

Collin Roehner

From: Collin Roehner on behalf of Records Clerk
Sent: Tuesday, February 07, 2017 3:49 PM
To: 'paul hawkins'
Subject: RE: Concern - Utilities Inc Request to Raise Water Rates

Good afternoon Mr. Hawkins,

We will be placing your comments below in consumer correspondence in Docket No. 160101-WS and forwarding your comments to the Office of Consumer Assistance and Outreach.

Sincerely,

Collin D. Roehner
Commission Deputy Clerk I
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida, 32301
(850) 413-7123

From: paul hawkins [<mailto:pvhawkins@msn.com>]
Sent: Tuesday, February 07, 2017 3:31 PM
To: Records Clerk
Subject: Concern - Utilities Inc Request to Raise Water Rates

I was unable to attend your hearing in Altamonte Springs.
Attached is a summary of my concerns and thoughts relating to the pending Utilities Inc. of Florida (UIF) rate case.

I strongly recommend the request for rate increase be denied

Thank You, Paul Hawkins
PO Box #915754
Orlando/Longwood FL 32791
Tele #407-862-7859

MEMBER:
Enrolled Agent w/IRS,
Certified Fraud
Examiners

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07-February 2017

Florida Public Service Commission
Director, Office Of Commission Clerk
2540 Shumard Oak Blvd
Tallahassee, FL 32399

Re: Docket No. 160101-WS, Utilities Inc. of Florida
Water Rate Hike
Sanlando Utilities Corp, Longwood, FL
Merger with Utilities, Inc.
Excessive Rate Hike Request
Potential Diversion of Collected Funds

Dear Director,

I am a resident of **Sabal Point** Development, Longwood, FL, since 1978 and a customer of **Sanlando Utilities Corp**, a water utility. My residence address is 513 Whisper Wood Dr., Longwood, FL 32779.

Sep 12, 1969 – **Sanlando Utilities Corp** filed as a corporation with FL Sec of State.

1978 – I purchased a residence in **Sabal Point** development, Longwood, FL. Water for the residence, pool, and irrigation system was obtained from **Sanlando Utilities**. I have continued to reside in this residence since my purchase.

I reviewed my water cost for the same 90-day period of time for each year covering the years from 1978 to present. Two adults and two children resided in the residence for 18 years from 1978 until 1996. From 1996 to date only two adults lived in the residence. During the entire 39 years of residency the water needs for the property, i.e.-the residence, the pool, and the irrigation, have been consistent and not changed.

January 1999, **Utilities, Inc.**, Northbrook, Ill, acquired **Sanlando Utilities** and began its management of the utility. **Sanlando** was managed by four key personnel prior to its sale to **Utilities, Inc**. See the **Sanlando** 1999 annual corporate report filed with the **FL Secretary of State**. **John Lowndes**, a listed director, was a non-managing attorney. Also, following the purchase by **Utilities, Inc.**, **Sanlando** was managed by four key personnel. The **Sanlando** service area was practically fully developed with approximately 23,000 customers at the time of

its sale to **Utilities Inc.** Sanlando was an award winner in excellent condition at the time. See the attached **Orlando Sentinel** August 1998 article.

From 1978 to 1999, I experienced an insignificant increase in water cost. There was no change in my water usage during this period.

From 1999 to 2012, **Utilities, Inc.** continued to grow through acquiring additional water facilities throughout the United States. **Utilities, Inc.** served primarily residential customers across 15 states and was one of the largest privately owned water and wastewater utilities in the United States. See website <http://www.corix.com/corix-companies/utilities-inc>. Also see website www.uiwater.com/

In 2012, **Corix Utilities of Vancouver, Canada** acquired **Utilities, Inc.** **Utilities, Inc.** continued to manage **Sanlando Utilities** until to date.

From 1998 through 2016, my water cost increased 93% under the management of **Utilities, Inc.** The number of key management personnel appears to have increased from four to ten. See the 2016 annual corporate report filed with the **FL Secretary of State**.

Excessive Rate Hike

- During my first 20 years (1978-1998) while living at this address, **Sanlando** was managed by four key directors and operated the utility without significant cost increases.
- During the years 1999 to 2012, **Utilities, Inc.** owned and managed the utility using 4-6 key directors, with the same customer base that **Sanlando** had in 1998, and increased the water cost by 89%.
- After **Utilities, Inc.** sold **Sanlando** to **Corix Utilities** in 2012, it continued to manage the utility with the same customer base through 2016. My water cost increased another 4% during this period of time. The managing directors increased to ten during this period of time.
- In total my water cost increased 93% during the years **Utilities, Inc.** managed the operation, even though the customer base experienced little or no change from the mid-1990's
- The management base of **Utilities, Inc./Corix** became bloated beyond any reasonable need.
- **Utilities Inc.** rate increase requests were always justified stating the additional funds were needed to recondition and maintain the equipment.
- A review of the **Sanlando** financial records should show to what extent additional funds were invested to improve capital equipment or placed in a reserve to be used in capital investment.

