

P R O C E E D I N G S

1
2 **CHAIRMAN CARTER:** And with that, Staff and
3 Commissioners, we are now on Item 12.

4 Staff, you're recognized.

5 **MS. SMITH:** Commissioners, I am Avery
6 Smith with Commission staff. Item 12 is staff's
7 recommendation for a 4.61 percent increase in water
8 rates for Mobile Manor Water Company. There is a
9 customer, Mr. Robert Martin, as well as a
10 representative from the utility's management
11 company, Ms. Bonita Vandall, and they would like to
12 address the Commissioners.

13 Based on staff's review of the
14 documentation supplied by the utility, staff stands
15 by its recommendation -- stands by its recommended
16 allocation of the management fee of 30 percent for
17 the water company and 70 percent for the
18 association. Staff is prepared to answer any
19 questions you may have at this time.

20 **CHAIRMAN CARTER:** Commissioners, before we
21 get into the questions, let's hear from the parties
22 that came up, and then we will get into our question
23 and answer.

24 Good morning, you're recognized. Before
25 you make your statement, just state your name and

1 address for the record, because everything is being
2 transcribed.

3 You're recognized, sir. Good morning.

4 **MR. MARTIN:** Yes. My name is Bob Martin.
5 I'm a former president of Mobile Manor, Inc., 2005
6 to 2008. As I mentioned in my e-file, I was pleased
7 until recently with your lengthy and thorough
8 deliberation. Your previous posted interim rate was
9 one that I, as a board member could agree with and
10 comfortably have presented to our 160 membership.

11 Then came the customer meeting held on
12 September 30th, 2009. Forty-eight customers
13 attended, only six speaking. On Page 14 of your
14 case background, you state, "After reviewing
15 comments made at the customer meeting, and reviewing
16 the contractual duties of Associa Benson, Inc.,
17 staff believes the appropriation allocation is
18 70 percent for Mobile Manor, Inc., and 30 percent
19 for the utility, while you based your final decision
20 mostly on comments made by a former manager and two
21 former board members, and I find it hard to believe
22 that you reviewed any of the contractual duties of
23 Associa Benson.

24 I was disappointed that you allowed a
25 former manager to speak, but not the present

1 manager. You allowed former board members to speak,
2 but not any present board member. Your intentions
3 might have been well intended, but now you have
4 allowed your reasoning and understanding of Benson
5 management to be skewed. The record is clear. It
6 should state 30 percent Mobile Manor, Inc. and
7 70 percent Mobile Manor Utility.

8 In closing, some thoughts you need to
9 ponder. The board voted 5 to 3 for hiring the
10 Benson management team. The membership in a vote of
11 confidence voted something like 90 to 6, the same
12 three board members voting against for a second
13 time.

14 You can see that we have had something
15 ongoing at Mobile Manor, a dispute over hiring a
16 management team for sometime now. An e-file,
17 "Always there has been 10,000 or more in excessive
18 funds that have been paid to Mobile Manor. If this
19 was true, why do we keep voting on giving loans to
20 the water company?"

21 Another e-file complaint, "I need to give
22 up my telephone, Internet, and TV. Aren't we
23 looking at an added increase of just five to seven
24 dollars? We went 15 years without an increase and
25 took from Mobile Manor, Inc. to fund Mobile Manor

1 Water, which was easy when we had but one company."

2 Another e-file, "We checked with
3 neighboring parks. Most are very much lower." This
4 is news to Lee ROC, which is now called Southwest
5 Florida Resident-Owned Communities, where I
6 represent Mobile Manor. The fact is Mobile Manor
7 has the lowest rate for water and the lowest rate
8 for maintenance in all 24 member communities.

9 Page 12, your case background again. The
10 utility has only one employee. You are, I believe,
11 confusing the office manager with our community
12 manager. We have a management company who has many
13 employees whose time should be charged to the
14 utility when they work on that account.

15 Page 14, case background. The bulk of
16 Associa Benson obligations relates to implementing
17 decisions and policies established by the board of
18 directors of Mobile Manor, Inc. I have no idea
19 where this comes from.

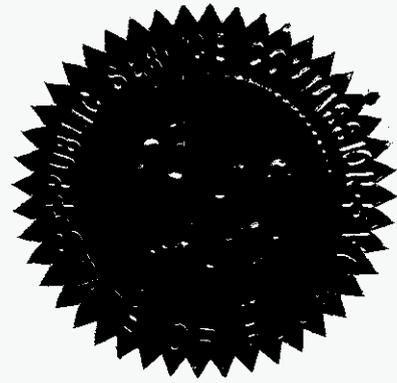
20 E-file, "Sell the water company." Is this
21 for a savings to Mobile Manor? I don't think so.
22 And my final comment. E-file, "Get things back
23 where they were. Our world is too complicated now.
24 Go back and we were in trouble with the IRS, EPA,
25 doing account receivables and payable with the same

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 090170-WU

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN LEE COUNTY BY MOBILE
MANOR WATER COMPANY, INC.



PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 12

COMMISSIONERS
PARTICIPATING: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP
COMMISSIONER DAVID E. KLEMENT

DATE: Tuesday, November 10, 2009

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

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FPSC-COMMISSIONER

1 person, taking money from Peter to pay Paul because
2 we had just one corporation. I am aware that some
3 would like to go back, however, we can't legally or
4 honestly do that. Respectfully submitted, Robert
5 Martin."

6 Thank you, sir.

7 **CHAIRMAN CARTER:** Thank you very kindly.

8 Good morning, ma'am. You're recognized.

9 **MS. VANDALL:** Good morning. My name is
10 Bonita Vandall. I am President/CEO of Benson's,
11 Incorporated. We manage the Mobile Manor,
12 Incorporated, which is the mobile home park of 315
13 units. We also manage their water company, Mobile
14 Manor Water.

15 When we were first brought on by the board
16 of directors and hired to manage the community, we
17 were instructed that, yes, we have a community of
18 313, 315 different owners, and a water plant, like
19 it was a site type thing, but no big deal. We were
20 dealing with a new board of directors, and I really
21 don't believe that they even understood at that
22 point in time what they were fully up against when
23 they got on the board and took over that
24 responsibility.

25 As we got into the management of the

1 community, it was determined that we were spending
2 at least 70 percent of our time managing the water
3 company rather than the park association itself. I
4 am the President and CEO of Benson's, and I have
5 actually had to step up myself rather than assigning
6 a manager to run the water plant, to do it myself to
7 fill out the forms, to make sure the reports are
8 going back and forth through the Public Service
9 Commission, through the health department, that the
10 testing is being done.

11 We also discovered when we went into this
12 ordeal that the books and records for this
13 40-year-old park were old, archaic. There was very
14 little information in the water utility company
15 office to assist us or help us, so it was almost as
16 if we were starting from A to Z all over again.

17 However, the board of directors are --
18 they are just a wonderful group of people that have
19 volunteered their time to work with our company and
20 try and get the water company and the park back to
21 where it needs to be. However, I think it needs to
22 be said that the park itself is a voluntary
23 membership, which means not every owner participates
24 in the payment of their maintenance fees for the
25 park. However, the water company, everyone has to

1 participate in that.

2 So if we go in for a rate increase on the
3 water of any type magnitude, the owners, a lot of
4 the owners are going to be upset. They haven't seen
5 a rate increase since I think the early '80s, and
6 this park needs this increase.

7 The Mobile Manor Water Company is
8 depending on Mobile Manor, Inc. just to survive.
9 They have borrowed \$20,000 from Mobile Manor, Inc.,
10 and when I checked their books just last week they
11 only had \$1,200 in their operating account. They
12 can't even begin to start paying the money back to
13 Mobile Manor, Inc. until they can get a valid rate
14 increase in place and start building up their
15 coffers again.

16 Some of the other things that I wanted to
17 bring to your attention was that there seems to be
18 some misunderstanding concerning the community
19 manager. When we read the report it stated and it
20 states often that Dee Demers -- yes, Demers -- Dee
21 Demers is the community association manager, and she
22 is not, she is the receptionist at the water
23 company. The manager that has been assigned to the
24 site is John Morgan from our office, and myself
25 running the water company.

1 We have an office that is open on-site,
2 three to four hours a day, 16 hours a week, or 832 a
3 year. And we also have an off-site office, our own
4 office that handles the emergency calls, the
5 customer calls, the 24/7 emergency service, and we
6 have a live person available to answer those calls
7 365 days out of the year. We have been notified
8 recently from the Lee County Health Department that
9 even though this very old community of almost 40
10 years has been relying on volunteers to do their
11 repairs to their water lines, to replace their water
12 meters as needed, that service can no longer be
13 provided in order to save money. We now must
14 contract with a licensed plumber to provide line
15 repairs or line replacements, valve replacements,
16 and meter replacements. And this is something that
17 the water company has never appropriately budgeted
18 for in the past. They never had to. They were able
19 to depend on volunteers within the park to do that
20 service for them.

21 We have also been notified that if we have
22 a line break, we must now apply for a permit from
23 the county in order to do the repairs. Or to
24 replace a water meter, we must apply for a permit.
25 This, again, is another expense on the water company

1 that they have never had on them before in the past.

2 We also determined that when we came into
3 this that the previous manager, which was also a
4 homeowner, had made mistakes and there were issues
5 that had come up against the water plant, or water
6 company, where they now have to -- when they filed
7 their CCR report, their customer confidence report,
8 consumer confidence report, it now has to be mailed
9 to all 300-plus owners, which is an added expense on
10 the community rather than just the posting that they
11 were accustomed to doing in the past. So these are
12 things that -- and, of course, my office has to
13 handle that, because they do not have the staff at
14 the water company in order to do that.

15 In the letter that I had sent to the
16 Public Service Commission, I had stated the services
17 that are provided by our firm, and I would like to
18 read those if --

19 **CHAIRMAN CARTER:** You may do so.

20 **MS. VANDALL:** Thank you. Monthly input of
21 313 water company customers, water usage and billing
22 information, maintain all address and mailing
23 information. We prepare and furnish the board with
24 monthly financial reports, which is 60 to 80 pages
25 of information monthly. We make all bank deposits

1 and maintain records. We receive all invoices and
2 cut checks from our office. Supply monthly to the
3 board treasurer bank statements for her to audit for
4 accuracy.

5 We sit in on the annual audit of the water
6 company records by four customers and the board
7 treasurer. The findings are then submitted to the
8 board and presented to the residents at the
9 association meetings.

10 We are responsible for attending and
11 taking minutes of Mobile Manor Water Board meeting.
12 Copies are provided to the board and filed in the
13 office for customer review. We attend monthly
14 association meetings, which includes water company
15 business, and prepare minutes to furnish the board
16 and community for review. And those reports are
17 also available in the office on site.

18 We maintain all records and backup
19 financial information since we have been hired. We
20 prepare the annual budget recommendation for board
21 approval. By the way, there was never a budget
22 prepared by past boards or management for the water
23 company. We took on that endeavor when we were
24 hired.

25 Compile and submit annual rate index

1 increases for the PSC approval. The first one filed
2 in 15 years was filed by us on their behalf.
3 Prepared and requested with board approval requests
4 for interim rate increase. Prepared and requested
5 staff-assisted audit. We provided 6,100 copies to
6 the PCS (sic) audit department from our office. Not
7 the Mobile Manor office, from Benson's office to
8 comply for request for documentation.

