

Antonia Hover

From: Antonia Hover on behalf of Records Clerk
Sent: Tuesday, January 20, 2026 11:39 AM
To: 'William Shaul'
Cc: Consumer Contact
Subject: RE: Docket No.: 20250088-WU, Resident Communication

Good Morning,

We will be placing your comments below in consumer correspondence in Docket No. 20250088, and forwarding them to the Office of Consumer Assistance.

Thank you!

Toni Hover
Commission Deputy Clerk I
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
Phone: (850) 413-6467

PLEASE NOTE: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your email message may be subject to public disclosure.

From: William Shaul <william.shaul@gmail.com>
Sent: Tuesday, January 20, 2026 10:56 AM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Subject: Docket No.: 20250088-WU, Resident Communication

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

RE: Application for Staff Assisted Rate Case in Lake County by Sun Communities Finance LLD d/b/a Water Oak Utility

Docket No.: 20250088-WU

Dear Florida PSC,

Good morning, my name is William Shaul and I am the current president of Water Oak Estate Homeowners Association, Inc. I volunteer my time on behalf of the more than two thousand seasonable and full-time residents of Water Oak that object to the rate request by the Water Oak Water Utility (Docket No. 20250088-WU).

The attachment to this email is a communication I received from a resident who wishes to remain anonymous. The points made are polite, sharp and direct. I am sharing these comments in good faith and unedited. I value this communication and thought it best to share it with the Commission.

Sincerely,

Bill Shaul, President and CEO, Water Oak Estate Homeowners Assoc., Inc.

RE: Application for Staff Assisted Rate Case in Lake County by Sun Communities Finance LLD d/b/a Water Oak Utility

Docket No.: 20250088-WU

Dear Florida PSC,

Good morning, my name is William Shaul and I am the current president of Water Oak Estate Homeowners Association, Inc. I volunteer my time on behalf of the more than two thousand seasonable and full-time residents of Water Oak that object to the rate request by the Water Oak Water Utility (Docket No. 20250088-WU).

Below is a communication I received from a resident who wishes to remain anonymous. The points made are polite, sharp and direct. I am sharing these comments in good faith and unedited. I value this communication and needed to share it with the Commission.

This {FPSC Notice} request comes as a particular surprise to us: neither the Utility or Sun Communities has made any attempt to communicate or prepare us for this development. The rates, as proposed, represent a significant increase in water fees for the residents, many of whom have modest or limited income and means, who are understandably distressed and even alarmed, as some may be unable to absorb this level of increase.

The Staff Report (December 22, 2025) provides additional detail and support, and we are still attempting to evaluate it, but for the layperson, it begs many more questions than answers.

To begin with, what is the history of rate request filing by the Utility? We know that the current request was pre-dated by an earlier request, dated October 16, 2023 (withdrawn on June 5, 2024). What other requests have been filed since the Utility was acquired in 1993? What is the change in substance between the request in 2023 and this one, and what reasons were offered for its withdrawal?

We observe that most large corporations, such as Sun, utilize sophisticated systems of financial control, and would not suffer this level of operating loss to persist - at least, not for long. What has changed that leads us to this point?

While the current notice contains little detail of the background or development of the proposal, on its face it appears to have been occasioned with an operating loss in 2024 on the order of \$180,000, or roughly 50%. The history of that accounting, and what root cause may have driven that loss, and what steps were taken to avoid or mitigate it, are not available to us. Additionally, there is no discussion of the apportionment of revenue and expenditure between the residents of Water Oak and the operations of Sun Communities for maintenance of the common areas and their general operations, which we believe should be part of the lot rentals the residents pay to Sun. The report indicates that seventeen "General Service Customers" (who we assume to be elements of the greater Sun organization and its parts) utilize the output of the system, but apparently contribute no revenue for that usage. We contend that our lot rent payments should be used, in part, for this purpose and that at minimum there should be an accounting or recorded internal service charges that reduce the burden carried by the residents. We assume, based on the calculation of unaccounted for water

(32.3%), that this is some estimate of the reasonable apportionment of expenditure between the residents and the operations of Sun Communities.

Taken at their face, the proposed rates appear to represent a nearly 200% increase in the monthly cost of water to the residents. If the purpose of the request is to prevent ongoing operating losses, and if the revenues reflect a true and accurate accounting of what should have been collected from the residents and other users, the proposal appears to produce not only a recovery of lost costs, but a contribution to excess operating margin of 100%. Again, if Sun is utilizing the product of the system, it would seem reasonable that Sun also contribute its fair portion to offset the system's expenditures.

This gives rise to a series of questions (some of which are perhaps more appropriate to be addressed to Sun Communities):

1. What is the history of the operating shortfall? When did it begin, and what evaluation has been made of its growth over time?
2. What might have been the rate recommendation if a test year other than 2024 been used? Is Sun advantaged in any way by this selection of test year? Would a more reasonable approach to assess finances over a longer period of time, and would such an approach mitigate the current recommendation? Should we assume that the Utility to submit another request at nearly any other point in time, such that a de facto phased-in application would be possible?
3. Other than unrealized revenues, are there any other contributing factors to the shortfall? What is the supposed effect of non-operating meters, which, upon belief and knowledge we believe to be on the order of more than 200?
4. Is any of this related to significant construction increase in the number of residential lots over the past five to ten years?

We have made a cursory examination of the rates charged by the Lady Lake Water System. While these would also represent a significant increase in the rates paid by our residents, they would appear to be twenty percent (or more) less than the amounts described by the Staff Report. While we understand that there would be certain obstacles to connections with the Lady Lake system, should there have been an assessment of this apparent alternative.

We would also observe that the Utility is a corporate element of the greater Sun Communities organization, and that the establishment of the Utility as a separate entity was done for the sole benefit and convenience of Sun. The Utility serves only Sun and its tenants. It appears to us that Commission Staff have applied general assumptions and benchmarks that are used in all rate cases that come before them which are intended to assure that utilities maintain long-term financial viability, and the rate recommendations are the artifact of those assumptions and benchmarks. Those assumptions do not appear to recognize the special relationship between the Utility and Sun Communities, and that the Utility operates as a de facto subsidiary and cost center and of a large corporate enterprise that has substantial resources that can be brought to bear to support the Utility, and indeed appear to have done so for many years. The rate increase recommended by Commission Staff will therefore not only close the Utility's operating loss but provide Sun with what amounts to a windfall.

Sun Communities is our landlord, and as such bears a fiduciary duty to maintain systems of sufficient size and quality to support us, in return for our lot rent payments, including, in this case, water. A decision was obviously made years ago to self-operate a water supply system, instead of relying on connection to the Town or other alternatives, and we assume that that decision was based on

corporate advantage at that time. It should not fall to us as tenants to subsidize or in any way substitute for that duty.

In closing, it may indeed be necessary and inevitable that some level of rate increase will be approved. We tenants have a vested interest in a healthy and well-managed system to provide our current and future water needs, and ask only that the potential exigency that will apply to some of our residents be balanced against the corporate and financial reality of the greater Sun Communities organization. Sun realizes substantial financial advantage from its role of landlord, and each year receives lot rent increases that in aggregate are a multiple of the financial loss it chooses to recognize through its structuring of the Utility. This is not a truly public utility, which services a roster of freestanding homeowners and businesses, but essentially a well-owner selling to himself. We residents are captive to our landlord who, as stated earlier, already enjoys considerable advantage. This rate recommendation rewards Sun with what amounts to a windfall for what they are already obligated to provide to its residents. On that basis, we believe that the rates currently proposed be reduced or denied.

Thank you for letting us outline our concerns concerning this Docket.