Potential Diversion of Collected Funds

Docket No. 160101-WS, Utilities Inc. of Florida
Excessive Rate Hike Request
Potential Diversion of Collected Funds

- With the excessive collection of revenue during the years 1998 through 2016, I would expect to see a significant reserve build up in the 2016 balance sheet, or an indication of significant capital improvements during the period of time.
- With the absence of a reserve or additional capital improvement, it is important to know what happened to the excessive collected revenue. Were:
 - Exorbitant rate increase necessary to cover **Sanlando** operations cost?
 - Funds diverted to facilitate **Utilities, Inc.** acquisition of additional utilities?
 - Funds diverted to Officers benefit prior to the acquisition by **Corix**?
 - Funds used to pay salaries of a bloated management base?
- Reviewing the use of the collected funds could determine if:
 - Corporate Fraud has been committed
 - Wire and/or Mail Fraud.
 - Money Laundering resulting from diverted Corporate funds.
 - Tax Fraud if Corp Officers were benefited.

A helpful tool to review use of funds is to analyze **Sanlando** Income & Expense Statements and Balance Sheets Statements covering several years and plotting trends of specific statement line items. The detail related to suspect line items should be reviewed.

Paul V. Hawkins
Paul V. Hawkins

SEMINOLE BUSINESS

Wekiva-area Water And Sewer Clients Take `Wait And See' Attitude About Utility's Sale

August 25, 1998|By Will Wellons of The Sentinel Staff

The sale of Sanlando Utilities should have little effect on customers, said officials for the new owner. However, the recent sale does have some Sanlando customers wondering what it might mean for their water rates and [service](#).

Sanlando [customers](#) in western Seminole County have generally enjoyed some of the lowest water and sewer rates in Central Florida. Homeowners associations have fought previous attempts by local governments to buy the water utility, fearing that rates would increase.

So, what will the sale to Utilities Inc., a Northbrook, Ill., [company](#), mean?

Utilities Inc. managers say the sale, which still needs state approval, should go unnoticed by most of Sanlando's 23,000 [customers](#). Even the name is expected to remain the same. Rates will not be increased to pay for the sale, company officials said.

However, Chuck Ness, president of the Wekiva Hunt Club Community Association, is not entirely convinced. Nearly all of the 2,600 houses in the Wekiva community are served by the utility.

``I'm going to wait and see what happens over the next six to nine months," Ness said. ``We are holding our breath."

In Sweetwater Oaks, the worries of community leaders go beyond rising rates. Some Sweetwater residents have sued Sanlando to stop the disposal of treated waste water into Sweetwater Creek. The sale has stalled efforts to resolve the dispute.

Wayne Chilton, [president](#) of the Sweetwater Oaks Homeowners Association, said the sale could be a positive development but that it was too early to tell.

Sweetwater resident Jim Purvis, who has sued Sanlando over the wastewater dumping, said the cleanup of Sweetwater Creek must be a top priority of Utilities Inc., one of the 10 largest investor-owned water and wastewater [companies](#) in the country.

Some Sweetwater residents are contemplating filing a protest with the Florida Public Service Commission over the sale to make sure their dispute is addressed. Customers have until the end of the month to challenge the sale.

The sale of the utility must be approved by state regulators. Utilities Inc. attorney Bill Sundstrom said the approval process should be completed in four months.

Sundstrom said he is aware that Sanlando has some outstanding legal issues. Utilities Inc. is committed to resolving any problems and running the utility well, he said. ``Sanlando has a sophisticated group of customers," he said. ``The customers want good service and a fair rate. That's what we intend to give them." Sanlando Utilities was built nearly three decades ago by the owners of Greater Construction Co., a development company.

Utilities Inc. owns small water and sewer systems around Longwood, west Sanford, west Altamonte Springs and Oviedo. Don Rasmussen, vice president of the Florida division of Utilities Inc., said the purchase of Sanlando was a natural expansion that will double the utility's presence in Seminole County and, the company hopes, improve its efficiency. The company also just purchased Lake Groves Utilities Inc., which provides water and sewer service to nearly 2,000 customers in the unincorporated area near Clermont.

Utilities Inc. has made a thriving **business** out of buying developer-owned utilities and running them. It owns more than 300 utilities in 15 states.

The Sanlando purchase is something different for Utilities Inc. The company usually buys utilities in need of repair. When the company purchased Alafaya Utilities, for example, it had to upgrade the aging utility and wage several legal battles with the city of Oviedo, including disputes over which one would provide utilities to the city.

Oviedo City Manager Gene Williford said those disputes are being resolved, and his office rarely gets **complaints** about the utility.

Sanlando is in good working order and has even won awards for operations.

“Average customers will never notice a difference,” said Jerry Salsano, general manager and vice president of Sanlando.

The biggest difference, he said, is that the new owner is in a better position to provide the type of capital that will keep the utility running well.

See:

[Utilities, Inc.](#)

www.utilitiesinc-usa.com/

Holding **company** for over 75 subsidiary operating companies that provide **water** and **wastewater services** to customers in numerous states. Information on

[Utilities, Inc. \(UI\) | Water and Wastewater Services - Corix](#)

www.corix.com/corix-companies/utilities-inc

Utilities, Inc. is committed to providing safe, reliable & cost-effective **water** & **wastewater service** to ...**Utility Customers** · Products ... is committed to providing safe, reliable, and cost-effective **water** and **wastewater service** to their customers while ...