9 We handle the customer complaints and
10 inquiries 365 days out of the year, and those
11 complaints that we receive through the PSC, we
12 handle those, also. Provide phone service 24/7.
13 Our maintenance department is on call 24/7.
14 Hurricane and emergency procedures for the water
15 company. We have new DEP and DOH program for boil
16 water procedures in case of emergencies. We attend
17 all water-related business classes held by the LCHD,
18 Lee County Health Department, the EPA, the DEP, and
19 the DOH, and communicate this information to the
20 board.

21 Complete and compile the information for
22 mailing to all 313 residents the annual consumer
23 confidence report listing all information pertaining
24 to testing, we provide in addition to copper and
25 lead testing and EPA and quarterly testing. We work

1 with STS Environmental Services for quarterly
2 testing of the water per EPA requirements. We
3 prepare the annual RAF report information to submit
4 to the PSC.

5 Follow up on all tax-related issues and
6 compile information for the accountant to complete
7 annual tax filing, and we work closely with the
8 accountant in this regard. Receive all water line
9 break notices from the customers. Respond to
10 location on water breaks and prepare and hand out
11 boil water notices.

12 Follow up on testing results from the Lee
13 County Health Department after water line break and
14 return to Mobile Manor to pass out recision letters.
15 Negotiate annually for the best rates for worker
16 compensation, owner and -- directors and officers
17 insurance. Provide assistance to the board on
18 commercial lease agreements. Park manager or
19 Benson's maintenance staff contacts the licensed
20 plumber when needed on water line breaks. We
21 negotiate annually with the plumbing contractor for
22 cheapest rates, and we have a meter change-out
23 program that we put in place with the board of
24 directors.

25 That's a lot. And compared to what we

1 actually do for Mobile Manor, Incorporated, it's not
2 comparable at all. Mobile Manor, Incorporated, we
3 attend their board meeting once a month. We go over
4 bids and proposals to maintain the community itself.
5 We prepare their financials, and we work with the
6 board very closely. But when it comes to the water
7 company, most of our time is devoted to that water
8 company rather than the park itself.

9 You did express concern about the
10 excessive water loss and rightfully so. We agree.
11 After meeting with Lee County Utility, they also
12 felt that the majority of our problem resolved
13 around old water meters. After checking the age of
14 meters in service, we found that the majority of
15 them were between 10 and 20 years old, and we put
16 together the first meter change-out program for the
17 utility ever, and have plans to change out another
18 40 to 50 a year to reduce this water loss issue that
19 we are experiencing.

20 Again, I need to bring up the fact that
21 Mobile Manor, Inc. has loaned the water company
22 \$20,000. Earlier in the year they loaned them
23 \$3,000. That has been paid back. However, the
24 \$20,000 was to help with expenses and fund the meter
25 program with the repayment of the loan in three

1 years. However, we haven't even started to repay
2 any of that money back yet because we have been
3 using whatever has been borrowed or loaned to the
4 water company to handle the growing expense in
5 purchasing meters and valves for the program, or
6 repairing underground water line breaks.

7 In closing, I do need to say that when the
8 Public Service Commission met on-site with the
9 homeowners -- by the way, they did an excellent job
10 and we were very pleased with them while they were
11 there. However, none of the board members were
12 allowed to speak, and they are homeowners and
13 residents and they should have been able to speak,
14 also. And neither was the management company, which
15 I'm fine with that, I can sit and shut my mouth for
16 a few minutes, but we really did feel that the board
17 members, being homeowners, should have been allowed
18 to speak at that meeting.

19 I really do think that the water company
20 will not survive if they do not get this rate
21 increase. And, if they can't get this in a timely
22 manner, and soon, the board of directors will have
23 no alternative but to either consider bankruptcy,
24 and/or try to sell the plant, or turn it back over
25 to Lee County Utility, if they will take it back.

1 We don't know, we haven't investigate that had
2 matter yet, and we certainly hope that we don't have
3 to do that. We would prefer to keep the water plant
4 in its existence and be able to provide the services
5 that we know we can. But we have to have the funds
6 to be able to do so. Thank you very much.

7 **CHAIRMAN CARTER:** Thank you very kindly.

8 Commissioners, any questions for either
9 the staff or the parties? Commissioner Argenziano,
10 you're recognized.

11 **COMMISSIONER ARGENZIANO:** Thank you.

12 Let me get back to the graph that I want
13 to ask about at the back. Can staff tell me how
14 many meters there are in each category, especially
15 with the one listed as typical residential, 5/8ths
16 by three-quarters.

17 **MS. HUDSON:** Commissioner, there are 313
18 5/8th meters.

19 **COMMISSIONER ARGENZIANO:** 313?

20 **MS. HUDSON:** Yes.

21 **COMMISSIONER ARGENZIANO:** And could you go
22 down the list, especially on the ones where there
23 are heftier increases, if you can go down
24 three-quarters, one-inch, 1-1/2, I would appreciate
25 that all the way down to six-inch.

1 **MS. HUDSON:** There were only 5/8th meters
2 according to our billing data.

3 **COMMISSIONER ARGENZIANO:** There are only
4 5/8th meters?

5 **MS. HUDSON:** 5/8th meters.

6 **COMMISSIONER ARGENZIANO:** Then what are
7 the other numbers that are indicated for
8 three-quarters, one, six, all the other increases?

9 **MR. FLETCHER:** Commissioner, those are
10 just in case they have any new customer that
11 requires a greater meter size. We wanted to go
12 ahead and set those rates rather than have them come
13 back in for a tariff filing. Just in case they have
14 a larger size meter in the future to go ahead and
15 set those rates.

16 **COMMISSIONER ARGENZIANO:** So then the only
17 increases are right now to the 5/8th by
18 three-quarters.

19 **MS. HUDSON:** Yes, Commissioner.

20 **COMMISSIONER ARGENZIANO:** And that goes
21 from -- well, it looks like to me what I'm seeing
22 here, and forgive me if I am reading this wrong, but
23 it looks like to me that anybody -- well, actually
24 it's going up from \$25.66 to \$26.85. Is that the
25 extent of the increase?

1 **MS. HUDSON:** The overall increase is
2 4.61 percent, and we did an across-the-board
3 increase to the BFC and the gallonage charge, which
4 results in a 32-cent increase in BFC.

5 **COMMISSIONER ARGENZIANO:** And that is for
6 the 3,000, I'm sorry.

7 **MS. HUDSON:** Yes, ma'am.

8 **COMMISSIONER ARGENZIANO:** But it looks
9 like a nominal increase for each category. What I'm
10 seeing here is the extent of it, is that correct?

11 **MR. FLETCHER:** That is correct.

12 **COMMISSIONER ARGENZIANO:** Okay. And then
13 if I could maybe ask the gentleman from --

14 **CHAIRMAN CARTER:** You're recognized.

15 **COMMISSIONER ARGENZIANO:** Sir, I'm sorry.

16 **CHAIRMAN CARTER:** Mr. Martin.

17 **MR. MARTIN:** That's with the information
18 that Mobile Manor, Inc. is 70 percent and Mobile
19 Manor Water is 30. We strongly disagree with that
20 and we think your information was skewed and it
21 should be 70 percent Mobile Manor Water and
22 30 percent Mobile Manor, Inc. So there would be a
23 larger increase, I believe, when that's is adjusted.

24 **COMMISSIONER ARGENZIANO:** Could somebody
25 speak to that, staff? Tell me what the people are

1 actually going to feel on their bills as an
2 increase.

3 **MS. HUDSON:** They are actually going to
4 feel what's listed in this schedule. He is
5 indicating if we change the percentage to 70 percent
6 --

7 **COMMISSIONER ARGENZIANO:** Okay, got you.
8 All right. And one other question. I heard a few
9 times that the homeowners association was not
10 allowed to speak. This was a meeting that was
11 sponsored by the utility?

12 **MR. FLETCHER:** Commission staff conducts
13 these customer meetings in order to hear from the
14 customers, and there was a misunder -- I would like
15 to address that point, Commissioner. I spoke to the
16 current president of the board and at the meeting he
17 actually wanted -- there was a table elevated, he
18 actually wanted to sit with Commission staff, and I
19 told him that was not permissible. And that, you
20 know, this is the customers night, and the
21 Commission staff conducts the meeting, and
22 definitely we would encourage him as a utility board
23 member to listen to the comments and respond in
24 writing if he wishes. And he did so in writing
25 responded to some of the customers' comments, but at

1 no time --

2 **COMMISSIONER ARGENZIANO:** So then everyone
3 was allowed to speak, that's my concern.

4 **MR. FLETCHER:** Yes. At no time did I tell
5 him that he could not speak. I just said you could
6 not sit up here with us, and that's a
7 misunderstanding.

8 **COMMISSIONER ARGENZIANO:** Okay. Well,
9 Mr. Martin, do you understand that to be -- because
10 I heard you say something different, that they were
11 not allowed to speak.

12 **MR. MARTIN:** I understand that. I was
13 told they would not be allowed to speak.

14 (Simultaneous conversation.)

15 **MR. MARTIN:** In his interpretation, the
16 present president understood, maybe incorrectly,
17 that he would not be allowed to speak.

18 **COMMISSIONER ARGENZIANO:** Did he get to
19 submit -- was the president able to submit his
20 comments?

21 **MR. FLETCHER:** Yes, he did.

22 **COMMISSIONER ARGENZIANO:** Okay.

23 **MR. FLETCHER:** He submitted his comments
24 regarding the customers' concerns at the customer
25 meeting, and it was just unfortunate, it was a

1 misunderstanding that basically he couldn't sit with
2 staff as we conduct the meeting.

3 **COMMISSIONER ARGENZIANO:** Okay. Thank
4 you.

5 **MR. FLETCHER:** And that was a
6 misunderstanding there. But I would definitely like
7 to point out the discussion regarding the 70 percent
8 for the utility versus 30 percent that we have in
9 our staff recommendation. That goes to certain O&M
10 expenses. And if you switch that to 70 percent,
11 actually increase the allocation of certain O&M
12 expenses, then what you mentioned on Page 38 of the
13 recommendation going from 25.66 to 26.85, the 26.85
14 would definitely increase because you are allowing
15 40 more percent of certain operating costs to be
16 allocated to the utility. So rates would go up from
17 staff's recommended rates.

18 **COMMISSIONER ARGENZIANO:** Mr. Chairman.

19 **CHAIRMAN CARTER:** You're recognized.

20 **COMMISSIONER ARGENZIANO:** Well, it would
21 be good for me to see those numbers when I'm looking
22 and reading the agenda book, because then I have a
23 truer picture of if we do this, you know, and how it
24 works, because I would really like to know the
25 impact upon the consumer. And I'm not sure that

1 I -- it would just be nice to have that there,
2 because what it looks like -- it is represented to
3 me as this is the increase that they are going to
4 see, and it makes me scratch my head to wonder why
5 they are complaining or there would be a complaint
6 against it, and now I understand. In reading, going
7 back I guess I got that. I just would like to have
8 seen that in a graph.

9 And Mr. Martin may want to -- it looks
10 like he is --

11 **MR. MARTIN:** I believe it is somewhere
12 between \$21 on an average, and it will go up to 36,
13 \$37 based on, I believe, a 2000-gallon rate. And
14 the 160 members are not opposing that whatsoever,
15 and as I mentioned in my comments that I was very
16 pleased with your lengthy and thorough deliberation,
17 and the increase was something we could announce and
18 pass on to our membership. Then things changed, and
19 we have the disparancy (phonetic) between 30 percent
20 and 70 versus 70 and 30.

