

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: ~~March 26~~ May 20, 2026

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Cohn, Higgins, G. Kelley) *MC*
Division of Economics (Bruce, Hudson, Sibley) *ETD*
Division of Engineering (Ramirez-Abundez, Ramos) *TB*
Office of the General Counsel (Marquez, Imig) *SPS*

RE: Docket No. 20250088-WU – Application for staff-assisted rate case in Lake County by Sun Communities Finance, LLC d/b/a Water Oak Utility.

AGENDA: 04/07/26 06/02/26 – Regular Agenda – Proposed Agency Action – Except for Issue Nos. 11, 12, and 13 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: La Rosa

CRITICAL DATES: 11/8/26 (15-Month Effective Date (SARC))

SPECIAL INSTRUCTIONS: None

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Case Background

Sun Communities Finance, LLC d/b/a Water Oak Utility (Water Oak or Utility) is a Class C water-only utility providing service to 1,265 residential customers and ~~16~~ 50 general service customers in Lake County. The Utility is a wholly-owned subsidiary of Asset Investors Operating Partnership, LP.

The Utility's rates were last established by Commission Order No. PSC-1997-0034-FOF-WS, issued January 7, 1997, in Docket No. 960040-WS, using a rate base as of November 30, 1993.¹ This order also transferred the Utility's water and wastewater certificates to Sun Communities Finance Limited Partnership from the seller. In 2000, the Utility changed the name on its certificate to Sun Communities Finance, LLC d/b/a Water Oak Utility. On March 12, 2020, the Utility's wastewater certificate was cancelled by Order No. PSC-2020-0074-PAA-WS.² It has been over 25 years since the Utility's last rate case.

Although the Utility has not had a rate case in many years, it has received 25 index increases since 1988, with the most recent index increase approved in 2023. While these adjustments provide limited rate relief between rate proceedings, they are not intended to address comprehensive changes in the Utility's revenue requirement.

On October 16, 2023, Water Oak filed an application for a staff-assisted rate case (SARC) which was assigned Docket No. 20230119-WU.³ This application was withdrawn on June 5, 2024.⁴

On June 23, 2025, the Utility filed an application for a SARC.⁵ Pursuant to Section 367.0814(2), Florida Statutes (F.S.), the official date of filing the SARC was established as August 8, 2025. Staff selected the test year ended December 31, 2024. According to the Utility's 2024 Annual Reports, total gross revenues were \$179,227 and operating expenses were \$342,931.

This item was presented at the April 7, 2026 Commission Conference and was ultimately deferred to the June 2, 2026 Commission Conference. Following this deferral, staff determined that the Utility is serving outside of its Commission-approved service territory. As a result, staff sent a letter to the Utility, which instructed it to file an Application for an Amendment to its Certificate pursuant to Rule 25-30.036, Florida Administrative Code (F.A.C.), by August 18, 2026.

The Commission has jurisdiction in this case pursuant to Sections 367.011, 367.081, 367.0812, 367.0814, 367.091, and 367.121, F.S.

¹ Order No. PSC-1997-0034-FOF-WS, issued January 7, 1997, in Docket No. 960040-WS, *In re: Application for transfer of Certificates Nos. 454-W and 388-S in Lake County from Water Oak Utilities Co., Inc. to Sun Communities Finance Limited Partnership.*

² Order No. PSC-2020-0074-PAA-WS, issued March 12, 2020, *In re: Request for cancellation of Certificate No. 388-S by Sun Communities Finance, LLC. d/b/a Water Oak Utility.*

³ Document No. 05692-2023, filed on October 16, 2023.

⁴ Document No. 04603-2024, filed on June 5, 2024.

⁵ Document No. 05141-2025, filed on June 23, 2025.

Discussion of Issues

Issue 1: Is the quality of service provided by Water Oak Utility satisfactory?

Recommendation: Yes. Water Oak's product is in compliance with the Department of Environmental Protection (DEP) and staff believes the Utility adequately demonstrated its ability to address customer concerns; therefore, staff recommends that the quality of service be considered satisfactory. (Ramirez-Abundez)

Staff Analysis: Pursuant to Section 367.081(2)(a)(1), F.S., and Rule 25-30.433(1), F.A.C., in water rate cases, the Commission shall determine the overall quality of service provided by the Utility. This determination is made from an evaluation of the quality of the Utility's product and the Utility's attempt to address customer satisfaction. The rule further states that the most recent chemical analyses for the water system, outstanding citations, violations, and consent orders on file with the Department of Environmental Protection (DEP) and the county health department, and any DEP and county health department officials' testimony concerning quality of service shall be considered. In addition, any customer testimony, comments, or complaints received by the Commission are also reviewed. The operating condition of the water system is addressed in Issue 2.

Quality of the Utility's Product

In evaluating Water Oak's product quality, staff reviewed the Utility's compliance with the DEP's primary and secondary drinking water standards. Primary standards protect public health while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water. In the DEP's last Sanitary Survey Report dated March 14, 2023, no chemical or bacteriological exceedances were noted for the previous 12 months, and the Utility was determined to be in compliance with the DEP standards. In the Utility's last Consumer Confidence Report dated June 26, 2025, no violations of contaminant levels were noted for the testing period.

