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Southwest Florida Water Management District

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July 3, 2013

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

Subject: Request for Interested Party Status
Docket No. 120172-WS
Country Club Utilities, Inc.

Dear Ms. Cole:

The Southwest Florida Water Management District ("District") hereby requests that it be added to Docket No. 120172-WS ("Docket") as an interested party and that this correspondence be posted to the Docket in support of the above-referenced Staff Assisted Rate Case ("SARC"). The District is willing to assist the Public Service Commission ("PSC") to the extent necessary to reach a resolution in this case and supports a recommendation of adoption of higher conservation rates for the reasons listed below.

Compliance History

The District has been working with Country Club Utilities, Inc. (the "Utility") for several years to address overpumpage violations of the Utility's Water Use Permit ("WUP"). The Utility's history of noncompliance began over a decade ago. The Utility was originally permitted at an annual average daily rate of 106,400 gpd in December 2002. The Utility consistently exceeded its permitted quantities, resulting in repeated outreach efforts by District staff. The Utility's permitted quantities were increased to an Annual Average Daily rate of 183,000 gpd in October 2006. Since October 2006, the Utility has continued to exceed its permitted quantities, on average, by 32%. Per capita rates have ranged from 225 to 300 gallons per capita daily. Excessive irrigation by individual property owners and the Utility's failure to implement effective water conservation measures have largely contributed to the rate of overpumpage.

The District is currently pursuing an enforcement action against the Utility for the continued overpumpage violations. District staff has determined that increased conservation rates, coupled with the implementation of water conservation measures as described below, comprise the optimal solution in order for the Utility to achieve compliance with its WUP.

Conservation Rate Increase

The District believes that approval of a water-conserving rate structure is essential to achieving a reduction in the Utility's current use of groundwater. District staff

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has analyzed the expected impact of a rate increase and the results indicate that rate increases at appropriate levels will be effective in reducing consumption and increasing conservation.

Conservation Measures

The Utility has undertaken some customer outreach efforts by providing conservation noticing on bills, distributing water conservation literature to residents, and establishing a water conservation page on its website. However, these outreach efforts have had minimal impact in reducing overall usage. The District has recommended that the following conservation measures be implemented by the Utility:

- Installation of Soil Moisture and or E/T Controller Shut Off Devices
- Installation of Rain Sensor Shut Off Devices
- Single Family Residential Irrigation Audits
- Water Efficient Landscape and Irrigation Evaluations and Rebates
- Clothes Washer Rebates
- Installation of Plumbing Retrofit Kits
- Ultra Low Volume Toilet Rebates

The District anticipates that the implementation of these conservation measures will result in a reduction of pumped quantities, but will not bring the Utility into compliance with its WUP without an increase in rates.

Conclusion

We urge the PSC to approve a water-conserving rate structure for Country Club Utilities. Please be advised that District's Governing Board authorized staff to initiate litigation against the Utility at its September 2012 meeting. Any resulting legal action is not anticipated to interfere with this Docket.

If you have any questions or wish to discuss this matter further, you may contact me at (813) 985-7481, extension 4658.

Sincerely,



Amy Wells Brennan, Esq.
Senior Attorney

Enclosures

cc: Darrin Herbst, Brent White, Danny Kushmer, Michael Balser, Jay Yingling, Bobby Lue,
File of Record