21 **COMMISSIONER ARGENZIANO:** Okay. Mr.
22 Chair.

23 **CHAIRMAN CARTER:** Yes, ma'am.

24 **MS. VANDALL:** I think it needs to be said,
25 too, that the six or seven people that stood up at

1 the PSC meeting that day and voiced their
2 displeasure with the increase are the same six or
3 seven people that are not members of Mobile Manor,
4 Incorporated, and some of them are former board
5 members.

6 So it seems that it goes hand-in-hand that
7 if they don't agree with Mobile Manor, Inc. having
8 any type of increase with their maintenance fees or
9 participating as a member in their community, they
10 also would never agree to a water rate increase, and
11 that was the biggest issue that this board faces
12 within that park.

13 **CHAIRMAN CARTER:** Commissioner, I will
14 come back to you. I am going to go to Commissioner
15 Edgar now. In the meantime, staff, if you can kind
16 of crunch those numbers so we will see what that
17 would actually be if we did that. I'd like to see
18 that.

19 Commissioner Edgar, you're recognized.

20 **COMMISSIONER EDGAR:** Thank you. And I
21 think we have already covered most of the questions
22 I had, but I would like to ask staff to speak to
23 what the staff recommendation for this particular --
24 and are we talking about primarily the Issue 7 and
25 then fallout recalculations from that so I can focus

1 in on --

2 **MR. FLETCHER:** That's correct,
3 Commissioner.

4 **COMMISSIONER EDGAR:** Thank you. So the
5 staff recommendation, can you summarize for me what
6 that percentage is based upon while we have the
7 70/30, 30/70 versus a 60/40, 50/50.

8 **MR. FLETCHER:** I believe Ms. Hudson has
9 those calculations made.

10 **MS. HUDSON:** Staff has gone back and
11 recalculated what the revenue requirement would be
12 based on -- since we feel that the office manager
13 who we are terming her as an officer manager because
14 the documentation that they provided indicated they
15 called her the office manager, so we went by the
16 title they gave us. So the duties that they
17 indicated were her duties, we believe they are
18 duplicative of the duties that the association is
19 now saying that they are responsible for. So we
20 redid the revenue requirement and just removed the
21 office manager's salary, and did the 70 to the water
22 company and the 30 to the association for their
23 management fee, and that will result in a
24 .55 percent increase.

25 **COMMISSIONER EDGAR:** But why 70/30 as the

1 recommended or deemed to be appropriate
2 proportionate distribution?

3 **MS. HUDSON:** That was their -- in their
4 contract based on amount of work that they said they
5 had done for the water company, just doing an
6 evaluation of all the duties that they had did, they
7 said they -- 70 percent representing the time they
8 spent on the water company. So that was their
9 number.

10 **COMMISSIONER EDGAR:** Verbally or based
11 upon --

12 **MS. HUDSON:** In writing.

13 **MR. FLETCHER:** It was the duties Ms.
14 Vandall had mentioned here earlier today. And the
15 documentation that we had at the time of the
16 recommendation was a contract from Benson, and then
17 also the duties and responsibilities of the utility
18 employee, and based on those, because the contract
19 was not clear, the 70 percent to the utility, there
20 was only a one-page addendum at the end of the
21 contract. But looking at the actual -- all the
22 contract provisions, what we could identify, or
23 attribute, or lend to the utility business was only
24 30 percent based on that contract. It was not until
25 after staff's recommendation was filed and the

1 letter was submitted in writing regarding the
2 detailed list of duties regarding what the
3 management company performs that we learned of this
4 discrepancy. And, based on the information of the
5 duties that the consulting firm has listed, and the
6 duties and responsibilities of the utility employee,
7 they are duplicative. And I believe what Ms.
8 Hudson, the numbers that she was giving you was
9 taking the management fee allocating 70 percent, if
10 they, in fact -- based on the writing after the
11 recommendation, if they, in fact, have 70 percent
12 attributable to the utility.

13 But because of the duplication of duties
14 of the previous documentation for the utility
15 employee, staff in the alternative would recommend
16 that that position's salary be removed because of
17 the duplication of duties. And the figure that she
18 gave you is less than one percent if we do it that
19 way. So those are two things happening, reversing
20 it back to the 70 percent allocation from the
21 management company allocating 70 percent to the
22 utility, and then also removing as an alternative
23 recommendation because of the duplication of duties
24 the utility's employee, the salary that we included
25 in our recommendation. And actually that has the

1 effect of lowering it down to less than one percent.

2 **COMMISSIONER EDGAR:** And what is the
3 amount of that salary?

4 **MR. FLETCHER:** I believe it was 9,000, if
5 I'm not mistaken.

6 **MS. HUDSON:** That's correct. I think it's
7 9,900.

8 **COMMISSIONER EDGAR:** Annual?

9 **MS. HUDSON:** Yes.

10 **COMMISSIONER EDGAR:** Thank you.

11 **CHAIRMAN CARTER:** Thank you. Commissioner
12 Skop.

13 Wait one second. Yes, ma'am.

14 **MS. VANDALL:** I'm sorry, I don't
15 understand the duplication that he is referring to.

16 **MS. HUDSON:** On documentation provided by
17 the utility dated May 28th, 2009, on the second page
18 of an attachment it says DeeAnn Demers is employed
19 as the officer manager for the entire period of
20 January 1 through December 31st, 2008, with a
21 monthly salary of \$1,235 a month. Her duties and
22 responsibilities are as follows: Daily she keeps in
23 touch with the board of directors on Benson's,
24 perform daily water testing. Weekly she prepares
25 deposits for water company, passes along invoices,

1 deposits, and correspondence received to Benson's
2 for processing. She enters the payments and meter
3 readings for the month into the computer, prepare
4 the water company bills for printing. Print water
5 company bills and separate from mailing. She
6 maintains addresses of the park owners, their local
7 addresses as well as their out-of-town addresses.
8 It also says that she passes out -- all of the
9 duties that she read to you all was listed on Ms.
10 Demers' list as the same duties. There were a few
11 that we could say that were specifically related to
12 Benson's.

13 **CHAIRMAN CARTER:** Okay. Commissioner
14 Skop, you're recognized.

15 **COMMISSIONER SKOP:** Thank you, Mr.
16 Chairman.

17 Just a question to the representative from
18 Benson's, Ms. Vandall. Looking at your letter that
19 is addressed to the Commission, and I'm looking for
20 a date, but I don't see it, but it's addressed
21 October 31st. In the last paragraph of that letter
22 you make the assertion that no one from the board
23 was allowed to speak at the customer meeting.

24 **MS. VANDALL:** That's correct.

25 **COMMISSIONER SKOP:** Can I ask staff if

1 that is correct?

2 **MR. FLETCHER:** That's incorrect,
3 Commissioner. The current president, Mr. Hawkins,
4 had requested that he sit at the table with
5 Commission staff. And basically I told him that
6 wouldn't be a good idea for him to sit at the
7 Commission table because Commission staff are the --
8 we're the ones that conducted the customer meeting
9 in order to hear from the customers. And he -- I
10 guess there was a misunderstanding of me stating
11 that he couldn't sit at the table while we conducted
12 the customer meeting. It must have been a
13 misunderstanding there that he wasn't allowed to
14 speak. I never said that he was not allowed to
15 speak at the customer meeting, just that he could
16 not sit at the table with us as we conducted the
17 customer meeting.

18 **COMMISSIONER SKOP:** Subsequent to that
19 conversation, was he allowed to address Commission
20 staff?

21 **MR. FLETCHER:** At the end of the list of
22 those who signed up to speak, I did ask if anyone
23 else would like to speak before adjourning the
24 meeting and no one came forward.

25 **COMMISSIONER SKOP:** Okay. So he could

1 have been allowed to speak, but did not choose to do
2 so.

3 **MR. FLETCHER:** That's correct.

4 **COMMISSIONER SKOP:** Okay.

5 **MS. VANDALL:** I think that's incorrect. I
6 was at that meeting also, and Mr. Hawkins, the
7 president of the Mobile Manor, Inc. and the water
8 company is a very, very easy laid-back person to
9 deal with and talk with. And, yes, he may have
10 asked to sit up front with the Commission, because
11 you have to understand this is a small park and the
12 board technically sits in that area when they are
13 addressing the membership. He understood that he
14 could not. He accepted that, but he also felt that
15 he had been told that he could not speak.

16 Therefore when they requested, again, if
17 anyone wanted to speak, he felt he had already been
18 told that as a board member you cannot speak, so he
19 did not offer to do so. And, in turn, had informed
20 his other board members that were there that night
21 that they, too, could not speak.

22 **CHAIRMAN CARTER:** Commissioner Argenziano,
23 you have a question?

24 **COMMISSIONER ARGENZIANO:** I'm sorry,
25 Commissioner Skop. Wouldn't that be on a

1 transcript?

2 **MR. FLETCHER:** The meetings are not
3 transcribed, but they are recorded, and it is -- the
4 recording is available on-line in the docket file
5 where that invitation was made; if anyone else would
6 like to speak, they could have.

7 **COMMISSIONER ARGENZIANO:** Thank you.

8 **CHAIRMAN CARTER:** I will come back to you.

9 **MS. VANDALL:** And I don't dispute that. I
10 was there, I heard that being offered. But I
11 believe Mr. Hawkins felt that -- he had met with the
12 staff a half hour before the meeting started and he
13 felt that he had been told he could not speak.
14 Therefore, he was respecting their wishes and did
15 not offer to speak again.

16 **CHAIRMAN CARTER:** Commissioner Skop.

17 **COMMISSIONER SKOP:** Thank you.

18 The reason I ask, again, allegations of
19 that nature would be very concerning to me, and it
20 should be concerning to the Commission, so I think
21 it was very important to get to the bottom of that.
22 You know, I understand Mr. Hawkins may have wished
23 to sit with the Commission as he does when he
24 appears for board meetings, but he equally would
25 need to recognize that this was not a board meeting,

1 it was a Commission staff-assisted or conducted
2 service hearing.

3 So I apologize if there was any
4 miscommunication, but it seems to me that he would
5 have been afforded the opportunity to speak had the
6 miscommunications not occurred. And, again, I'll
7 try and take a look at the audio tape.

8 But my other concern, and this is directed
9 to staff, and Commissioner Argenziano touched upon
10 this briefly. The difference between the cost
11 allocation of the Benson utility company manager on
12 either 30 percent as recommended by staff or 70
13 percent as requested by the association, what is the
14 bottom line in terms of the rate impact if the
15 Commission were to adopt what the association has
16 requested over and above staff recommendation? I
17 know that you guys were crunching some numbers, but
18 that would be helpful to have some visibility on how
19 that falls out through the remaining issues in terms
20 of the proposed rate increase that the association
21 members would be subjected to.

22 **MS. HUDSON:** If staff were to reallocate
23 70 percent to the water company, we, again, feel
24 that a salary for office manager, receptionist,
25 whoever she -- whatever her title is should be

1 removed, and that will result in a .55 percent
2 increase. Which based on a 3,000-gallon usage, that
3 would be \$25.78 per bill.

