as the information contained in the delinquent reports is no longer needed. Additionally staff recommends that Woodland should not be required to file those delinquent reports.

Apparently Staff, on the basis of their investigation of documents supplied to them by Woodlands, decided that Woodlands was not responsible for any of their actions and recommended that no action be taken that would adversely effect Woodlands. They came to this conclusion, even though in each instance they concluded that Woodlands did in fact violate the PSC rules and statues. By their recommendations, Staff shifted Woodlands financial burden, caused by suppling services to Camp Florida Resort from Woodlands to the 164 properties that they claim is all that they service, when in fact they supply water and waste water service to the entire Resort plus one private dwelling which is owned by R. Anthony Cozier, who also happens to be the owner of Woodlands.

Staff was supplied with the court judgement that was mentioned as the reason that Woodlands requested a continuance. Apparently they did not consult the document or chose to ignore it. The information contained in that document is very clear and should have alerted Staff as to the character and the intent of the owner of Woodlands.

Again, I reiterate that in my estimation, the investigation conducted by Staff was insufficient, and with that limited information they could not make informed decisions. I respectfully submit that their recommendations not be implemented until they have a chance to complete a field investigation complete with interviews with complainants and a on site inspection

Thank you for taking the time to read this letter, a reply from you in the near future would be appreciated.



William H. Knapp, Jr.