CORRESPONDENCE 11/2/2022 DOCUMENT NO. 10884-2022

Thank you for the opportunity to place pertinent facts on record.

My name is Tom Bertz. I reside at 233 Alpine Dr, Winter Haven 33881 in Swiss Village. I also own a home at 293 Alpine Dr. (also in Swiss Village) I have been a resident and customer since 2012 but have been coming to Swiss Village since 1984 when my parents moved down here. I also serve as President of the HOA.

The Public Services Commission (PSC) website states that

"The PSC is committed to making sure that Florida's consumers receive some of their most essential services ... in a safe, reasonable, and reliable manner. In doing so, the PSC exercises ... monitoring of safety, reliability, and service."

The report's opening dialogue states, in part

"This Staff Report is a preliminary analysis of the Utility's application prepared by Commission staff to give customers and the Utility an advanced look at what staff may be proposing. ..."

In reviewing the preliminary proposal, it appears that the PSC is planning on recommending a significant increase in fresh-water and waste-water rates - - and it is doing so, in part, because of the Utilities "clean record" of service complaints.

Since this hearing was first announced, I've reviewed the more than 700 pages of the SV-Utilities SARC Request packet as well as most of the supporting documents subsequently provided by the Utility at PSC's request; specifically documents 03047-2022 and 07373-2022 from Docket 20220035.

We also requested, and received, a report from the Department of Environmental Protection (DEP) showing their records of the SV-Utility's "Boil Water Notices".

In my remarks today, I intend to highlight what I believe to be four key shortcomings of the Utility's service and operation.

1. The Utility has provided significantly less than stellar service over the past 5 years and service is getting poorer as we move forward in time.

- 2. The Utility is not conservation conscious.
- 3. The PSC's planned increase is extremely high, well beyond the current national CPI and a burden to our retired, elderly, senior citizens living on a fixed income.
- 4. A majority of the fresh-water / waste-water infrastructure is more 40 years old and a plan for replacement/update should be in place.

<u>POINT 1:</u>

PSC's Issue 1 asks the question: "Is the quality of service provided by S. V. Utilities, Ltd. satisfactory?

Under the third paragraph, the PSC states that in their review of the Commission's on-line tracking system, there were no registered customer complaints for the 2017-2021 period. Further, it states that the Utility reported no customer complaints; nor were any registered with DEP.

These remarks seem to imply that SV-Utilities customers were satisfied with the service provided by the Utility and there were no issues with the service and/or product.

Another, more likely assumption, could be that since most of these customers are new to Florida as well as the community, they were/are unaware of the importance of reporting outages/interruptions to the appropriate agency. Add in the fact that most customers are elderly and many are unfamiliar with the use of technology, this assumption becomes even more likely to be the driving factor.

Based on the reviews of your (PSC) docket data, we identified more than 40 outage/interruption events during the 2017-2021 (and 2022) period (See Appendix 1). In addition, a number of anecdotal remarks reflected in the many letters from customers posted in the Docket indicate that there may have been more events than shown in your documents. It should be noted that the number of occurrences have been increasing in recent years – perhaps reflecting the state of our aging fresh-water infrastructure.

It is also important to note that many (perhaps MOST) of these events were unplanned and unannounced. Imagine, if you will, your reaction when you've just stepped into the shower, lathered up your hair - - - and the water quits. Now imagine experiencing the same scenario when you're 75 or 80 years old. I can guarantee that your first reaction will not be "where's the computer so I can report this outage!"

Our response to the question posed in Issue 1 is decidedly – No. The level of service has not been satisfactory.

<u>POINT 2:</u>

If, as stated in the staff report, one of the goals of a price increase is to urge water conservation, it appears that the focus should be on the Utility and not on the customer.

During the past 22 years for which records exist, the EUW average was at or below 10% for only 3 months (See Appendix 3, Column P). In the remaining 261 month the percentage varied from 11% to 50% It should also be noted that the EUW rate dropped dramatically when the utility started allocating values to the "FLUSHED WATER" column. I found it interesting that. as the FLUSHED WATER value increases, the EUW value (which is utilized by PSC in determining any increase in rates) decreases.

I would also point out that the Average Monthly Usage has dropped to 4,300 gallons (See Appendix 3, Column R), a drop of nearly 40% since 2000. I believe that indicates that, as a community, we ARE and HAVE BEEN conserving water. I also must point out that there are many anecdotal references to the utilities wasteful water practices.

I am personally aware of a 2" main break occurring one Saturday afternoon that, once reported, was left gushing until the following Monday morning. There were more of these "wait 'til Monday" fixes.