The Utility's Attempt to Address Customer Satisfaction

Staff reviewed the complaints filed in the Commission's Consumer Activity Tracking System (CATS), received by the Utility, and filed with the DEP for the test year and four years prior. There was one complaint filed in CATS regarding improper billing, where the customer reported inconsistent water bills. In response, the Utility explained that the customer's meter was installed incorrectly and a new meter was installed. The Utility also credited the customer's account based on their average historical usage. While the Utility did respond, it should be noted that the Utility was found to be in violation of Rule 25-22.032, F.A.C., for failing to respond within 15 days and failing to provide a full and accurate report. The Utility reported that it did not receive any complaints during this timeframe. The DEP responded that it received one complaint during this timeframe regarding the quantity of Boil Water Notices (BWN) the Utility issued.

Staff held a Customer Meeting on January 21, 2026, where eight customers provided comments. The majority of the comments focused on the overall rate increase. Customers also voiced their concerns about improperly functioning meters and the amount of unaccounted for water identified in the Staff Report. Following the Customer Meeting, staff asked Water Oak if it was

aware of the customer concerns regarding improperly functioning meters as well as how it would address each customer that spoke at the meeting. Water Oak stated that it was not aware of these meter concerns prior to the Customer Meeting and has no record of any ongoing or open complaints.⁶ Water Oak further explained it met with several residents after the Customer Meeting to explain the general ratemaking process and how the Utility addresses customer concerns.⁷

There were approximately ~~288~~ 308 customer comments in the docket file as of ~~March 2~~ May 6, 2026. However, Table 1-1 shows a total of ~~445~~ 484 customer comments because a single customer comment that relates to several different categories is counted multiple times (one time in each category). The majority of these comments expressed concerns with the overall rate increase. However, there were also concerns regarding improperly functioning meters, the amount of unaccounted water identified in the Staff Report, and quality of service such as fluctuating water pressure. For reference, the Utility serves approximately 1,265 residential customers.

**Table 1-1
 Number of Rate Case Comments Received by Source and Subject**

Subject of Comment	Oral Comments	Written Comments	Total*
Other	3	62 <u>73</u>	65 <u>76</u>
Quality of Service	-	2 <u>3</u>	2 <u>3</u>
Meter Issues	1	47 <u>55</u>	48 <u>56</u>
Improper Billing	-	17	17
Outages (Service interruption/BWN)	-	17 <u>18</u>	17 <u>18</u>
Rate Increase Concerns	8	288 <u>306</u>	296 <u>314</u>
Total	12	433 <u>472</u>	445 <u>484</u>

*A single customer comment/complaint may be counted multiple times if it is associated with multiple categories

As shown in Table 1-1, there were ~~17~~ 18 comments regarding service interruptions and BWNs. As such, staff requested the Utility’s service interruption records pursuant to Rule 25-30.251(1) and (2), F.A.C. The rule states that each utility is required to maintain a record of all interruptions in service which affect 10 percent or more of its customers, and to notify the Commission of these interruptions. “The record shall show the cause of the interruption, its date, time, duration, remedy, and steps taken to prevent recurrence.” Water Oak has not filed any such reports with the Commission and also stated that it has not had an outage affecting 10 percent or more of its customers. Rather, the Utility stated its highest impact experience was roughly 4 percent per outage and that the community uses valves to limit outages to only the affected section.⁸

⁶ Document No. 01125-2026, filed February 17, 2026.

⁷ *Id.*

⁸ Document No. 01428-2026, filed March 5, 2026.

On February 17, 2026, the Office of Public Counsel (OPC) filed an observation letter regarding the customer correspondence in the docket file, BWNs, and service interruptions based on DEP records. OPC's letter identified three service interruptions that affected 10 percent or more of the Utility's customers: two in 2020 and one in 2021. Upon reviewing OPC's observation letter, the Utility also identified three service interruptions (9/21/20; 12/2/20; 9/22/21) that exceeded the 10 percent or greater threshold, but were not reported to the Commission. Since that time, the Utility stated that it has improved its infrastructure and practice of isolating outages to those areas that require repair, which has prevented other disruptions from meeting or exceeding the report threshold. However, staff analyzed OPC's letter and the DEP documentation and found one additional instance (5/6/21) affecting 10 percent or more of the Utility's customers. On April 17, 2026, the OPC filed an additional observation letter recommending that the Commission find the Utility's quality of service to be marginal and impose a 15-basis-point reduction to the Utility's return on equity (ROE) based on the number of unplanned service interruptions that have occurred since 2019. The OPC also recommended a 15 percent reduction to Contractual Services – Professional expense related to management fees.⁹ As such, sStaff disagrees and recommends that the Utility maintain its service interruption records as outlined in Rule 25-30.251(1), F.A.C., and notify the Commission of any such interruption on a going-forward basis.

Staff performed a supplemental review of the complaints filed in CATS following the Customer Meeting and found no additional complaints. While there were approximately ~~288~~ 308 comments provided during the course of the proceeding, the majority of these comments were regarding the overall rate increase. There were few customer complaints filed during the test year and four years prior. Further, the Utility indicated that it attempted to reach the customers who spoke at the Customer Meeting to address their concerns and has taken steps to mitigate service interruptions. As such, staff believes the Utility adequately demonstrated its ability to address customer satisfaction. Additionally, the Utility is currently in compliance with the DEP standards. Therefore, staff recommends that the quality of service be considered satisfactory.

Conclusion

Water Oak's quality of the product is in compliance with the DEP standards and staff believes the Utility adequately demonstrated its ability to address customer satisfaction; therefore, staff recommends that the quality of service be considered satisfactory.

⁹ Document No. 02230-2026, filed April 17, 2026.

