

STATE OF FLORIDA

COMMISSIONERS:  
JULIE I. BROWN, CHAIRMAN  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS  
DONALD J. POLMANN



DIVISION OF ENGINEERING  
TOM BALLINGER  
DIRECTOR  
(850) 413-6910

# Public Service Commission

February 13, 2017

Martin S. Friedman, Esq.  
Coenson & Friedman, P.A.  
766 N. Sun Drive, Suite 4030  
Lake Mary, FL 32746  
[mfriedman@coensonfriedman.com](mailto:mfriedman@coensonfriedman.com)

## STAFF'S FOURTH DATA REQUEST VIA EMAIL & US MAIL

**Re: Docket No. 160065-WU-Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.**

Dear Mr. Friedman:

Please provide the additional information requested below regarding Bocilla Utilities, Inc., (Bocilla or Utility) by February 20, 2017.

1. During the February 8, 2017 conference call, Mr. Noden stated that the golf cart is used at times in the Knight Island Utility (KIU) territory.
  - a. Please estimate the time the golf cart was used for KIU purposes as a percentage of total time the golf cart was used during the test year.
2. Please provide all documents used to calculate the ERC capacity of the KIU system, showing breakdown by customer type.
3. Please provide all agreements between Bocilla, KIU, and Englewood Management District (EWD) which govern utility matters and work performed by Bocilla employees.
4. Please provide any agreements between Islander Management Company and the barging company.
5. Please provide all invoices for barging paid by Islander Management Company to the barging company for the test year and the previous four years.
6. Please provide actual invoices for assets identified as "zone 9" by the Utility.
7. Please provide updated invoices for all pro forma projects.

8. Please refer to the meter replacement program.
  - a. Please provide a list of the employees who have worked on the meter replacement program.
  - b. For each employee involved in the meter replacement program, please identify the time spent, as well as the salary and wages associated with the work completed. Please clarify if the amounts account for payroll taxes, pensions and benefits, and worker's compensation.
  - c. Please clarify if the Utility capitalized or expensed employee time spent working on the meter replacements and if this was reflected in MFR Schedule B-7.
  - d. Would there be any overall savings if the replacement program were performed over a longer period?
9. Please refer to the "Chloramine Feed System Engineer's Estimate of Probable Cost."
  - a. Was this estimate based off of Bocilla's water usage or the combined usage of Bocilla and KIU?
  - b. If this estimate includes the usage for KIU, please provide the amount of KIU water usage included in the estimate.
10. Please refer to the fire hydrant maintenance program.
  - a. Please provide an estimate for the cost of the program if performed over a 5 year cycle.
  - b. Please provide the rationale for a 2 year cycle. Is there any evidence that a 5 year cycle will result in more frequent hydrant replacements or reduced reliability?
  - c. Is there any way to achieve efficiency by performing this maintenance during the field workers' normal schedule?
11. In the test year and previous 4 years, has the Utility received any complaints regarding loss of water pressure outside of damage to the system, written, recorded or otherwise?
12. Please provide an estimate for the number of gallons flushed during the test year directly related to the nitrification and biofilm problem.
13. Once the chloramine feed system is in operation, is this amount of flushing expected to decrease? If so, please provide an estimate for the amount of reduced flushing.

14. Please provide further documentation for the current truck lease estimate, including the number, amount, and timing of each payment, and when ownership will transfer to the Utility.
15. Please provide documentation from the vendor of the cost to purchase the Utility truck outright.
16. Please provide the policy used by Bocilla to determine customer bill credits for excessive accidental water use.
17. In its response to staff's third data request, Item 20b, the Utility stated that the officer performs all the clerical work that is required by KIU. The following items relate to this matter.
  - a. Please describe the clerical work performed by the officer for KIU.
  - b. Please provide a percentage of officer's time spent on non-utility business.
  - c. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the percentage of officer's time spent on non-utility business.
  - d. Please clarify if MFR Schedule B-7 reflects the allocated amount of officer's salary.
18. In its letter of concerns, the Utility stated that only worker's compensation for the operator should be allocated 20 percent to KIU. The following items relate to the allocation of worker's compensation to KIU.
  - a. Should a portion of worker's compensation for the officer also be allocated to KIU? If not, please explain why.
  - b. Please provide calculations for each adjustment.
19. In its letter of concerns, the Utility stated that only the operator's payroll tax should be allocated 20 percent to KIU. The following items relate to the allocation of payroll taxes to KIU.
  - a. Should a portion of the officer's payroll tax also be allocated to KIU? If not, please explain why.
  - b. Please provide calculations for each adjustment.

- c. The following items relate to employees' pensions and benefits expense.
- d. Should the operator and officer's pensions and benefits be allocated to KIU? If not, please explain why.
- e. Please provide calculations for each adjustment.
- f. In its letter of concerns, the Utility stated that staff's recommended rate case expense did not allow for travel for the Utility's officer. The following items relate to this expense.
- g. Given that Mr. Flischel is one of the directors of the Utility, please justify the costs for having two Utility representatives present at the Agenda Conference.
- h. Given that Mr. Flischel is one of the directors of the Utility, please explain why two vehicles are necessary for Mr. Noden and Mr. Flischel to travel to attend the Agenda Conference.
- i. Please provide support documentation (i.e. hotel reservations) for the \$275 lodging estimate to attend the Agenda Conference.
- j. Please provide an update of actual and estimated rate case expense, including all disbursements to date, such as travel and mailing expenses, along with any necessary supporting documentation (i.e. invoices or receipts). In addition, please provide a detailed explanation and calculations to justify estimated expense to completion.
- k. The following items relate to the meter replacement program.
- l. Please provide a list of the employees who have worked on the meter replacement program.
- m. For each employee involved in the meter replacement program, please identify the time spent, as well as the salary and wages associated with the work completed. Please clarify if the amounts account for payroll taxes, pensions and benefits, and worker's compensation.
- n. Please clarify if the Utility capitalized or expensed employee time spent working on the meter replacements and if this was reflected in MFR Schedule B-7.
- o. The following items relate to the Utility's related parties.
- p. Please provide a complete list of all related parties.

Mr. Martin S. Friedman

February 13, 2017

Page 5

- q. Please provide the distinction between Islander Properties, Inc. and Islander Management Group LLC. Please identify the business activities of each entity.
- r. Please describe in detail the relationships between Bocilla Utilities Inc., Islander Properties Inc., and Islander Management Group, LLC.
- s. Please provide a list of the assets and expenses Bocilla shares with its related parties along with the amounts. Please include barge fees, phones, and office space.
- t. Please provide invoices or statements reflecting the full, unallocated, amount of rent for the office building Bocilla shares with its related party.

Please contact me by phone at (850) 413-6425 or by email, [ahill@psc.state.fl.us](mailto:ahill@psc.state.fl.us), if you have any questions.

Sincerely,



Adam Hill  
Engineering Specialist  
Division of Engineering

ARH:tj

cc: Office of Commission Clerk (Docket No. 160065-WU)