

# BREVARD WATERWORKS, INC.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 140186-WU

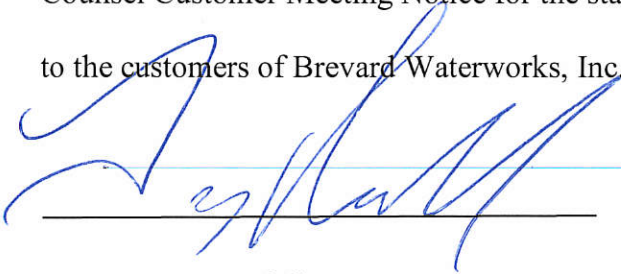
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## AFFIRMATION OF SECOND MAILING

### OFFICE OF PUBLIC COUNSEL CUSTOMER MEETING

STATE OF FLORIDA  
COUNTY OF PASCO

This statement submitted on October 21, 2015, affirms that the attached second Office of Public Counsel Customer Meeting Notice for the staff assisted rate case was mailed via US mail service to the customers of Brevard Waterworks, Inc. This is a follow up to the first OPC notice.



Troy Rendell  
Manager of Regulated Utilities

## ATTENTION CUSTOMERS OF BREVARD WATERWORKS

### FINAL MEETING NOTICE: PLEASE ATTEND THE OCTOBER 29, 2015 CUSTOMER MEETING AT THE MIMS SCOTTSMORE LIBRARY AT 6:00 PM.

*Meeting Address: Mims Scottsmoor Public Library, 3615 Lionel Road, Mims, Florida 32754*

Representatives from the Office of Public Counsel (OPC) and your Utility will be there to discuss the Utility's proposed infrastructure replacement project for the Oakwood subdivision and its effect on your Utility rates.

The purpose of this final meeting is to discuss the Utility's proposed option with the customers. The Office of Public Counsel (OPC) is your legal representative in this case. **This meeting is your final opportunity to tell OPC and the Utility if you support or oppose the Utility's plan or if you want an alternative plan.** Therefore, it is vitally important that you attend and share any thoughts and concerns you have about these proposals. Please invite your neighbors to attend this important meeting.

#### **Summary of the Utility's Proposed Infrastructure Replacement Project**

In Brevard Waterworks, Inc.'s (Utility's) last rate case before the Florida Public Service Commission (FPSC), one of the main cost issues was unaccounted for (or lost) water. The utility purchases all of its water from Brevard County and resells it to customers. In the last rate case, the utility purchased approximately 13,821,000 gallons of water, sold 8,135,000 gallons to customers, and used 637,340 for flushing and other purposes. That means over 5,000,000 gallons of water was lost somewhere within the water system.

The customers do not pay for the excess costs caused by this unaccounted for water; however, the utility has indicated that it cannot continue to absorb those costs. The utility says the pipes (mains and service lines) were installed in 1971, and are either galvanized pipes or Asbestos-cement (AC) pipe. The Utility also says the pipes are past their useful lives and need to be replaced.

**The utility's pipe replacement proposal:** To accomplish this project, the utility will need to have access to its utility easement which is located behind most of the homes in the Oakwood subdivision. Existing infrastructure on your property (such as fences, out buildings, storage sheds, etc.) that restricts the utility's access to the pipes and meters behind the houses will need to be moved or removed. Once these structures are moved, the utility will be able to replace the mains and service lines behind the homes.

**Estimated replacement cost:** The utility has received updated bids and has calculated the preliminary cost estimate for replacing the pipes in the ground to be approximately \$428,040.

**Estimated customer rate increase:** Assuming that the capital cost to replace the pipes is approximately \$428,040 and the FPSC approves these costs to be recovered in customer rates, the utility estimates you can expect approximately a 31% rate increase to your water bill. An across the board 31% increase for a customer using 4,000 gallons per month would increase that customer's bill from approximately \$64 to \$84, or approximately \$20 per month.

**Alternatives examined:** The utility obtained estimates for the cost of moving the water mains, service lines, and meters to the front of each home; however, the cost to do that was significantly more than replacing the existing pipes behind each home. In addition, this option would require each homeowner to be responsible for the cost to connect to the new water meter. The estimated cost for this option was approximately \$835,000.

\* \* \* \* \*

For more information about this final meeting, please contact:  
Erik L. Sayler, Office of Public Counsel, 850-488-9330, [Sayler.Erik@leg.state.fl.us](mailto:Sayler.Erik@leg.state.fl.us)

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**Estimated Rate Impact Information For the Proposed Infrastructure Replacement Project  
For the Customers of Brevard Waterworks, Inc.**

<b>Brevard Waterworks, Inc.</b>		<b>Docket No. 140186-WU</b>	
<b>Water Monthly Service Rates</b>			
<b>Test Year Ended 08/31/14</b>			
	<b>Current Rates</b>	<b>Percentage Increase</b>	<b>Estimated New Rates</b>
<b><u>Residential, Irrigation and General Service</u></b>			
Base Facility Charge by Meter Size:			
5/8" x 3/4"	\$21.38	31.04%	\$28.02
3/4"	\$32.07	31.04%	\$42.02
1"	\$53.45	31.04%	\$70.04
1-1/2"	\$106.90	31.04%	\$140.08
2"	\$171.04	31.04%	\$224.13
3"	\$342.08	31.04%	\$448.26
4"	\$534.50	31.04%	\$700.41
6"	\$1,069.00	31.04%	\$1,400.81
8"	\$1,710.40	31.04%	\$2,241.30
10"	\$2,458.70	31.04%	\$3,221.87
Gallonge Charge, per 1,000 Gallons			
Charge per 1,000 gallons - Residential and Irrigation			
0 - 4,000 gal	\$10.73	31.04%	\$14.06
Over 4,000 gal	\$16.10	31.04%	\$21.10
Charge per 1,000 gallons - General Service	\$11.69	31.04%	\$15.32
<b><u>Typical Residential Bills 5/8" x 3/4" Meter</u></b>			
4,000 Gallons	\$64.30		\$84.26
6,000 Gallons	\$96.50		\$126.45
10,000 Gallons	\$160.90		\$210.84