Issue 2: Is the infrastructure and operating conditions of Water Oak Utility in compliance with DEP regulations?

Recommendation: Yes. The Water Oak water system is currently in compliance with the DEP. (Ramirez-Abundez)

Staff Analysis: Rule 25-30.225(2), F.A.C., requires each water utility to maintain and operate its plant and facilities by employing qualified operators in accordance with the rules of the DEP. Rule 25-30.433(2), F.A.C., requires consideration of whether the infrastructure and operating conditions of the plant and facilities are in compliance with Rule 25-30.225, F.A.C. In making this determination, the Commission must consider testimony of the DEP and county health department officials, sanitary surveys for water systems, citations, violations, consent orders issued to the utility, customer testimony, comments, complaints, utility testimony, and responses to the aforementioned items.

Water System Operating Conditions

Water Oak's water system has a permitted capacity of 334,000 gallons per day (gpd). The Utility's water system has two 10-inch diameter wells and four hydropneumatic storage tanks. Well No. 1 has a pumping capacity of 1,000 gallons per minute (gpm). Well No. 2 has a pumping capacity of 750 gpm. Two of the hydropneumatic storage tanks have a capacity of 20,000 gallons each and two additional hydropneumatic storage tanks have a capacity of 25,000 gallons each. Groundwater is treated through hypochlorination. The DEP conducted an inspection of Water Oak's water treatment plant (WTP) on March 2, 2023. The resulting Sanitary Survey Report indicated the facility was in compliance with the DEP's rules and regulations.

Conclusion

The Water Oak water system is currently in compliance with the DEP.

Issue 3: What are the used and useful (U&U) percentages of Water Oak Utility's water treatment plant and water distribution system?

Recommendation: Water Oak's water treatment plant and its distribution system should both be considered 100 percent U&U. Additionally, an ~~29.7~~ 8.8 percent adjustment for Excessive Unaccounted for Water (EUW) should be made to operating expenses for chemicals and purchased power. (Ramirez-Abundez)

Staff Analysis: As stated in Issue 2, Water Oak's water system is served by two 10-inch diameter wells rated at 1,000 gpm and 750 gpm. The Utility is permitted by the DEP to withdraw an average of 334,000 gpd. The distribution system is a composite network of 2- to 3-inch Cross Linked Polyethylene pipe and 4- to 8-inch Polyvinyl Chloride (PVC) pipe. The distribution system has 15 fire hydrants.

Used and Useful Percentages

Rule 25-30.4325, F.A.C., addresses the method by which the U&U percentage of a water system is determined. Rule 25-30.4325(4), F.A.C., states that a water treatment system is considered 100 percent U&U if the service territory the system is designed to serve is built out and there is no apparent potential for expansion of the service territory or the system is served by a single well. Based on a review of Water Oak's service territory and annual report, the service territory appears to be built out. In its last limited proceeding increase and overearning investigation, the water distribution system and storage were found to be 100 percent U&U.⁶ Therefore, the U&U percentage for Water Oak's WTP, storage, and distribution system should be considered 100 percent.

Excessive Unaccounted for Water

Rule 25-30.4325, F.A.C., provides factors to be considered in determining whether adjustments to operating expenses are necessary for EUW. EUW is defined as "unaccounted for water in excess of 10 percent of the amount produced." Unaccounted for water is all water that is not sold, metered, or accounted for in the records of the Utility.

EUW is calculated by subtracting both the gallons sold to customers and the gallons used for other services, such as flushing, from the total gallons pumped and purchased for the test year, and dividing by the sum of the gallons pumped and purchased. The amount in excess of 10 percent, if any, is the EUW percentage. A review of the Utility's 2024 monthly operating reports on file with the DEP indicates that Water Oak produced 117,276,285 gallons of water during the test year. In response to staff data requests, the Utility indicated that it does not purchase any water.¹⁰ An examination of the Utility's billing records indicated ~~67,673,679~~ 92,272,981 gallons of treated water was sold to its customers. The Utility documented 2,998,514 gallons of other water usages for line and hydrant flushing along with water loss due to line breaks.¹¹ The resulting calculation ($[117,276,285 + 0 - \del{67,673,679} \u{92,272,981} - 2,998,514] / [117,276,285 + 0]$) for unaccounted for water is ~~39.7~~ 18.8 percent. The Rule allows a 10 percent margin; therefore, there is ~~29.7~~ 8.8 percent EUW. Regarding the

¹⁰ Document No. 14962-2025, filed November 6, 2025.

¹¹ Document No. 00410-2026, filed January 20, 2026.

cause, the Utility stated that it is evaluating master and customer meter accuracy, and assessing the distribution system for potential leaks and data inconsistencies.¹²

Conclusion

Water Oak's WTP and its distribution system should both be considered 100 percent U&U. Additionally, an ~~29.7~~ 8.8 percent adjustment for EUW should be made to operating expenses for chemicals and purchased power.

¹² Document No. 00410-2026, filed January 20, 2026.

Issue 4: What is the appropriate average test year rate base for Water Oak Utility?

Recommendation: The appropriate average test year rate base for Water Oak is ~~\$1,635,857~~ \$1,492,390. (Cohn, Ramirez-Abundez)

Staff Analysis: The appropriate components of the Utility’s rate base include utility plant in service (UPIS), land and land rights, accumulated depreciation, contributions-in-aid of construction (CIAC), accumulated amortization of CIAC, and working capital. Staff selected the test year ended December 31, 2024, for the current rate case. A summary of each component and the recommended adjustments are discussed below.