More recently, an attempt to correct an "air" problem in the system resulted in one or more fire-hydrants being "flushed" at full pressure for 3 to 4 hours (or more) on multiple days over a 21-day period. This practice resulted in a great deal of wasted water and equally important, a loss of water pressure for downstream customers.

Finally, in terms of conservation, it should be pointed out that our prospectus requires that we maintain a "green and healthy" lawn. This, of course, requires the home owners to water the lawn. If we choose to conserve (and reduce our water use) by NOT watering, we receive dunning letters from management requiring us to repair or replace the lawn with healthy green sod.

<u>POINT 3:</u>

As reflected in Issue 6, The PSC determines the appropriate service revenues for water and wastewater, by applying the number of billing determinants (an undefined term) to the Utility's existing rates.

Issue 9 of the preliminary Staff Report states that the PSC is recommending a preliminary annual increase of \$68,961 (66.23 percent) for water and an annual increase of \$74,734 (54.17 percent) for waste water. This, in effect, raises customers costs by more than \$200 per month (see Appendix 4).

I would point out that these rates are nearly 8 times the current CPI (see Appendix 7). That level of increase is a significant hardship for many of our retired senior citizens.

While you may not consider an \$11.00 per month increase as substantial, an 85-year-old senior citizen living check-to-check on social security may need to determine whether to pay the water bill or get milk and bread.

<u>POINT 4:</u>

The fresh-water / waste-water infrastructure of the SV-Utility system is more than 40 years old. Equipment (pumps, lift stations, etc.) continue to break down in large part because there is no organized preventative maintenance process. Weak, poorly operating equipment is typically not detected until it fails – then staff scrambles to get it repaired and back on line.

Every piece of equipment used in "the system" has a known life expectancy, a known MTBF (mean time between failure), a known MTR (mean time to repair) and other critical performance indictors that could be monitored to predict failure and repair before failure. This process appears to be unknown within SV-Utility; at least if the process does exist, or in practice – it's not advertised to the using customers.

I know, from many years of experience, that using a well-planned preventative maintenance system can reduce your overall plant downtime, reduce your unplanned expenditures, and improve your customer satisfaction levels.

IN CONCLUSION:

We urge you to remember that the Florida Public Services Commission,

"... is committed to making sure that Florida's consumers receive some of their most essential services ... in a safe, reasonable, and reliable manner. In doing so, the PSC exercises ... monitoring of safety, reliability, and service."

To that end, we wish to remind you of the following facts:

- ✓ SV-Utilities does not reliably deliver service to its customers.
- ✓ SV-Utilities does not practice any form of water conservation.
- ✓ The rate increase proposed by the PSC would result in substantial financial harm to many retired and single income, elderly, customers in Swiss Village.
- ✓ SV-Utilities does not practice preventative maintenance which results in increased maintenance costs and less profit.
- ✓ The PSC complaint form & process needs to be redesigned with a focus on the customer rather than the staff. It is confusing to find on the web as well as difficult to use.

This concludes my remarks this afternoon.

Thank you, again, for the opportunity to place pertinent facts on record.

I will remain available for questions, or you may reach me via phone or email.

Thomas "Tom" Bertz 233 Alpine Dr. Winter Haven, FL 33881 tom.bertz@gmail.com 612-578-8238 (cell) 863-594-2122 (home)

Source	Page	Date	Days
FL DEP PBWN	1	09/15/2014	2
FL DEP PBWN	2	10/15/2014	2
FL DEP PBWN	2	04/14/2016	2
FL DEP PBWN	3	05/05/2016	2
FL DEP PBWN	4	10/05/2016	2
FL DEP PBWN	4	10/14/2016	2
FL DEP PBWN	4	11/22/2016	2
FL DEP PBWN	4	01/09/2017	2
FL DEP PBWN	4	05/18/2017	2
FL DEP PBWN	4	05/19/2017	2
FL DEP PBWN	4	07/06/2017	2
FL DEP PBWN		08/30/2017	2
FL DEP PBWN		09/15/2017	2
FL DEP PBWN	5		2
FL DEP PBWN		03/11/2019	2
FL DEP PBWN		07/16/2019	2
FL DEP PBWN	6	09/17/2019	2
FL DEP PBWN	6	11/25/2019	2
FL DEP PBWN	-	08/12/2020	
07373-2022	SV 50	02/11/2021	2 3
07373-2022	SV 256	03/01/2021	2
07373-2022	SV 43	06/07/2021	2
07373-2022	HCW	06/16/2021	2
06292-2022	377	09/01/2021	2
06292-2022	378	09/03/2021	1
06292-2022	379		2
07373-2022	System	10/18/2021	10
06292-2022	eyetem	10/26/2021	10
06292-2022	380	10/28/2021	2
06292-2022		11/02/2021	-
07373-2022		11/02/2021	3
01010 2022	01 200	11/20/2021	2
06292-2022	382	11/22/2021	2
	002	11/27/2021	1
		12/28/2021	1
06292-2022	366	03/25/2022	2
06292-2022		04/19/2022	2
06292-2022	HCW	06/13/2022	2
06292-2022	HCW	06/23/2022	2
06292-2022	HCW	08/13/2022	2
06292-2022	HCW	08/31/2022	2
UULUL-LULL		=	85
			00
Sources:	03047-202	2 (SV-Utilities)