4 **COMMISSIONER SKOP:** Okay.

5 **MS. HUDSON:** The other alternative, if
6 indeed the office manager/reception has -- may be
7 allocating the duties that aren't duplicated by
8 Benson's, 30 percent of her salary, and then
9 reallocating 70 percent of the management
10 association fee to the utility, that would result in
11 \$28.17, which is a 9.83 percent increase, and the
12 bill at 3,000 gallons would be \$28.17.

13 **COMMISSIONER SKOP:** Can we go back through
14 that a little bit slower at the 3,000 gallonage rate
15 so I could just look at an apples-to-apples
16 comparison.

17 **CHAIRMAN CARTER:** I'll come to you next,
18 Commissioner Argenziano.

19 **COMMISSIONER ARGENZIANO:** (Inaudible.)

20 **CHAIRMAN CARTER:** We may get it during
21 this. Okay. Staff, you're recognized.

22 **MS. HUDSON:** The first proposal, staff
23 would remove all of the salary of Dee Demers and
24 allocate 70 percent of the association's fee to the
25 water utility, which would result in a .55 percent

1 increase. The resulting bill at 3,000 gallons would
2 be \$25.78.

3 **CHAIRMAN CARTER:** 25.78?

4 **MS. HUDSON:** Uh-huh.

5 **COMMISSIONER ARGENZIANO:** (Inaudible.
6 Microphone off.)

7 **MS. HUDSON:** From 25.66 to 25.78, which is
8 lower than staff's current recommendation.

9 **COMMISSIONER SKOP:** A follow-up question.

10 **MS. HUDSON:** The next --

11 **COMMISSIONER SKOP:** A follow-up question.
12 I'm looking at the staff's recommended rate for
13 3,000 gallons on Page 39 of the staff
14 recommendation, and it shows a staff recommended
15 rate adopting the staff recommendation as to the
16 allocation of the management cost of 26.85 for
17 3,000 gallons. So can we explain how the number you
18 just represented would be lower than the original
19 staff recommendation?

20 **MS. HUDSON:** Because the original staff
21 recommendation includes a salary allowance for the
22 office manager, which we would -- if we reallocated
23 70 percent to the water utility, we believe that the
24 salary should then be removed.

25 **MR. FLETCHER:** Commissioner, if I can

1 interject. The office manager for the utility is
2 about a little bit -- \$9,100 on an annual basis that
3 we are recommending would be removed. But the
4 portion of switching from 30 percent to 70 percent
5 for the management company would be a little less
6 than 4,000. That would be the result. It would be
7 a net decrease in operating expenses of about 5,000
8 is the reason why you see the reduction between
9 staff's recommended rate of 26.85 at the 3k/gal
10 going down because you have expenses being reduced
11 by approximately \$5,000.

12 **COMMISSIONER SKOP:** Okay. And to that
13 point with respect to the recommendation as it
14 stands now, although the company disagrees with it,
15 or the association disagrees with it vigorously, I'm
16 trying to understand their disagreement in relation
17 to the fact that they are also trying to service the
18 debt they have taken out from the association to
19 replace the water meters, which is, I believe,
20 10,000, or \$20,000 that they mentioned, some of
21 which has been paid back, but another loan has not.

22 So obviously having more revenue allows
23 you to do debt service and make improvements, and we
24 are talking about, you know, a couple cents
25 per-month here between the existing staff

1 recommendation and adopting what the utility or the
2 association would want, which would seem to be to
3 their overall detriment.

4 **MR. FLETCHER:** And definitely we addressed
5 the point as far as the interest coverage of that
6 debt of 20,000 that remains outstanding, and that's
7 one of the reasons why we are recommending in Issue
8 8 going to an operating ratio method of a 10 percent
9 allowance of certain O&M expenses. I think it's the
10 total O&M expenses less their purchased water
11 expenses so -- that they purchase from Lee County.
12 So whatever those adjusted O&M expenses, adding the
13 10 percent cushion there, and that equates to a
14 total revenue of -- I believe it was about 3300.
15 And the interest coverage for those loans you will
16 find on Page 17, it's about \$1,208. So we're
17 allowing for that cushion to address the debt
18 coverage plus other fluctuations in the O&M expense
19 costs. That would not be captured in a
20 pass-through.

21 **COMMISSIONER SKOP:** All right. Thank you.

22 **CHAIRMAN CARTER:** Commissioner Argenziano,
23 did you want to continue? Go ahead.

24 **MS. HUDSON:** There was one other
25 alternative. If we did allow a portion of the

1 office manager's salary, to allocate 30 percent of
2 her salary to the water utility that would result in
3 a 9.83 percent increase, and the average bill at
4 3,000 gallons would be 28,000 -- I'm sorry, \$28.17.

5 **CHAIRMAN CARTER:** What was that?

6 **MS. HUDSON:** \$28.17.

7 **CHAIRMAN CARTER:** \$28.17.

8 **MS. HUDSON:** And that would be allocating
9 the management company 70 percent to the water and
10 30 percent of the office manager's salary to the
11 utility, as well.

12 **CHAIRMAN CARTER:** Let me ask you this, did
13 you run these numbers all the way down to the
14 5,000 gallons and the 10,000 gallons, or you just
15 did it for the --

16 **MS. HUDSON:** I just did at 3,000, because
17 their usage is really low. Their usage is very low.
18 It is 1.4k/gal average usage. It is 1.4.

19 **CHAIRMAN CARTER:** So that would probably
20 be the max that they would use?

21 **MS. HUDSON:** Yes.

22 **CHAIRMAN CARTER:** Yes, ma'am.

23 **MS. HUDSON:** According to the billing
24 data, they don't even reach 3,000 gallons. It is
25 very, very low. Extraordinarily seasonal, very

1 seasonal.

2 **CHAIRMAN CARTER:** Okay. All right.
3 Commissioners. Commissioner Skop, you're
4 recognized.

5 **COMMISSIONER SKOP:** Thank you. Just
6 from -- I'd like to hear from Benson's and the
7 company with respect to the discussion that has just
8 been held in terms of the allocation and adopting or
9 trying to address your concerns. I'm still
10 struggling to understand why the current staff
11 recommendation does not adequately address some of
12 the issues you've raised, but also provide the
13 additional incremental revenue through the rate
14 increase that you are seeking to obtain to address
15 some of the concerns mentioned before us this
16 morning. So if you could maybe elaborate. Or has
17 the concern on the 70/30, has that been mitigated to
18 some degree?

19 **MS. VANDALL:** I think we've beat this to
20 death. (Laughter.)

21 **COMMISSIONER SKOP:** Me, too. But, again,
22 I'm trying to be receptive to your concern. But as
23 I understand your concern as the numbers flow
24 through as suggested by the current staff
25 recommendation it would actually further reduce

1 rates, and that seems to be somewhat
2 counterproductive to some of the things that --

3 **MS. VANDALL:** Well, first of all, I don't
4 understand the duplication of Dee Demers and our
5 list of what we provide. I know she read it, that
6 was their -- I guess I need to see this. It may
7 have been presented by the board president or
8 through our company. I'm not sure, but I need to
9 see that.

10 Secondly, it goes without saying that when
11 we were originally hired by the association, Mobile
12 Manor, Inc., we were told, yes, there's a water
13 plant, but we didn't understand and neither did the
14 board the complexity and the time frame that would
15 be involved in running that water plant. We have
16 only been there since March of '08, and it took
17 awhile to get acclimated to the association and to
18 the water plant to learn it, to find out what was
19 going on.

20 And when we walked in the door we found
21 out that they had issues. There had been some type
22 of disciplinary type action or something taken
23 against the plant for reports not being filed
24 correctly or timely by the previous manager, so we
25 had to get that straightened out. And then as we

1 went on, it was determined although we had a
2 management agreement with Mobile Manor,
3 Incorporated, we determined with the board of the
4 Mobile Manor, Incorporated and Mobile Manor Water,
5 which is the same board, by the way, that we needed
6 to allocate a percentage of our management fee to
7 that water company because it wasn't fair for Mobile
8 Manor, Inc. to be paying the management company out
9 of their maintenance fees to run the water plant.

10 So that was an issue that had to be
11 addressed, and that is why you see an addendum to
12 the management contract where the board had voted --
13 I'm not sure what the vote was, maybe it was in my
14 original letter, or was it in yours -- nine to zero
15 to charge 70 percent of the annual management fees
16 to the Mobile Manor Water Company. And they
17 understood and agreed at that point in time that we
18 were spending an inordinate amount of time on the
19 water company.

20 The issue that Dee Demers is representing
21 a duplicate -- let's see, she's the receptionist,
22 she maintains a professional image for the Mobile
23 Manor business out of the office on-site. We are
24 not on-site. We have an off-site office. She
25 communicates daily with the park manager. That's

1 our manager that has been assigned to run the Mobile
2 Manor, Inc. and with myself on the water company and
3 the park president.

4 She's there to take the payments of the
5 owners as they walk in the door to pay their utility
6 bills. The office is open so that the owners have
7 the opportunity of paying their bills. She does
8 prepare and mail the monthly water bills to the
9 customers, but they are using a program there
10 on-site called Filemaker (phonetic) which she enters
11 all the information into, and then she in turn has
12 to provide that information to our office off-site
13 so that we can plug the numbers into our computer
14 system and our accounting program of C3 to be able
15 to generate the monthly financials for the water
16 company. That does not come from the on-site
17 office, that comes from Benson's off-site office.

18 She does prepare the weekly bank deposits.
19 We pick them up, we run them to the bank, we deposit
20 them. She maintains a petty cash. No duplication
21 there. She is an employee of the water company.
22 She prepares and submits the 940 and 941
23 documentation to us so that we can file with the
24 IRS.

25 She handles customer complaints that come

1 in the door. If anything is by Internet or by phone
2 it is coming to our office off-site, or she is
3 directing them to contact us off-site. She enforces
4 violations, such as someone leaving the water
5 running, or a water line break, or something like
6 that, or someone not reporting something. She knows
7 about it because she is on-site and she gets in
8 contact with us.

9 **COMMISSIONER SKOP:** Okay. Let me just
10 stop you there because, I mean, these seem to be the
11 same bullet points that I have before me.

12 **MS. VANDALL:** Now what I'm trying to point
13 out is that there not any duplication here. We need
14 her on-site.

15 **COMMISSIONER SKOP:** Well, that's what I'm
16 trying to get to between the duties that she
17 performs seem to be separate and distinct from the
18 scope of work that Benson's performed, correct?

19 **MS. VANDALL:** Absolutely, yes.

20 **COMMISSIONER SKOP:** Thank you.

21 **CHAIRMAN CARTER:** And I think from what
22 I'm hearing, Commissioner Skop, just picking up on
23 your questions with staff, is that, staff, correct
24 me if I'm wrong, I think that even in the
25 alternative if you were to go with the 70/30 as

1 proposed by them, that gets us to the 28.17, is that
2 correct, for the 3,000 gallons? Is that right?

3 **MS. HUDSON:** I'm sorry, repeat the
4 question.

5 **CHAIRMAN CARTER:** Remember the 70/30 that
6 they were proposing for the company, and you ran the
7 numbers on that, and you said that that comes to
8 \$28.17 for the 3,000 gallons.

9 **MS. HUDSON:** With that proposal that would
10 be allocating 30 percent of the Dee Demers salary to
11 the water company.