Pro Forma Plant Additions

Table 4-1 shows Water Oak’s five requested pro forma plant projects which are described below. It is Commission practice for staff to ascertain whether a minimum of three bids were solicited for each project or evaluate the Utility’s reasoning as to why three could not be obtained.¹³ Water Oak stated that it did not solicit multiple bids for each project due to emergency circumstances or limited vendor availability. The Utility believed the project requirements to be specialized, and few contractors in the area possess the necessary qualification, resources, or capacity to perform the work.¹⁴

**Table 4-1
 Pro Forma Plant Projects**

	Project	In-Service Date	Account Number	Amount	Retirement
1.	Generator and Automatic Transfer Switch Installation (ATS)	April <u>May</u> 2026	310	\$148,330	\$111,248
2.	24 - 5/8 by 3/4 inch Meters and Transmitters	December 2025	334	\$7,545	\$5,659
3.	Water Main Leak - 10 feet (ft.) of pipe replacement	March 2025	309	\$5,500	\$4,125
4.	Water Main Leak - 15 ft. of pipe replacement	April 2025	309	\$13,260	\$9,945
5.	New 100 Horse Power (HP) Well Pump Replacement	March 2025	311	\$36,619	\$27,464
	Total			\$211,254	\$158,441

Source: Responses to staff data requests.

¹³ E.g., Order No. PSC-2022-0335-PAA-WS, issued September 28, 2022, in Docket No. 20220066-WS, *In re: Application for increase in water rates in Washington County, by Sunny Hills Utility Company*; Order No. PSC-2021-0206-FOF-WS, issued June 4, 2021, in Docket No. 20200139-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Utilities, Inc. of Florida*.

¹⁴ Document No. 14962-2025, filed November 6, 2025.

Project No. 1 – Generator and ATS Installation

Project No. 1 is the installation of a new 250kW, 480V, diesel driven Generac generator and automatic transfer switches. Water Oak stated that this project was necessary because the existing generator was outdated, undersized, and no longer capable of supporting the facility's full electrical load.¹⁵ Also, the DEP requires public water treatment plants to have backup power. The Utility provided its contract for this project which totals \$148,330 with an in-service date of ~~April~~ May 2026.

Water Oak stated that the new generator provides sufficient capacity to maintain all critical plant functions, including pumps, controls, and safety systems, during power failures. Furthermore, the addition of automatic transfer switches facilitates the transition between Utility and generator power, which should reduce downtime, prevent equipment damage, and ensure continuous treatment and distribution of safe water.¹⁶ Therefore, staff believes this project to be reasonable and prudent and recommends approval of \$148,330.

Project No. 2 – 24 – 5/8 by 3/4 Inch Meters and Transmitters

Project No. 2 is for the purchase and replacement of 24 residential 5/8 by 3/4 inch Accustream meters and end point transmitters. The Utility stated that the existing meters and transmitters were not working properly and could not be reset or repaired. Water Oak selected these meters based on their price, accuracy, durability, low maintenance, and cost.¹⁷ The new Accustream meters have an expected manufacturer's service life of 10 to 15 years. The Utility provided an invoice totaling \$7,545 for this project, which was completed in December 2025.

As discussed in Issue 1, several customers raised concerns regarding improperly functioning meters. In its fourth data request, staff asked the Utility to explain why it proposed replacing only 24 meters despite serving approximately 1,265 residential customers, and to clarify whether the remaining meters had already been replaced or were planned for future replacement. The Utility responded that meters are replaced on an as-needed basis, specifically when repairs are not feasible. Staff believes this project is reasonable and necessary, especially given the customer concerns. Should the Utility determine that additional meter replacements are warranted, it may seek Commission approval for cost recovery in a future proceeding. Therefore, staff recommends approval of \$7,545 for the replacement of 24 residential meters.

Project No. 3 – Water Main Leak – 10 ft. of Pipe Replacement

Project No. 3 is the replacement of 10 feet of C900 pipe and two 8-inch mechanical joints due to a water main break in February 2025. The Utility provided an invoice reflecting total project costs of \$5,500. The project was completed in March 2025. This repair was necessary to restore and maintain service to customers. Based on the documentation provided, staff believes the project was necessary and, therefore, recommends approval of the total cost of \$5,500.

¹⁵ Document No. 14962-2025, filed November 6, 2025.

¹⁶ *Id.*

¹⁷ Document No. 00410-2026, filed January 20, 2026.

Project No. 4 – Water Main Leak – 15 ft. of Pipe Replacement

Project No. 4 is the replacement of 15 feet of PVC pipe and fittings due to a water main leak on March 14, 2025. The cost of this project also included the costs to replace a customer’s driveway that was removed in the process of accessing the water main leak. The Utility provided invoices reflecting total project costs of \$13,260, consisting of \$8,500 for pipe replacement and \$4,760 for driveway restoration. This project was completed April 2025.

This repair was necessary to restore service and maintain system reliability. Additionally, the driveway restoration costs were directly related to the repair and are appropriately included as part of the total project expense. Therefore, staff believes the project to be reasonable and necessary and recommends approval of the total cost of \$13,260.

Project No. 5 – New 100 Horse Power (HP) Well Pump Replacement

Project No. 5 included assessing the existing pump, and the purchase, and installation of a new 100HP pump. The Utility stated that the existing pump had reached the end of its useful service life and was operating inefficiently, resulting in frequent repairs, increased maintenance costs, and reduced system reliability due to downtime.¹⁸

This project consists of \$5,140 for pulling the old 100HP deep well pump to assess, gather information, and specifications to quote a replacement, and \$31,478 for the installation of the new pump, for a total project cost of \$36,619. The Utility provided supporting invoices for these costs. Staff believes the pump replacement to be necessary to maintain reliable service. Accordingly, staff recommends approval of the total project cost of \$36,619.