03047-2022 (SV-Utilities)
07373-2022 (SV-Utilities)
Email List (DEP -> Steve George)

			DA	ATA FROM AN	NUAL REPO	RTS			CALCULATED DATA							
Ref	В	С	D	E	F	G	Н	1	J	К	L	М	N	0	Р	
SOURCE	W-3	W-4	W-4	W-4	W-4	W-3	S-5	S-3	E-F	J/E	G/F	I/H	(F*1000)/B	N/12	H/F	
					USAGE											
			(in 00	00's)		(in \$)	(in 000's)	(in \$)	(in 000's)		(in \$)	(in \$)	(in GALs)	(in GALs)		
												Maint	Average	Average	% Sold	
						Water		Waste		EUW %	Maint Cost	Cost per	Usage	Usage	Water	
	Meter					Maint	Treated	Maint	Missing	(Missing	per Gal	Gal	Customer	Customer	Treated as	
Year	Equiv.	Pumped	Flushed	For Sale	Sold	Cost	Waste	Cost	Water	Water)	Sold	Treated	(Annual)	(Monthly)	Waste	
2017	777	53,808	2,773	51,035	42,225	123,329	14,205	126,554	8,810	0.17	2.92	8.91	54,344	4,529	34%	
2018	777	50,510	4,526	45,984	41,388	139,189	12,831	150,844	4,596	0.10	3.36	11.76	53,266	4,439	31%	
2019	777	54,246	9,344	44,902	39,782	122,522	12,037	164,459	5,120	0.11	3.08	13.66	51,199	4,267	30%	
2020	777	46,931	4,149	42,792	38,126	107,619	11,514	124,495	4,666	0.11	2.82	10.81	49,068	4,089	30%	
2021	777	51,270	5,507	45,763	40,479	131,640	11,504	153,353	5,284	0.12	3.25	13.33	52,097	4,341	28%	
Totals		256,765	26,299	230,476	202,000	624,299	62,091	719,705	28,476	0.12			51,995	4,333	31%	
Min		46,931	2,773	42,792	38,126	5 107,619	11,504 \$	124,495	4,596							
Max		54,246	9,344	51,035	42,225	139,189	14,205	164,459	8,810							
Avg		51,353	5,260	46,095	40,400	124,860	12,418	143,941	5,695							