12 **CHAIRMAN CARTER:** Right. And the thing
13 about it is that, I guess, Commissioner, unless I
14 misread what you were saying, is that the resources
15 will be there for the company to do what they need
16 to do. Is that the way you read it?

17 **COMMISSIONER SKOP:** Yes. Mr. Chair, I was
18 just trying to look at the party's concerns and
19 staff's concerns and try and do the fair thing, and
20 better understand what job function Ms. Demers
21 performs as opposed to that performed by Benson's,
22 and it seems to be that they are somewhat separate
23 and distinct. There may be some overlap, but,
24 again, I think that, you know, legitimate and
25 reasonably incurred expenses, you know, need to be

1 considered. So, again, the staff suggestion on the
2 28.17 at 3,000 gallons, I think, flips the
3 allocation, and also picks up Ms. Demers salary in
4 part and allocates it to the water company, if I
5 understand correctly.

6 **CHAIRMAN CARTER:** Is that correct, staff?

7 **MS. HUDSON:** That's correct.

8 **COMMISSIONER SKOP:** Okay. Thank you.

9 **CHAIRMAN CARTER:** That's what I thought.

10 Commissioners, anything further? Okay.
11 Commissioners, what's your recommended disposition
12 of this matter?

13 Commissioner Skop, you're recognized for a
14 question.

15 **COMMISSIONER SKOP:** Just one quick
16 question to the former board president as well as
17 Benson's. You represented to this Commission that
18 the majority, if not all of your association
19 members, are in favor of this rate increase, is that
20 correct?

21 **MR. MARTIN:** That is correct.

22 **COMMISSIONER SKOP:** Okay. So should we
23 choose to address your concerns as the Chairman has
24 mentioned, there will not -- I can be reasonably
25 assured there aren't going to be dissident members

1 writing me hate mail as a result of their rates
2 going up?

3 **MS. BRUBAKER:** Mr. Chairman.

4 **CHAIRMAN CARTER:** Hang on a second.

5 Ms. Brubaker.

6 **MS. BRUBAKER:** I'm sorry to interrupt. I
7 just want to make sure we are clear. There are
8 160 members of the association. There are 313
9 customers altogether, so about half are members of
10 the association.

11 **COMMISSIONER SKOP:** All right. But now
12 have you polled those other customers, as well, or
13 just your association members as to their concern
14 regarding the proposed rate increase?

15 **MR. MARTIN:** I would imagine they would --
16 a great majority would be against an increase. But
17 the 160 are almost unanimously -- unanimously as far
18 as I know behind -- your initial interim rate
19 increase was something we were satisfied with and
20 could live with.

21 Just one other brief comment. What Ms.
22 Demers does, the maintenance fee that she collects
23 is basically done once a year. They pay their
24 maintenance fee. All of the work that she does in
25 the office or the great majority of it we say

1 70/30 is water bills. That's on a monthly basis,
2 month by month by month, twelve months out of the
3 year. The great majority of people pay for their
4 maintenance once.

5 **COMMISSIONER SKOP:** And I appreciate that
6 clarification. Again, this is somewhat intertwined,
7 and I'm trying to take a very confusing issue and
8 get it right with respect to how things are
9 allocated. Mr. Chair, just briefly, if I can
10 distill this into, I think, two options.

11 **CHAIRMAN CARTER:** You're recognized.

12 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

13 Either you adopt the staff recommendation,
14 which results in a minimal rate increase, which
15 would be approximately \$26.85 a month versus the
16 prior rates of 25.66 per 3,000 gallons per month for
17 customers with 5/8ths meters, or the alternate that
18 staff recommended would actually increase the rates
19 to \$28.17 per 3,000 gallons per month. So I think
20 it is one of those two options, and whichever the
21 Commission deems to be fair to the company and fair
22 to the consumers.

23 **COMMISSIONER EDGAR:** Mr. Chairman, a
24 question if I may.

25 **CHAIRMAN CARTER:** Commissioner Edgar,

1 you're recognized for a question.

2 **COMMISSIONER EDGAR:** Okay. To staff, I
3 guess I understood the recommendation slightly
4 differently, because we had talked -- I thought
5 staff presented to us a different option, and I'm
6 not speaking for or against, I'm just trying to be
7 clear in my own mind on where the discussion has
8 lead us, which was another alternative that would
9 result in the \$25.78.

10 **MR. FLETCHER:** That's correct,
11 Commissioner. That would be -- the first option
12 presented would be to remove Ms. -- the employee's,
13 the utility employee's salary and increase the
14 management fee to 70 percent, that would be the
15 \$25.78. The second option would be only to increase
16 the management fee from 30 to 70 percent.

17 **COMMISSIONER EDGAR:** So I guess my
18 understanding -- and, Commissioner Skop, maybe I
19 misunderstood what I thought I heard you say, but my
20 understanding was that the staff recommendation as
21 presented in the item, which would result in a bill
22 of \$26.85 as we have discussed, or a secondary
23 alternative which has come out from the discussion
24 of the \$25.78, and that the result of \$28.17 would
25 actually be the request of the presenters that have

1 come on behalf of the association management.

2 **COMMISSIONER SKOP:** Yes, I think that's
3 correct. I think the original staff recommendation
4 reflecting a proposed charge for 3,000 gallons of
5 26.85 per month is at the 30 percent ratio, whereas
6 the discussion that we had subsequent to that has
7 two variations, one taking the ratio up to
8 70 percent and one including part of the salary, or
9 taking it out. So it's, I guess, one of those two
10 options. Again, I'm just trying to get a fair
11 result, but, you know, equally be sensitive to the
12 fact that the one result does result in somewhat
13 higher rates, almost \$1.50 per month higher, so --

14 **CHAIRMAN CARTER:** Commissioner Argenziano.

15 **COMMISSIONER ARGENZIANO:** I'm sorry, I
16 hope I don't complicate things more. But to
17 Mr. Martin, I believe I heard you say that the
18 160 members were supportive of the increase and the
19 others you thought would be against an increase.
20 And we are talking about same increase from the
21 possibility of currently \$25.66 to possibly the high
22 as \$28.17. Is that what they would be objecting to?
23 Because I don't see any other increase there, and I
24 still see even the highest increase being pretty
25 nominal compared to a lot of other water cases that

1 we see.

2 **MR. MARTIN:** Thank you.

3 **MS. VANDALL:** May I speak to that also? I
4 think that what we would find is any type of
5 increase is going to be objected to by those outside
6 the 160.

7 **COMMISSIONER ARGENZIANO:** Even as small as
8 this one?

9 **MS. VANDALL:** Even, yes.

10 **COMMISSIONER ARGENZIANO:** All right.
11 Thank you.

12 **MR. MARTIN:** Two years ago I had a
13 68 percent -- a 68-cent increase in their
14 maintenance fee and they strongly opposed that and
15 it was voted down. Sixty-eight cents. They are not
16 being realistic, in my mind, but --

17 **CHAIRMAN CARTER:** Okay, Commissioners.
18 Any further questions? Comments? The
19 Chair is now open for disposition of this matter.

20 **COMMISSIONER ARGENZIANO:** Move staff.

21 **COMMISSIONER SKOP:** Second.

22 **CHAIRMAN CARTER:** We have a motion and a
23 second to move staff on this matter. Are there any
24 questions?

25 **COMMISSIONER EDGAR:** Clarification. So

1 that would be --

2 **CHAIRMAN CARTER:** You're recognized.

3 **COMMISSIONER EDGAR:** Thank you. -- the
4 staff recommendation as contained in the item before
5 us, not one of the other alternatives that has been
6 discussed. Thank you.

7 **CHAIRMAN CARTER:** Is that your
8 understanding, Commissioner Skop?

9 **COMMISSIONER SKOP:** Yes. And I second the
10 motion.

11 Commissioner Klement, any questions?

12 **COMMISSIONER KLEMENT:** So the total
13 increase would be --

14 **CHAIRMAN CARTER:** 26.85.

15 **COMMISSIONER KLEMENT:** -- 26.85, which is
16 by my account \$1.30 more?

17 **CHAIRMAN CARTER:** I think so. I think
18 that's it.

19 That is correct, isn't it, staff?

20 **MR. FLETCHER:** That's correct.

21 **CHAIRMAN CARTER:** Okay. Okay,
22 Commissioners, any further debate?

23 **MS. VANDALL:** Can you tell us what that
24 means, that number?

25 **CHAIRMAN CARTER:** \$26.85 for 3,000

1 gallons, that would be the staff recommended rates.

2 **MS. VANDALL:** Okay.

3 **CHAIRMAN CARTER:** All in favor, let it be
4 known by the sign of aye.

5 (Simultaneous vote.)

6 **CHAIRMAN CARTER:** All those opposed, like
7 sign? Show it done.

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1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)
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5 I, JANE FAUROT, RPR, Chief, Hearing Reporter
6 Services Section, FPSC Division of Commission Clerk,
do hereby certify that the foregoing proceeding was
heard at the time and place herein stated.

7 IT IS FURTHER CERTIFIED that I
8 stenographically reported the said proceedings; that
the same has been transcribed under my direct
9 supervision; and that this transcript constitutes a
true transcription of my notes of said proceedings.

10 I FURTHER CERTIFY that I am not a relative,
11 employee, attorney or counsel of any of the parties,
nor am I a relative or employee of any of the
12 parties' attorney or counsel connected with the
action, nor am I financially interested in the
13 action.

14 DATED THIS 20th day of November, 2009.

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16 _____
JANE FAUROT, RPR
17 Official FPSC Hearings Reporter
(850) 413-6732

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Parties/Staff Handout
Internal Affairs/Agenda
on 11/10/09
Item No. 12
090170-WA

To: Public Service Commission
From: DeeAnn Demers office manager
Date: May 28, 2009
Subject: Job Description and duties performed
C.c. Board of Directors and Bonita Vandall

Job Description:

- Represent and maintain a professional image for all Mobile Manor business to include MMWC and MMI. You are the first impression someone makes about the company and community.
- Communicate daily with Park Manager and Park President.
- Conducts the day-to-day business of Mobile Manor Water Co. Inc. & MMI
- Staff office Monday –Friday per board direction. Hours will differ during peak season September to April and be reduced during the months of May to August.
- The office manager prepares and mails monthly water bills to customers.
- Office Manager will collect payments made at the office for water usage and maintenance fees and issue receipts.
- Prepares weekly bank deposits for Park Manager pickup.
- Maintain petty cash. He/she will be allowed (with receipts) to spend no more than \$250.00 per month for supplies. Major expenses over this amount must have the approval of the majority of the board of directors except in emergency situations where the president should be informed.
- Prepares and submits 940/941 documentation to Bensons as required by IRS.
- Handle customer complaints and forward information to Park Manager.
- Enforces the Deed of Restrictions and reports all violations to the park Manager and board of directors.
- Jointly helps Park Management direct the activities of Mobile Manor Water Company Inc. in accordance with the rules and regulations of the Public Service commission including the reading of the meters, billings, supply maintenance, daily water testing, delinquent account letters, meter replacement program, EPA stage II testing, customer request for shutoff/turn on of water and water line repairs.
- Immediately reports all water line breaks to Park Manager, LCHD and prepares necessary boil notice for residents.
- Provide necessary reports to Treasurer and Board.
- Prepare documentation for annual audit of MMWC & MMI
- Maintain a listing of all address and phone information (include Northern address) for residents.
- Maintain members in good standing information for Board and Association meetings.
- Fuel allowance of \$50.00 a month
- Together with the budget committee he/she will prepare a fiscal year budget and present it to the Board of Directors at their December meeting.