Utility Plant in Service

The Utility recorded UPIS of \$2,925,041. Based on invoices provided in response to Staff’s Third Data Request, staff increased plant by \$70,365 to reclassify plant additions identified as “Site Work – Grading, Fence, Restoration, Driveway” from Account 303 – Land and Land Rights to Account 304 Structures and Improvements.¹⁹ Staff further increased UPIS by \$211,254 to reflect pro forma additions. Staff then made subsequent adjustments to reflect pro forma retirements, reducing UPIS by \$158,441. Additionally, staff reduced this amount by \$570,871 to reflect averaging adjustments, resulting in a net reduction to UPIS of \$447,693. Therefore, staff recommends an average UPIS of \$2,477,349.

Land and Land Rights

The Utility recorded a test year land and land rights balance of \$73,415. Staff reclassified \$70,365 from Account 303 – Land and Land Rights to Account 304 – Structures and Improvements to reflect the invoiced amounts provided in Staff’s Third Data Request, which identified the costs as “Site Work – Grading, Fence, Restoration, Driveway.”²⁰ Therefore, staff recommends a land and land rights balance of \$3,050.

¹⁸ Document No. 14962-2026, filed November 6, 2025.

¹⁹ Document No. 15081-2025, filed November 14, 2025.

²⁰ *Id.*

Accumulated Depreciation

The Utility recorded accumulated depreciation of \$1,092,623. Audit staff determined that the Utility used incorrect depreciation rates for accounts 301, 304, 307, 311, and 330. Additionally, the Utility did not include net salvage for account 341. As such, audit staff reduced accumulated depreciation by \$11,585 to reflect the use of the correct depreciation rates per Rule 25-30.140, F.A.C., and to include the net salvage. Staff decreased accumulated depreciation by \$155,463 to reflect pro forma additions and retirements. Staff increased accumulated depreciation by \$1,302 to reflect the additional accumulated depreciation resulting from the reclassification of \$70,365 of site work from land to Account 304 – Structures and Improvements. Additionally, staff decreased accumulated depreciation by \$60,070 to reflect averaging adjustments. Staff's adjustments result in a total decrease to accumulated depreciation of \$225,816. Therefore, staff recommends an average accumulated depreciation balance of \$866,807.

Contributions In Aid of Construction (CIAC)

The Utility recorded CIAC of \$174,916. ~~Staff made no adjustments to CIAC and, therefore, recommends an average CIAC balance of \$174,916. On May 6, 2026, OPC submitted a letter of additional observations and recommendations.²¹ Staff reviewed OPC's letter and agrees that certain prior-year meter installation fees and service availability charges were either not charged or recorded as directed in Order Nos. PSC-2000-1165-PAA-WS and PSC-2002-1831-TRF-WS.²² Although customer growth occurred, for the majority of the years from 2000 to 2024, no meter installation fees or service availability charges were shown on the Utility's books. It is staff's opinion that the Commission directed the Utility to "reinstate" these charges in 2000 as detailed in Order No. PSC-2000-1165-PAA-WS.²³ Thus, additional (estimated) CIAC is being recommended in this instance.~~

Broadly, these charges are intended to shield existing customers from the cost impacts associated with adding new customers to the system. The Commission intended that new growth fund the infrastructure it requires by ordering the reinstatement of these charges in Order No. PSC-2000-1165-PAA-WS. Therefore, staff increased CIAC by \$103,929 and recommends an average CIAC balance of \$278,845.

Accumulated Amortization of CIAC

~~The Utility recorded accumulated amortization of CIAC of \$174,916. Staff made no adjustments and, therefore, recommends an average accumulated amortization of CIAC balance of \$174,916. In response to the OPC's May 6, 2026 letter, staff decreased accumulated amortization of CIAC by \$40,325 to reflect the recording of CIAC-related fees and charges. Per Rule 25-30.140(9)(b), the expense associated with the CIAC was recalculated which changed the level of accumulated amortization of CIAC. Therefore, staff recommends an average accumulated amortization of CIAC balance of \$134,591.~~

²¹ Document No. 02623-2026, filed May 6, 2026.

²² See Order No. PSC-2000-1165-PAA-WS, issued June 27, 2000, in Docket No. 19990243-WS, *In re: Application for limited proceeding increase and restructuring of water rates by Sun Communities Finance Limited Partnership in Lake County, and overearnings investigation*, and Order No. PSC-2002-1831-TRF-WS, issued December 20, 2002, in Docket No. 20020388-WS, *In re: Request for approval to increase meter installation fees to conform to current cost in Lake County by Sun Communities Finance, LLC d/b/a Water Oak Utility*.

²³ Order No. PSC-2000-1165-PAA-WS.

Working Capital Allowance

Working capital is defined as the short-term investor-supplied funds that are necessary to meet operating expenses. Consistent with Rule 25-30.433(3), F.A.C., staff used the one-eighth operation and maintenance (O&M) expense (less rate case expense) formula for calculating the working capital allowance.²⁴ As such, staff removed the rate case expense of ~~\$2,758~~ \$5,535. This resulted in an adjusted O&M expense balance of ~~\$178,124~~ \$184,420. Applying this formula, staff recommends a working capital allowance of ~~\$22,266~~ \$23,052.