			D	ATA FROM AN					CALCULATED DATA							
Ref	В	С	D	E	F	G	Н	I	J	К	L	М	N	0	Р	
SOURCE	W-3	W-4	W-4	W-4	W-4	W-3	S-5	S-3	E-F	J/E	G/F	I/H	(F*1000)/B	N/12	H/F	
					USAGE											
			(in 0	00's)		(in \$)	(in 000's)	(in \$)	(in 000's)		(in \$)	(in \$)	(in GALs)	(in GALs)		
												Maint	Average	Average	% Sold	
						Water		Waste		EUW %	Maint Cost	Cost per	Usage	Usage	Water	
	Meter					Maint	Treated	Maint	Missing	(Missing	per Gal	Gal	Customer	Customer	Treated as	
Year	Equiv.	Pumped	Flushed	For Sale	Sold	Cost	Waste	Cost	Water	Water)	Sold	Treated	(Annual)	(Monthly)	Waste	
2000	759	90,017	-	90,017	64,868 \$	6 31,646	14,544	\$ 40,731	25,149	0.28	0.49	2.80	85,521	7,127	22%	
2001	759	76,823	-	76,823	68,949	32,040	14,396	49,895	7,874	0.10	0.46	3.47	90,902	7,575	21%	
2002	759	84,732	-	84,732	82,758	35,494	19,678	49,346	1,974	0.02	0.43	2.51	109,107	9,092	24%	
2003	759	78,046	-	78,046	63,004	37,502	19,678	57,116	15,042	0.19	0.60	2.90	83,064	6,922	31%	
2004	759	77,203	-	77,203	38,584	46,283	16,004	52,038	38,619	0.50	1.20	3.25	50,869	4,239	41%	
2005	759	73,002	-	73,002	49,684	46,726	13,523	130,851	23,318	0.32	0.94	9.68	65,503	5,459	27%	
2006	759	83,524	-	83,524	47,805	59,459	14,440	103,106	35,719	0.43	1.24	7.14	63,026	5,252	30%	
2007	759	74,403	-	74,403	56,444	70,376	14,061	119,136	17,959	0.24	1.25	8.47	74,415	6,201	25%	
2008	759	71,127	-	71,127	61,068	64,283	11,526	118,139	10,059	0.14	1.05	10.25	80,512	6,709	19%	
2009	759	68,640	-	68,640	53,432	63,073	12,365	93,918	15,208	0.22	1.18	7.60	70,444	5,870	23%	
2010	759	61,783	208	61,575	50,362	32,915	12,619	91,655	11,213	0.18	0.65	7.26	66,397	5,533	25%	
2011	759	72,695	26	72,669	52,460	40,601	14,058	111,566	20,209	0.28	0.77	7.94	69,163	5,764	27%	
2012	759	72,399	640	71,759	48,535	40,833	14,697	103,998	23,224	0.32	0.84	7.08	63,988	5,332	30%	
2013	777	71,014	5,381	65,633	47,122	56,324	16,734	118,781	18,511	0.28	1.20	7.10	60,646	5,054	36%	
2014	777	59,616	1,609	58,007	52,722	107,084	16,599	123,823	5,285	0.09	2.03	7.46	67,853	5,654	31%	
2015	777	38,781	33	38,748	35,850	118,220	16,734	118,781	2,898	0.07	3.30	7.10	46,139	3,845	47%	
2016	777	52,622	1,096	51,526	43,812	124,644	14,331	138,135	7,714	0.15	2.84	9.64	56,386	4,699	33%	
2017	777	53,808	2,773	51,035	42,225	123,329	14,205	126,554	8,810	0.17	2.92	8.91	54,344	4,529	34%	
2018	777	50,510	4,526	45,984	41,388	139,189	12,831	150,844	4,596	0.10	3.36	11.76	53,266	4,439	31%	
2019	777	54,246	9,344	44,902	39,782	122,522	12,037	164,459	5,120	0.11	3.08	13.66	51,199	4,267	30%	
2020	777	46,931	4,149	42,792	38,126	107,619	11,514	124,495	4,666	0.11	2.82	10.81	49,068	4,089	30%	
2021	777	51,270	5,507	45,763	40,479	131,640	11,504	153,353	5,284	0.12	3.25	13.33	52,097	4,341	28%	
Totals		256,765	26,299	230,476	202,000	624,299	62,091	719,705	28,476	0.12			51,995	4,333	31%	
Min		46,931	2,773	42,792	38,126 \$	6 107,619	11,504	\$ 124,495	4,596							
Max		54,246	9,344	42,792 51,035	42,225	139,189	14,205	³ 124,495 164,459	4,590 8,810							
Avg		51,353	5,260	46,095	40,400	124,860	12,418	143,941	5,695							
Avy		51,555	5,200	40,035	40,400	124,000	12,410	140,041	5,035							

Swiss Village Effect of Proposed Water Rate Changes

	Cı	irrent Rat	es	PSC Proposed Rates				
Average Gals. Used / Month >>>> >>>>	2,000	6,000	12,000	2,000	6,000	12,000		
Water Base Rate Sewer Base Rate + Water Usage + Sewer Usage	4.42 9.09 2.58 3.98	4.42 9.09 8.41 11.94	4.42 9.09 20.17 23.88	7.20 12.22 5.06 7.16	7.20 12.22 16.05 21.48	7.20 12.22 38.15 42.96		
Total Monthly Bill	20.07	33.86	57.56	31.64	56.95	100.53		
\$ <u>Increase</u> over Current % Change				11.57 58%	23.09 68%	42.97 75%		