Tom Hawkins
President Board of Directors
MMWC & MMI

Employee Salaries & Wages

Carol Julius, past Park Manager, was employed for a six week period from January 1, 2008 to train new Office Manager on Water Company procedures. Monthly salary \$1,000.00

Christopher Artrip was employed as a water meter reader and performed meter and shut-off valve replacement and repairs as needed. He was paid \$ 15.00/hour. He was employed from January through June 2008.

DeeAnn Demers is employed as the Office Manager for the entire period of January 1 through December 31, 2008 with a monthly salary of \$ 1,235.00. Her duties and responsibilities are as follows:

Duties and responsibilities

Daily: Keep in touch with the Board of Directors and Benson's Inc. Perform daily water testing (Monday to Friday) for LCHD. Receive and post Water Company payments in office on the pegboard sheets and provide a receipt for customer. Listens to resident's concerns about Mobile Manor and direct these to the proper person for handling.

Weekly: Prepare deposits for the Water Company. Pass along invoices, deposits and any correspondence received to Benson's for processing. Clean and maintain the cleanliness of office. Check status of office supplies and place orders. Filing of documents and general resident information processed during the week. Maintain petty cash report and sent to Bensons

Biweekly: Submit payroll information to Benson's.

Monthly: Submit invoice to Benson's for Landscaping and Maintenance of common grounds. Provide the Treasurer and Board of Directors with the monthly Financial Statements. Enter the payments and meter readings for the month into computer using FileMaker program. Prepare the Water Company bills for printing. Print water company bills and separate for mailing. Put the sign up in front of the office so that the residents know that the water bills are ready. Mail rest out to those who are away or do not pick up their bills.

Update monthly list of Water Applications received for the Board of Directors.

Monitor customer water bills for higher than normal usage (indicating a water leak) or for delinquency in payment. Prepare letter to Owner and/or renter should the account be in arrears. Work closely with Park Manager on any delinquent water bill notices prior to mailing notice to customer. Ensure that PSC guidelines in the Water & Wastewater brochure are followed.

A monthly average of the number of payments received for the Water Company is 178, compared to 51 for Mobile Manor Inc.

During the winter months with all the snowbirds down I process as high 300 water payments a month for a 5 month period.

Quarterly: Prepare and submit 941 Quarterly Tax Return and the Florida Department of Revenue Quarterly Report.

Annual: Prepare and submit the 940 form. Prepare documentation for the board's annual audit of the Water Company records. Update the Mobile Manual resident telephone directory by including new owners and changing info as necessary in the remainder of the book. Pass out annual phone books to all residents. Maintain address information for two locations for most residents.

During the year: Turn water meters on and off due to resident's occupancy. Record and maintain list of water meters and valves replaced for meter replacement program.

Welcome new Owners to Mobile Manor; provide them with the Deed of Restrictions, By-Laws, Water Application and Census form. Set up a new resident file, include a copy of the Warranty Deed and the papers from the Title Company, requesting information as to outstanding or credit balances on the Seller's accounts.

Update the properties for Sale or Rent on the bulletin board to assist the residents.

Post any info received from the Lee County Sheriff's office as to "Fraud" situations occurring in Lee County. Pass out brochures from the Sheriff with info concerning personal and residential safety, neighborhood awareness and the list of important phone numbers.

In the event of a meter replacement or main line break, contact the Plumber, pass out (hand deliver) the 'Precautionary Boil Water' notice to the affected residents. When the work is completed flush the line as per LCHD guidelines. Check the chlorine and Ph and fill two (2) Bactria sample bottles on each side of the repair site for two (2) days. Take samples to LCHD daily. When given the all clear, pass out the 'Recession' notice. Make sure annual copper and lead samples are taken per LCHD. Check on status of Plumbing supplies and order necessary parts. Communicate with Board President and treasurer any concerns that pertain to budget and expense control. Alert Park Manager and board of any changes that need to be made to the map of waterline locations and shutoffs. Maintain key log for office, clubhouse and supply sheds.

I attend and maintain all records for Association meeting to ensure only members in good standings are allowed voting privileges per the bylaws for MMWC & MMI annual budget and issues that pertain to the community.

Avy Smith

From: Bonita Vandall [bvandall@bensonsinc.com]
Sent: Thursday, August 13, 2009 4:34 PM
To: Avy Crawford
Subject: Management Contracts - Mobile Manor Inc. and Mobile Manor Water Company
Attachments: Management Agreement Addendum.pdf; Management Contract.pdf

Hi Avy,

Please find attached the Contracts as requested....

Bonita D. Vandall

CAM, CFPM, AMS, CMCA, PCAM
President/CEO

ASSOCIA Benson's, Inc. AAMC

12650 Whitehall Drive
Fort Myers, Florida 33907
239-277-0718
239-936-8310 (fax)

ASSOCIA Benson's KT AAMC

3050 North Horseshoe Drive, Suite 275
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Associa - the Nation's Leader in Community Association Management

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BENSON'S, INC., AAMC

ACCREDITED ASSOCIATION MANAGEMENT COMPANY

An Associa Member Company

12650 WHITEHALL DRIVE, FORT MYERS, FLORIDA 33907-3619

239-277-0718 - FAX 239-936-8310

E-Mail: bcam@bensonsinc.com

Web Site: www.bensonsinc.com

MANAGEMENT AGREEMENT

This agreement is made and entered into by and between, MOBILE MANOR, INC., a Florida Corporation Not for Profit (The "ASSOCIATION")

AND

BENSON'S, INC., a Florida Corporation having its registered office at 12650 Whitehall Drive, Fort Myers, Florida 33907 (BENI).

In consideration of the terms, conditions and covenants herein contained, the parties mutually agree as follows:

ARTICLE I

APPOINTMENT OF MANAGING AGENT

The Association hereby appoints BENI and BENI hereby accepts such appointment on and conditions herein contained as the Managing Agent of the Association in accordance with the terms and provisions of this agreement and to otherwise perform the obligations as hereinafter set out.

ARTICLE II

RESPONSIBILITIES OF MANAGING AGENT

The role of the Managing Agent is to implement the decisions and policies established by the Board of Directors of the Association. The Board of Directors of the Association has control of common areas and is responsible for the administration of the programs, services, and activities of the association as established in the founding documents and as amplified or clarified by resolution of the corporation. Subject to direction by the Board of the Association, BENI's functions, duties, responsibilities, and authority may include the following:

1. To be available on a daily basis to provide supervision, inspection, and response to the affairs of the Association (daily is generally meant to mean Monday through Friday, 9:00 a.m. to 5:00 p.m. except recognized holidays and the day after Thanksgiving) to:

- 1.1 Attend to repairs.
- 1.2 Implement the policies of the Association concerning Covenants, Rules and Regulations.
- 1.3 Provide inspection of the records of the Association as required by law.
- 1.4 Consult with outside contractors and professionals retained by the association.
- 1.5 Confirm outside services rendered.
- 1.6 Representation as registered agent for the association.
- 1.7 Guide and assist members of the Board in the performance of their obligations.
- 1.8 Guide and assist the Board in the development of policies and procedures.
- 1.9 Assist in the administration as requested by the Board, to the extent practical, of the provisions of the Declaration, Articles of Incorporation, and Bylaws, rules and regulations and policies of the Association (the Documents").
- 1.10 Keep records of the affairs of the Association and the Board, including but not limited to, the Declaration, Articles of Incorporation, Bylaws, rules and regulations, policies, minutes of meetings, copies of contracts, etc. (which documents are to be provided to BENI by the Association) and maintain such documents in a current status. Such printed records shall belong to the Association.
- 1.11 Maintain register of Owners, Officers and Directors and such other registers or schedules as may be required by the Documents. The initial information is to be provided to BENI by the Association.
- 1.12 Attend to necessary correspondence.
- 1.13 Assist in resolving individual Owner requests as they pertain to administration of the Association, its Common Elements, its Common Property and Governing Documents.
2. Provide on a monthly basis:
 - 2.1 Account for assessments and other charges due by Owners; maintain checking, savings and other income accounts styled in the name of the Association and maintain comprehensive records thereof; each of such accounts to be separate and apart from other accounts of BENI and the amounts therein not to be commingled with any other funds controlled by BENI.

- 2.2 Mail notice of delinquency to any Owner in arrears and take such reasonable action for the collection of delinquent assessments in accordance with the Documents and BENI standard procedure in such a manner as to prevent selective enforcement.
- 2.3 Make disbursements from assessments collected for normal recurring expenses as provided in the budget. Extraordinary expenditures shall be made only with the approval of the Board. Approval shall be deemed on acceptance of the monthly financial report at the subsequent meeting of the Board.
- 2.4 Furnish a monthly financial report prepared on a modified cash basis that will include income and expenses and will reflect the net cash position of the Association.
- 2.5 Organize meetings of the Board, including the preparation of notices, agendas and other necessary documents.
- 2.6 Provide the Board of Directors with copies of correspondence and other business during the previous month.
3. Provide on a calendar year basis:
 - 3.1 Furnish information to CPA for compilation, review or audit.
 - 3.2 Prepare or cause to be prepared Federal and State Tax returns for which there will be a fee.
 - 3.3 File Annual State Corporation Report.
 - 3.4 Provide for payment of necessary fees and licenses by the Association.
 - 3.5 Prepare an estimated annual budget. The budget shall be based on prior operating expenditures, estimated future expenses, and required capital reserves. BENI shall not be responsible for discrepancies between the budget and actual expenses, the budget being an estimate to be used only as a guide. The budget shall be submitted to the Board for consideration and adoption.
 - 3.6 Provide necessary information to Unit Owners as per the Association Documents and State Statutes.
 - 3.7 Organize annual meeting of Owners, including the preparation of notices, agendas, and other necessary documents.
 - 3.8 Enroll Board members for subscriptions and memberships to assist them in fulfilling their fiduciary duty.
4. The Manager shall have at least two (2) persons available to provide for the fulfillment of the agreement obligations.

5. Physical Management

- 5.1 As authorized by the Board of Directors, direct and cause to be done those things that are necessary to maintain the property in accordance with the provisions of the operating budget. BENI shall not be responsible for taking any action unless directed by the Board or unless provided in this agreement.
- 5.2 On behalf of the Association monitor the performance of employees of the Association if any. Any employee hired for the Association may be an employee of BENI. All remuneration payable to such employees and/or salaries, tax, burden and other expenses payable on account of such employees shall be operating expenses of the Association and shall be paid to BENI out of the funds of the Association.
- 5.3 Negotiate and execute contracts on behalf of the Association, for such services for the Association as may be necessary and advisable. BENI may also purchase on behalf of the Association such equipment, tools, appliances, materials and supplies for the proper maintenance of the Association. Such purchases and contracts shall be in the name and at the expense of the Association.
- 5.4 BENI has not been given any control of the common areas or amenities. BENI may only implement decisions and policies of the Board of Directors. BENI shall not be responsible to determine if the Association is in compliance with any state, federal or local laws but will provide advice to the best of their ability whether the Association is in compliance with applicable laws.
6. Notwithstanding anything to the contrary contained in this Article and the limitations herein imposed, BENI may, on behalf of the Association without prior consent, expend any amount, or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger to life or property, or may threaten the suspension of any necessary service to the Association. Notice to the Association shall be provided by BENI as soon as practical under the circumstances.
7. Everything done by BENI under the provisions of this Article shall be done as an agent for the Association, and obligations or expenses incurred hereunder shall be for the account, on behalf, and at the expense of the Association. Any payments to be made by BENI hereunder shall be made out of such sums as are available in the banking or investment accounts of the Association. BENI shall not be obliged to make any advance to or for the account of the Association or to pay any sum, except out of funds held or provided as aforesaid, nor shall BENI be obliged to incur any liability or obligation for the

account of the Association without assurance that the necessary funds for the discharge thereof will be provided.