Rate Base Summary

Based on the foregoing, staff recommends that the appropriate average test year rate base is ~~\$1,635,857~~ \$1,492,390. Rate base is shown on Schedule No. 1-A. The related adjustments are shown on Schedule No. 1-B.

²⁴ Order No. PSC-2025-0359-PAA-WU, issued September 24, 2025, in Docket No. 20240168-WU, *In re: Application for staff-assisted rate case in Highlands County, by Country Walk Utilities, Inc.*

Issue 5: What is the appropriate return on equity and overall rate of return for Water Oak Utility?

Recommendation: The appropriate return on equity (ROE) is 8.51 percent with a range of 7.51 percent to 9.51 percent. The appropriate overall rate of return is 8.51 percent. (Cohn)

Staff Analysis: The Utility's capital structure consists of common equity. The Utility's capital structure has been reconciled to staff's recommended rate base. The ROE is 8.51 percent based on the Commission-approved leverage formula currently in effect.²⁵

Staff recommends an ROE of 8.51 percent with a range of 7.51 percent to 9.51 percent, and an overall rate of return of 8.51 percent. The ROE and overall rate of return are shown on Schedule No. 2.

²⁵ Order No. PSC-2025-0213-PAA-WS, issued on June 18, 2025, in Docket No. 20250006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

Issue 6: What are the appropriate amount of test year operating revenues for Water Oak Utility?

Recommendation: The appropriate test year operating revenues for Water Oak's water system are ~~\$168,055~~ \$208,330. (Sibley)

Staff Analysis: The Utility recorded total test year operating revenues of \$191,134 for water. The water revenues included \$191,134 of service revenues and no miscellaneous revenues. Staff's review of the audit indicated that the Utility's general ledger consisted of duplicate bills for the residential class. Staff removed the duplicate bills and adjusted the billing data to reflect the appropriate billing determinants for residential. In addition, the general service customers were not billed during the test year. During staff's audit review, the Utility indicated there were 17 general service customers and usage was 190,283 gallons. In the preliminary analysis, the general service customers were all classified as having a 5/8 inch x 3/4 inch meter size when determining the appropriate test year service revenues.

On February 17, 2026, the OPC submitted an observation letter and therein raised a concern regarding the appropriate number of unbilled general service customers as well as their water consumption.²⁶ OPC noted that the Utility's 2024 Annual Report indicated there were 19 general service customers at various meter sizes; therefore, based on OPC's analysis, the general service revenues are understated.

Staff contacted the Utility to confirm the billing determinants and meter sizes for each general service customer.²⁷ Based on information provided by the Utility, there had been 17 general service customers, among them a model home. The model home had recently sold and was reclassified from general service to residential. As a result, there are currently 16 general service customers. Fifteen of those customers have a 5/8 inch x 3/4 meter size and one customer has a two inch meter. According to the Utility, All of the general service consumption is for irrigation purposes only, with the exception of a pool. In response to staff's inquiry, the Utility reevaluated the general service gallon total and indicated it should be 197,780. ~~The Utility acknowledged its unaccounted for water issue, is in the process of investigating potential causes, and indicated it will address any actionable findings in a timely manner. To determine the appropriate service revenues, staff applied the adjusted billing determinants for both residential and general service classes to the Utility's tariff rates. As a result, staff determined test year operating revenues should be \$168,055. This results in a decrease to service revenues of \$23,079 (\$191,134 – \$168,055). Based on the above, staff's recommended test year revenues at the April 7, 2026 Commission Conference were \$168,055.~~

At its April 7, 2026 Commission Conference, the Commission voted to defer this docket to gather additional information. Subsequent to the Commission Conference, staff discovered that the Utility has more general service customers than initially reported. In a response to staff's data request, the Utility provided a revised list of general service customers, which included the meter sizes, but there was no associated usage included in the response.²⁸ The list of general service

²⁶ Document No. 01137-2026, filed on February 17, 2026.

²⁷ Document No. 01273-2026, filed on February 25, 2026.

²⁸ Document No. 02469-2026, filed on April 29, 2026

customers represented the water service provided to common areas and amenities located throughout Water Oak Country Club Estates. Staff contacted the Utility and requested the consumption data for the additional general service customers. The Utility provided consumption data for its residential and some of its general service customers.²⁹ Based on staff's review of the data, it appeared that the usage for the majority of the service provided to the common areas and amenities was not provided. Staff has attempted to obtain the consumption data for all the general service customers, but the Utility failed to respond to staff's requests. Therefore, in this case, staff believes that it is necessary to impute usage/gallons to capture the appropriate amount of water consumption for all residential and general service customers.³⁰ Such an approach is analogous to prior dockets where the Commission has imputed revenues when the billing data was not complete.³¹

As stated in Issue 3, for 2024, the Utility reported that it produced a total of 117,276,285 gallons during the test year. To determine the appropriate number of total gallons sold, staff calculated an average of the percentage of gallons sold to gallons pumped based on the last five years of the Utility's Annual Reports filed with the Commission, which resulted in an average of 78.68 percent. Table 6-1 below shows staff's calculation.