Appendix: 4

11/02/2022 - 10:27 AM

	M ANNUA									DATA FROM		REPORTS								
Ref	В	Q	R	S	Т	U	V	W	Х	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI
SOURCE	W-3	F-3	F-3	SUM(Q:S)	W-3	W-3	W-3	W-3	SUM(N:Q)	S-3	S-3	S-3	S-3	S-3	SUM(S:W)	F-3	F-3	F-3		F-3
		FINANCIAL - PROFIT & LOSS INFORMATION																		
			REVENUE			E	XPENSE, WATER			EXPENSE, WASTE EXPENSE, MISC										
	Meter	Water Rev	Waste Rev				Contracted		Water			Sludae	Contracted		Sewer				Other	
Year	Equiv.	(All Srcs)	(All Srcs)	Tot Rev	Salaries	Power		Other	Expense	Salaries	Power	Removal	Services	Other		Depreciation	Taxes	Tot Exp	Adjustments	Inc/Loss
2017	777	\$ 106,814	\$ 162,587	\$ 269,401	\$ 62,688	\$ 6,083	\$ 28,150	\$ 26,408	\$ 123,329	\$ 40,607 \$	14,969	\$ 21,450	\$ 32,231 \$	5 17,297	\$ 126,554	\$ 36,787	\$ 26,646	\$ 313,316	\$ -	\$ (43,915)
2018	777	105,872	160,150	266,022	71,581	6,172	33,185	28,251	139,189	55,909	16,536	26,820	30,778	20,801	150,844	37,501	27,312	354,846	-	(88,824)
2019	777	99,522	142,939	242,461	61,843	6,426	30,768	23,485	122,522	58,930	14,766	22,080	41,756	26,927	164,459	50,678	26,117	363,776	1,350	(119,965)
2020	777	96,963	136,164	233,127	50,856	5,074	27,303	24,386	107,619	51,744	13,186	16,740	27,051	15,774	124,495	42,152	25,381	299,647	2	(66,518)
2021	777	99,438	137,440	236,878	56,176	8,678	42,729	24,057	131,640	64,753	16,051	21,035	25,902	25,612	153,353	31,993	25,461	342,447	8	(105,561)
				, i					-											,
Totals																				
Min																				
Max																				
Avg																				

	M ANNUA					DATA F	ROM ANNUAL R	EPORTS				
Ref	В	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT
SOURCE	W-3	F-4	F-4	F-4	F-4	F-4	F-4	F-4	F-4	F-4	F-4	F-4
			FINANCIAL - BALANCE SHEET									
				ASSETS			CAPITAL			LIABILITIES		
									Acct & Notes			
	Meter								Payable			LIABILITIES
Year	Equiv.	Plant Value	Plant Deprec	Cash	Misc	ASSETS	CAPITAL	Payables	Assoc. Cos	Misc	LIABILITIES	& CAPITAL
2017	777	\$ 1,180,780	\$ (871,377) \$	3,243	\$ 133,453 \$	446,099	\$ (1,612,262)	\$ 23,519	\$ 1,961,301	\$ 73,541	\$ 2,058,361	\$ 446,099
2018	777	1,184,531	(904,081)	14,486	129,149	424,085	(1,701,086)	16,360	2,034,602	74,209	2,125,171	424,085
2019	777	1,437,056	(954,760)	3,627	128,007	613,930	(1,821,052)	8,790	2,353,179	73,013	2,434,982	613,930
2020	777	1,445,428	(996,912)	1,507	128,473	578,496	(1,887,569)	4,204	2,389,584	72,277	2,466,065	578,496
2021	777	1,460,529	(1,026,109)	4,584	125,007	564,011	(1,993,131)	9,071	2,473,587	74,484	2,557,142	564,011
Totals												
Min												
Max												
Avg												

Download: 🖾 xisx

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
1991	5.7	5.3	4.9	4.9	5.0	4.7	4.4	3.8	3.4	2.9	3.0	3.0	5.1	3.4
1992	2.7	2.8	3.2	3.2	3.0	3.1	3.1	3.1	2.9	3.2	3.1	3.0	3.0	3.1
1993	3.2	3.3	3.1	3.2	3.2	3.0	2.8	2.8	2.7	2.8	2.7	2.7	3.1	2.8
													2.5	2.8
1995														2.7
													2.8	3.0
1997													2.6	2.1
1998														1.6
1999														2.5
													3.3	3.5
2001														2.3
													1.3	1.9
													2.5	2.1
2004														3.0
2005														3.8
2006														2.7
2007														3.1
2008														3.4
2009														-0.1
2010														1.2
2011														3.5
2012														1.8
2013														1.4
2014														1.5
2015														0.3
2016														1.5
2017														2.0
2018														2.4
2019														1.9
2020														1.2
2021								5.3	5.4	6.2	6.8	7.0	3.4	6.0
2022	7.5	7.9	8.5	8.3	8.6	9.1	8.5						8.3	