8. BENI (its agents and employees) shall be held to the same standard of care in regards to the performance of its tasks as a Director of the Association as provided in the Florida Corporation Not for Profit Act and the applicable Florida Community Association Acts (718 F.S, 719 F.S., 720 F.S.). Specifically, BENI shall discharge its duties, in good faith, with ordinary care, and in the manner that BENI believes to be in the best interest of the Association, and shall have a fiduciary responsibility in the same manner as ASSOCIATION directors and officers. BENI is not deemed to have the duties of a trustee of a trust with respect to the Association.
9. No service herein anticipated or provided shall be deemed nor intended to be legal advice. No part of any fee paid by the Association to BENI shall in any way be considered compensation for legal services. This does not preclude the Association from appointing BENI as representative of the Association in legal proceedings, including but not limited to arbitration, mediation, small claims actions or expert witness testimony for which the Association may compensate BENI. Neither the Manager nor any of its employees are attorneys and no advice or suggestions offered, by way of anecdotal or personal experience in any situation is meant to substitute for advice from Association's counsel.

ARTICLE III

INSURANCE

1. BENI shall cooperate in investigating and reporting accidents or claims for damage relating to the ownership, operation and maintenance of the Association and shall supervise the preparation of claims when required and follow-up on payment. An amount due BENI for investigating, reporting, managing, coordinating and following-up on insurance claims for damages covered by the Association's insurance shall be 10% of the claim and included in the submission of any claim.
2. BENI agrees to carry at its own expense -
 - 2.1 Workers Compensation Insurance in compliance with Florida Law.
 - 2.2 General Liability Insurance with minimum limits of \$1,000,000/\$2,000,000.
 - 2.3 Auto Liability Insurance with minimum limits of \$1,000,000.
 - 2.4 Fidelity Bond coverage in such amount as deemed necessary to comply with Florida law as pertains to the protection of the Association's funds. It is acceptable for such coverage to be

carried under Association's policy, so long as Association's funds are protected as required by law.

3. The premium in regard to any increase in the amount of coverage set forth in paragraph 2 above required by the Association shall be paid by the Association and shall be considered as an expense of the operation of the Association.
4. BENI shall be named an additional insured on the Association's general liability, umbrella, bonding and Directors and Officers policies, which policies shall be maintained in full force and effect during the entire term of and shall survive this management agreement and in such amounts as the Association and BENI may agree. Association will maintain at least a minimum premium, no payroll, Workers Compensation policy. The Association's insurance shall be considered primary coverage for the benefit of BENI.

ARTICLE IV

TERM OF AGREEMENT

This agreement shall commence on the date specified in Exhibit "A", and shall continue for a period of one month. If neither party has given the other 30 days written notice of its desire to terminate this agreement at the end of any given month, then the term shall be automatically renewed for an additional one month term and such renewals shall continue on a month-to-month basis unless terminated as hereinafter provided.

ARTICLE V

TERMINATION

Notwithstanding the provisions of Article IV hereof, this agreement may be terminated upon 30 days written notice given by either party to the other with or without cause or without notice in the event of willful breach, gross negligence or willful misconduct. Upon termination obligations hereunder shall cease except liabilities or claims that accrued or arose prior to such termination. Fees may be prorated for any month in which partial services are provided.

ARTICLE VI

COMPENSATION

For BENI's services under this agreement, BENI shall receive the amounts specified in Exhibit "A" attached hereto which amounts shall be payable monthly in advance. By agreement between BENI and the Board the compensation payable to BENI may be amended to the amount reflected each year in the operating budget as adopted by the Board of Directors and approved for the ensuing year. BENI is authorized and directed to deduct or obtain payment of such

compensation when due from the Association's funds regardless of any other payments then required to be made.

ARTICLE VII

MISCELLANEOUS

1. Notices:

Any notice or communication hereunder must be in writing, and shall be personally delivered, or sent by telegram, telex or facsimile, electronic transmission or by registered or certified mail, return receipt requested, and if given by registered or certified mail, same shall be deemed to have been given and received three days after its mailing, postage prepaid to the address listed below. Such notices or communication shall be given to the parties hereto at the following addresses:

To the ASSOCIATION at the address of the President of the Association as of the date of the notice or communication with a copy to Association's counsel when appropriate.

To BENI at 12650 Whitehall Drive, Fort Myers, Florida 33907.

Any party may at any time, by giving ten days written notice to the other party, designate any other address in substitution of the foregoing address to which such notice or communication shall be given.

2. Hold Harmless/Indemnification

2.1 BENI (which term shall include its agents and employees) shall be indemnified by the ASSOCIATION against all expenses or liabilities, including counsel fees (through trial and on appeal), reasonably incurred by or imposed upon BENI in connection with any proceeding or the settlement of any proceeding to which BENI may be a party, or in which it may become involved, by reason of this Agreement, arising out of or in connection with BENI's action undertaken with due care and in good faith, or at the express direction of ASSOCIATION. BENI shall indemnify the ASSOCIATION against all expenses and liabilities including counsel fees (through trial and on appeal) reasonably incurred or imposed upon ASSOCIATION, its officers or directors arising out of or in connection with actions by BENI exceeding the scope of BENI's authority under this Agreement and occasioned by the gross negligence or willful misconduct of BENI, its agents or employees.

2.2 Each party shall promptly advise the other in writing of any action, administrative or legal proceeding or investigation as to which indemnification may apply.

2.3 In the event of the failure by either party to fully perform their obligations in accordance with this Agreement, the non-defaulting party, at their option, and without relieving the other party of its obligations hereunder, may so perform, but costs and expenses so incurred by the non-defaulting party in that event shall be reimbursed by the defaulting party to the non-defaulting party, together with interest, on the same from the date any such expense was paid by the non-defaulting party until reimbursed by the defaulting party, at the highest lawful rate of interest allowed under applicable usury laws of the State of Florida (or if no maximum rate is applicable, at the rate of eighteen percent (18%) per annum). The indemnification shall not be limited to damages, compensation or benefits payable under insurance policies. It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligations under this Section, such legal limitations are made a part of indemnification obligations and shall operate to amend the indemnification obligations to the minimum extent necessary to bring the provisions into conformity with the requirements of such limitations, and as so modified, the indemnification obligations shall continue in full force and effect.

2.4 The provisions of this paragraph 2 shall survive the termination of this agreement, and shall continue in full force and effect subsequent to the termination of this agreement.

3. Security:

BENI shall not in any way be considered an insurer or guarantor of security within the property. Neither shall BENI be held liable for any loss or damage by reason of failure to provide adequate security nor ineffectiveness of security measures undertaken. The board of directors on behalf of the association, owners and occupants of any dwelling, tenants, guests and invitees of any owner, as applicable, acknowledge that BENI does not represent or warrant that any fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices, or other security systems (if any are present) will prevent loss by fire, smoke, burglary, theft, hold-up or otherwise, nor that fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices or other security systems will provide the detection or protection for which the system is designed or intended. The Board of Directors on behalf of the association, each owner and occupant of any dwelling and each tenant, guest and invitee of an owner, as applicable, acknowledges and understands that BENI is not an insurer and that each owner and occupant of any unit and each tenant, guest and invitee of any owner assumes all risks for loss or

damage to persons, to units and to the contents of units and further acknowledges that BENI has made no representations or warranties nor has the association, any owner, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices or other security systems recommended or installed or any security measures undertaken within the property.

4. Severability:

If any provision of this agreement shall be determined to be invalid and unenforceable to any extent, the remainder of this agreement other than that which is determined invalid or unenforceable, shall not be affected thereby, and the remaining provisions hereof shall remain in full force and effect.

5. Disclosure:

If BENI is connected with an entity which performs or delivers goods or services to the Association, BENI agrees to disclose such relationship to the Board prior to the entering into a contract with such entity or prior to the delivery of goods or services. Any discount or other economic benefit received by BENI as a result of any entity doing business with the Association shall be disclosed by BENI and shall be passed on to the Association. If BENI is connected with or related to a member of the Board of the Association, BENI agrees to disclose such connection or relationship. Notwithstanding the foregoing to the contrary, the Association acknowledges that BENI or its affiliates may earn a profit or receive fees incident to a) the operation of group purchasing programs intended to provide price and quality benefits to the Association and/or its residents, or b) the dissemination of marketing information about goods and services to BENI's managed associations (including the Association) and their residents. Purchase of any product and/or service through any such purchase program or marketing plan is voluntary and is not in any manner required by the provisions of this Agreement.

6. Applicable Law:

This agreement shall be construed in accordance with and enforced under the laws of the State of Florida.

7. Amendments:

This agreement constitutes the full understanding of the parties and no prior or contemporaneous oral or written representations made by either party shall be binding. This Agreement may be modified only in writing signed by the President or Vice President of BENI and by the duly authorized representative of the Association.

8. The Manager shall have at least two (2) persons available to provide for the fulfillment of the agreement obligations.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on this the 1 day of FEB, 2008.

FOR: MOBILE MANOR, INC.

FOR: BENSON'S, INC.

BY: Robert B. Martin
Robert Martin
President

BY: Bonita Vandall
Bonita Vandall
President

EXHIBIT "A"

Exhibit to the Management Agreement entered into between Benson's, Inc. and Mobile Manor, Inc., dated 2-1, 2008.

COMPENSATION

1. An origination fee of \$ N/A due and payable upon the beginning of service under the terms of this agreement; and
2. \$6.00 per unit per month (total of 313 units, or \$1,878.00) due and payable in advance from the first day of each month during the term of this agreement, commencing 2-1-08.
3. Additional charges:
 - 3.1 Reimbursement for reasonable out-of-pocket expenses made on behalf of the Association.
 - 3.2 Twenty cents for each photocopy required in the management of the Association. Outgoing fax one dollar per page. No charge for incoming fax.
 - 3.3 When necessary or advisable archived records of the Association may be scanned to CD disk for storage and paper copies discarded. Currently the cost is twenty cents per page.
 - 3.4 Reasonable charges for stationary and envelopes plus the postage payable for each item mailed. Certified mail, return receipt requested, additional \$5.00. Late (reminder) letters will be an additional \$1.00 each.
 - 3.4 BENI shall attend the annual meeting at any reasonable time; and regularly scheduled Board of Directors' meetings not to exceed one per month held Monday through Friday beginning no later than 5:30 p.m. The Association will reimburse BENI for additional meetings or conferences or meetings starting after 5:30 p.m. or on Friday nights or Saturday or Sunday at an hourly rate that is presently \$60 per hour.
 - 3.5 Participation in litigation i.e. depositions, mediation, arbitration or appearance in court may be billed to the ASSOCIATION at an hourly rate that is presently \$100 per hour for a CAM and \$150 per hour for an Officer.
 - 3.6 BENI shall furnish the certificates relating to assessments and shall record resale changes of ownership upon receipt of notice. Certifications and affidavits, other than the Association's Consent to Transfer, for sales and financing shall be processed at an additional fee chargeable to the buyer/seller/borrower/lender or closing agent as authorized by law.