Table 6-1
Percentage Difference in Total Gallons Pumped and Sold

<u>Years</u>	<u>Total Gallons Pumped</u>	<u>Total Gallons Sold</u>	<u>% of Gallons Sold</u>
<u>2020</u>	<u>117,676,000</u>	<u>92,845,000</u>	<u>78.90%</u>
<u>2021</u>	<u>112,823,000</u>	<u>96,010,000</u>	<u>85.10%</u>
<u>2022</u>	<u>113,051,000</u>	<u>85,575,000</u>	<u>75.70%</u>
<u>2023</u>	<u>120,739,000</u>	<u>91,394,000</u>	<u>75.70%</u>
<u>2024</u>	<u>117,170,000</u>	<u>91,394,000</u>	<u>78.00%</u>
<u>Average</u>			<u>78.68%</u>

Source: 2020-2024 Annual Reports and staff calculations.

Staff applied the average percentage of 78.68 to the 117,276,285 gallons produced during the test year. This results in staff's total recommended gallons of 92,272,981 (117,276,285 x 78.68%) sold to residential and general service customers during the test year. Based on staff's analysis of the Utility's billing data, the residential gallons sold during the test year were 67,483,366. Therefore, staff recommends that the appropriate number of general service gallons should be 24,789,615 gallons (92,272,981 - 67,483,366). Based on all the subsequent information provided by Water Oak, staff determined that there are 50 general service customers during the test year as shown in Schedule No. 5 attached to the recommendation. Also, staff increased the test year bills to reflect the appropriate general service customers.

²⁹ Document No. 02857-2026, filed on May 13, 2026.

³⁰ Order Nos. PSC-02-1739-PAA-WS, issued in December 10, 2002, in Docket No. 020010-WS, *In re: Application for staff-assisted rate in Highlands County by the The Woodlands of Lake Placid, L.P.* and PSC-08-0548-PAA-WS, issued in August 19, 2008, *In re: Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd.*

³¹ *Id.*

To determine the appropriate test year operating revenues, staff applied the adjusted billing determinants to the Utility's current rates. As a result, staff determined test year operating revenues should be \$208,330. This results in an increase to test year operating revenues of \$17,196 (\$208,330 - \$191,134) in relation to the Utility's booked test year operating revenues and a \$40,275 (\$208,330 - \$168,055) increase to staff's prior recommendation for the test year operating revenues.

Based on the above, the appropriate test year operating revenues for Water Oak's water system are ~~\$168,055~~ \$208,330.

Issue 7: What is the appropriate amount of operating expense for Water Oak Utility?

Recommendation: The appropriate amount of operating expense for Water Oak is ~~\$323,271~~ \$325,473. (Cohn)

Staff Analysis: The Utility recorded an operating expense of \$342,547. The test year O&M expenses have been reviewed by staff, including invoices and other supporting documentation. Staff has made several adjustments to the Utility's operating expenses as described below.

Operation and Maintenance Expenses

Salaries and Wages – Employees (601)

The Utility recorded salaries and wages – employees expense of \$51,843, which included payroll tax. Staff reduced this account by \$3,669 to reclassify payroll taxes to Taxes Other Than Income. Therefore, staff recommends salaries and wages – employees expenses of \$48,174.

Purchased Power (615)

The Utility recorded a purchased power expense of \$13,574. Audit staff increased this amount by \$529 to correct a formula error in the Utility's supporting documentation. Additionally, staff decreased this account by ~~\$4,189~~ \$1,241 to reflect the ~~29.70~~ 8.8 percent EUW discussed in Issue 3. Staff's adjustments to purchased power result in a total decrease of ~~\$3,660~~ \$712. Therefore, staff recommends purchased power expenses of ~~\$9,914~~ \$12,862.

Chemicals (618)

The Utility recorded a chemicals expense of \$16,019. Staff decreased this amount by ~~\$4,758~~ \$1,410 to reflect the ~~29.70~~ 8.8 percent EUW discussed in Issue 3. Therefore, staff recommends a chemicals expense of ~~\$11,261~~ \$14,609.

Materials and Supplies (620)

The Utility recorded materials and supplies expense of \$294. Audit staff reduced this amount by \$60 due to a lack of supporting documentation. Therefore, staff recommends a materials and supplies expenses of \$234.

Contractual Services – Billing (630)

The Utility recorded contractual services – billing expense of \$10,785. Staff made no adjustments to this account. Therefore, staff recommends a contractual services – billing expense of \$10,785.

Contractual Services – Professional (631)

The Utility recorded contractual services – professional expense of \$95,324. Audit staff reduced this amount by \$15,870 to remove expenses related to the Utility's 2023 SARC. In addition, staff reduced this amount by \$8,574 to amortize non-reoccurring U.S. Environmental Protection Agency related expenses over five years pursuant to Rule 25-30.433(9), F.A.C. Staff's adjustments result in a total reduction to contractual services – professional of \$24,444. Therefore, staff recommends contractual services – professional of \$70,880.

Contractual Services – Testing (635)

The Utility recorded a contractual services – testing expense of \$3,629. Staff made no adjustments to this account. Therefore, staff recommends a contractual services – testing expense of \$3,629.

Contractual Services – Other (636)

The Utility recorded contractual services – other expense of \$24,421. Audit staff removed \$2,175 of non-recoverable wastewater-related expenses. Therefore, staff recommends contractual services – other expenses of \$22,246.

Regulatory Commission Expense (665)

The Utility did not record any rate case expense for the instant docket. The Utility is required by Rule 25-22.0407, F.A.C., to mail notices of the rate case overview, interim rates, final rates, and four-year rate reduction. Staff calculated noticing costs to be ~~\$4,471~~ \$4,589.