- 3.7 The charges for handling NSF or returned checks will be paid to BENI when collected from the tendering party in an amount as authorized by Florida law.
- 3.8 Advising on, assisting with and coordinating amendments of the Declaration, Articles of Incorporation and/or Bylaws with Association counsel.
- 3.9 Any special assessments billed more than one time in any calendar year will be charged \$1.00 per unit per billing.
- 3.10 The cost of contract management and administration for unanticipated major projects shall be incorporated in the cost of the project and billed to the association at an amount commensurate to the value of the contract, i.e. ten percent (10%) of the contract price.
- 3.11 BENI will provide for phone service on a 24-hour basis for emergency calls.
- 3.12 ASSOCIATION WEBSITE

Within a reasonable period after the execution of this Agreement, BENI will cause an interactive website (the "Website") to be made available to the Association that will contain information specifically related to the Association. Access to most areas of the Website will be password protected, for the free and exclusive use of Association residents who register for this service through the Website. The Website will be operated and maintained by BENI or its service providers and available by hyperlink from BENI's website. It will provide various communication tools, which may include directories, calendars, surveys and forums and other products and services. All data submitted to the Website by Association residents and all content contributed by the Association shall be the property of the Association and are hereby licensed to BENI for use in operating and maintaining the Website and related services. The Website and all computer programs and code used in the operation of the Website, as well as all intellectual property rights therein, and all revenue generated through the Website, shall be the sole and exclusive property of BENI. In the event of the termination of this Agreement, BENI will cause the Website to be shut down and will transfer all related resident data and Association content, in electronic format, to the party specified by the Association's Board of Directors. In the absence of instructions, the data will be transferred to the Association president. Upon completion of the transfer, BENI will delete from its databases all personally-identifiable data about Association residents collected through the Website. BENI's charge to the Association for the Website is a one-time set up charge of \$50 and the monthly fee specified on Associa's website based on number of units.

The Website may contain links to other websites. Use of these websites is at the user's own risk. BENI is not responsible for and does not endorse the content, products or services of any third-party websites and does not make any representations regarding their quality, content or accuracy. BENI does not assume any liability for the materials, information and opinions provided on, or available through, the Website (the "Site Content"). Reliance on the Site Content is solely at the user's own risk. BENI disclaims any liability for injury or damages resulting from the use of any Site Content. The Website, the Site Content and the products and services provided on or available through the Website are provide on an "AS IS" and "AS AVIILABLE" basis. BENI makes no warranty or representation with respect to the quality, accuracy or availability of the Website and disclaims all warranties of any kind, express or implied, including any warranties of merchantability, fitness for a particular purpose or non-infringement. In no event will BENI or its licensors or contractors be liable for any damages of any kind, under any legal theory, arising out of or in connection with the use of, or anyone's inability to use, the Website, the Site Content, any services provided on or through the Website or any linked site, including any direct, indirect, incidental, special, consequential or punitive damages.

ADDENDUM TO MANAGEMENT AGREEMENT

This is an Addendum to the Management Agreement made and entered into by and between, MOBILE MANOR, INC., a Florida Corporation Not for Profit (The "ASSOCIATION")

AND

BENSON'S, INC., a Florida Corporation having its registered office at 12650 Whitehall Drive, Fort Myers, Florida 33907 ("BENI").

ADDENDUM TO EXHIBIT "A"

Exhibit to the Management Agreement entered into between Benson's, Inc. and Mobile Manor, Inc.

COMPENSATION

2.1 As of March 1, 2008, it is agreed that 70% of the management fee paid per month to Benson's, Inc. for Mobile Manor, Inc. is to be assessed against the Mobile Water Company, Inc. for services rendered.

IN WITNESS WHEREOF, the parties have caused this Addendum to Agreement to be executed on this the 3 day of Feb, 2009.

FOR: MOBILE MANOR, INC.

FOR: BENSON'S, INC.

BY: Tom Hawkins
Tom Hawkins
President

BY: Bonita V. O'Leary
Bonita Vandall
President



MOBILE MANOR WATER COMPANY, INC.

To: Public Service Commission
From: Bonita Vandall, CEO for Benson's Inc.
Date: October 31, 2009
Subject: Docket #090170-WU Mobile Manor Water Company Inc.

I would like this to be presented to the Commission at November 10th meeting on behalf of my management firm and the board of directors for MMWCI.

As the firm responsible for Managing Mobile Manor Water Company, Inc. (MMWCI), I am having great difficulty understanding how you arrived at the amount of money Benson's can charge MMWCI for services provided. The board of directors voted unanimously (9-0) to charge seventy percent of the annual management fees to MMWCI. That was determined several months after reviewing the actual work we were providing and time spent that the original amount (or percentage) was grossly under estimated. The new board admitted that they had no experience in running a utility and recognized early on that they were working without proper documents or guidelines to help make intelligent and informed decisions. They were also seriously concerned with the lack of proper guidance and documentation provided by previous Water Company boards and onsite management of the MMWCI.

It should be stated that not one person from your office spent any physical time at the Mobile Manor onsite office or Benson's office to confirm actual work provided in each location. With that said I would like to challenge how you arrived at the amount (30%) of our fee that can be applied to MMWCI for services provided.

Do you really think that the 30% that amounts to \$6,750.00 a year (\$562.50 a month or \$18.75 a day) really handles all the information that is maintained and provided by our firm. This daily amount doesn't cover the hourly rate for someone to provide 24/7 emergency phone service and response to the location.

I also believe there has been a misunderstanding on the responsibility of the office clerical that you refer to in your audit as the Manager. It was explained repeatedly that her responsibilities are limited along with the office hours that the water company is open. John Morgan from our office is the Community Manager. The office clerical has no authority to make decisions and reports directly to the Manager or myself on all water issues.

The office clerical handles getting the daily water samples 5 days a week based on Lee County Health Department requirements. This eliminates the need for a maintenance man (cost saving) or other personnel to perform this task. She records this information daily and forwards the results to Bensons and LCHD. All communication from the monthly report is between Mr. Ma at the Lee County Health Department and my office. In addition she performs normal clerical duties and bill collection if someone wants to pay at the office instead of mailing their payment to our off site office. Don't forget that the majority (80%) of the residents including the Board are seasonal.

The office is open for business (3-4 hrs a day @ 4 days=16 hrs a week or 832 a year) my off site office handles the remaining (7,928 hrs) a year. We handle all customer calls before 9:30 and after 12:30 pm in my office and provide 24/7 emergency service with a live person 365 days out of the year. The office clerical is not on call, handles no waterline repairs and works part time hours.

12650 Whitehall Drive, Fort Myers, FL 33907-3619 Telephone 239.277.0718 Fax 239.936.8310 Web www.bensonsinc.com

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FPSC-COMMISSION CLER

You also indicated in your audit that the fee we charge for managing both companies' amounts to \$6.00 a month or 20 cents a day per resident. Now that you have determined that we can only bill the water Company at the 30% rate the daily amount to manage per resident is six cents a day (don't even want to figure the hourly rate) to provide the following services.

Services provided by this firm

- Monthly input of 313 water company customers water usage and billing information.
- Maintain all address and mailing information
- Prepare and furnish board with monthly financial reports (60-80 pages of information monthly)
- Make all bank deposits and maintain records
- Receive all invoices and cut checks from this office.
- Supply monthly to board treasurer bank statements for her to audit for accuracy.
- Sit in on annual audit of water company records by (4) customers and board treasurer. Findings are submitted to board and presented to residents at Association meeting.
- Responsible for attending and taking minutes of MMWC board meeting. Copies provided to board and filed in office for customer review.
- Attend monthly association meeting (which includes water company business) and prepare minutes to furnish board and community for review. Reports are available in MMWCI Office on site.
- Maintain all records and back up financials information since being hired.
- Prepare Annual budget recommendation for board approval. There was never a budget prepared by past boards or management.
- Compile and submit annual rate index increases for PSC approval (first one filed in 15 years by us)
- Prepared and requested with board approval request for interim rate increase
- Prepared and requested staff assisted audit
- Provided 6100 copies to PSC audit department from our office (not mobile manor office) to comply to request for documentation.
- Handle customer complaints and inquiries 365 days out of the year
- Provide phone service 24/7
- Our maintenance department is on call 24/7
- Hurricane and emergency procedures for water company (New DEP and DOH program for boil notice procedures in case of emergency)
- Attend all water related business classes held by LCHD, EPA, DEP and DOH and communicate this information to the board.
- Complete and compile the information for mailing to all 313 residents the annual Customer Confidence report listing all information pertaining to testing we provide in addition to copper and lead testing and EPA quarterly testing.
- Work with STS Environmental Services for quarterly testing of water per EPA requirements.
- Prepare Annual RAF report information to submit to PSC
- Follow up on all Tax related issues and compile information for account to complete annual tax filing and work with accountant.
- Receive all water line break notices from customers
- Respond to location on water breaks and prepare and hand out boil water notice.

- Follow up on testing results from LCHD after water line break and return to MM to pass out recission letters.
- Negotiate annually for the best rates for worker compensation, officer and directors insurance
- Provide assistance to board on commercial lease agreement
- Park Manager or Benson's maintenance staff contacts licensed plumber on water line breaks
- Negotiate annually with plumbing contractor for cheapest rates.
- Meter Change out program

You have expressed concern about the excessive water loss and rightfully so. After meeting with Lee County Utility they felt that the majority of our problem revolved around old meters. After checking the age of the meters in service we found the majority of them to be between 10 and 20 years old. We put together the first meter change out program for the utility (ever) and have plans to change out 40 to 50 a year to reduce the water loss.

Based on the audit staffs final decision it will be very difficult for the utility to continue with this program which prolongs the water loss problem. As you know Mobile Manor Inc. loaned the water company \$20,000.00 (approved at association meeting by residents paying maintenance) to help with expenses and fund the meter program with a repayment of the loan in three years. Unfortunately the \$20,000.00 has been used to handle every growing expense in addition to purchasing meters and valves for the program.

Minimum wage is around \$15,000.00 for a full time employee. The combination of the part time office clerical and the amount you are allowing for Benson's management is slightly over the minimum wage standard. Do you really think a Public Utility with all the required Federal and State programs can be run properly on this amount?

In closing I just want to say that no one from the board was allowed to speak at the customer meeting. With all board members being residents themselves they feel that you were not being fair in giving them a voice. It was mentioned by one of your staff (name withheld) that the commission was under a lot of pressure about playing favoritism towards the utilities. I certainly hope this had no bearing on your decisions as the MMWCI utility is suffering financially and in turn heaping a tremendous burden and debt upon a volunteer membership community. A financially faltering community that is loaning their hard earned funds to a water company that cannot self sustain without their assistance.

Thank you for your time and consideration



Bonita Vandall,
CAM, CFPM, CMCA, AMS®, PCAM®
President/CEO
Associa Bensons, Inc.

CC: Board of Directors