Under Section 367.0814(3), F.S., the Commission may allow rate case expense for attorney fees or fees of other outside consultants if such fees are incurred after the initial staff report. On February 17, 2026, the Utility filed documentation to support \$5,368 in additional rate case expense including actual legal expenses and consulting fees incurred to date and estimated through the end of the proposed agency action process.³² ~~Staff reviewed the supporting documentation and believes the Utility's requested rate case expense is reasonable.~~

On April 23, 2026, the Utility filed further documentation to support \$10,484 in additional rate case expense including actual legal expenses and consulting fees incurred to date and estimated expenses through the end of the proposed agency action process.³³ Staff reviewed the supporting documentation and believes the Utility's requested rate case expense totaling \$15,852 is reasonable.

Staff calculated the distance from the Utility representative's office in Orlando, Florida, to Tallahassee, Florida as 261 miles. Based on the 2026 Internal Revenue Service business mileage rate of \$0.725, staff calculated round trip travel and lodging expense to the Commission Conference of \$578.³⁴ However, because the same Utility representative ~~will be attending~~ attended the April 7, 2026 Commission Conference on behalf of this and two sister utilities, staff allocated only 33.3 percent of the total travel expense, or \$193, to Water Oak.

Due to the deferral of the docket to the June 2, 2026 Commission Conference, staff included an additional travel expense of \$506, for a total travel expense to both Commission Conferences of \$699. Additionally, the Utility paid a filing fee of \$1,000.

Staff recommends a total rate case expense, consisting of noticing costs, travel, lodging expenses and filing fee of ~~\$11,031~~ \$22,140, which amortized over four years is ~~\$2,758~~ \$5,535. Therefore, staff recommends total annual rate case expense of ~~\$2,758~~ \$5,535.

³² Document No. 01118-2026, filed on February 17, 2026.

³³ Document No. 02345-2026, filed on April 23, 2026.

³⁴ <https://www.irs.gov/newsroom/irs-sets-2026-business-standard-mileage-rate-at-725-cents-per-mile-up-25-cents> (last visited March 19, 2026).

Bad Debt Expense (670)

The Utility recorded \$0 of bad debt expense. Staff notes that it is Commission practice to calculate bad debt expense using a three-year average when the information is available.³⁵ In its three most-recent Annual Reports (2022, 2023, and 2024), the Utility recorded bad debt expenses of \$0 for all three years. In response to Staff's Third Data Request, the Utility confirmed that it recorded no bad debt and that any uncollectible accounts are handled and absorbed by the parent company.³⁶ Therefore, staff recommends a bad debt expense of \$0.

Miscellaneous Expenses (675)

The Utility recorded a miscellaneous expense of \$1,001. Staff made no adjustments to this account. Therefore, staff recommends a miscellaneous expense of \$1,001.

Operation and Maintenance (O&M) Expense Summary

The Utility recorded a test year O&M expense of \$216,890. Based on the above adjustments, staff recommends that O&M expenses be reduced by ~~\$36,008~~ \$26,935. This results in a total O&M expense of ~~\$180,882~~ \$189,955. Staff's recommended adjustments to O&M are shown on Schedule No. 3-C.

Depreciation Expense

The Utility recorded depreciation expense of \$107,275. Using the depreciation rates prescribed in Rule 25-30.140, F.A.C., audit staff decreased this amount by \$39. Staff increased depreciation expense by \$2,606 to reflect the additional depreciation expense resulting from the reclassification of \$70,365 of site work from land to Account 304 – Structures and Improvements. Additionally, staff increased this amount by \$2,977 to reflect the addition of pro forma items. Staff's adjustments result in an increase to depreciation expense of \$5,544. Therefore, staff recommends a depreciation expense of \$112,819.

Amortization of CIAC

The Utility recorded no CIAC amortization expense. However, as a result of the adjustments to CIAC discussed in Issue 4, staff recommends a CIAC amortization expense of \$6,421.

Taxes Other Than Income (TOTI)

The Utility recorded TOTI of \$18,382, which includes payroll tax, property tax, and regulatory assessment fees (RAF). Staff increased this amount by \$3,669 to reflect the reclassification of payroll tax expense that had been recorded to Account 601 – Salaries and Wages. In response to Staff's Fifth Data Request, the Utility stated that it paid \$4,297 in property taxes.³⁷ As such, staff decreased property taxes by \$5,484 to reflect the accurate property taxes the Utility paid in the test year. Additionally, staff increased TOTI by \$794 to reflect property taxes associated with pro forma plant additions.

³⁵ Order No. PSC-2025-0285-PAA-WU, issued July 22, 2025, in Docket No. 20240119-WU, *In re: Application for staff-assisted rate case in Polk County, by Alturas Water, LLC*; Order No. PSC-2025-0284-PAA-SU, issued July 22, 2025, in Docket No. 20250105-SU, *In re: Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC*.

³⁶ Document No. 15081-2025, filed November 14, 2025.

³⁷ Document No. 00833-2026, filed February 3, 2026.

Based on revenues discussed in Issue 6, TOTI should be increased by ~~\$1,039~~ \$774 to reflect a RAF rate of 4.5 percent applied to the change in test year revenues. As such, staff recommends the appropriate amount of test year RAFs are ~~\$7,562~~ \$9,375.

As discussed in Issue 9, staff recommends revenues be increased by ~~\$294,379~~ \$244,100 in order to reflect the change in revenue required to cover expenses and allow an opportunity to earn the recommended rate of return. As a result, TOTI should be increased by ~~\$13,247~~ \$10,985 to reflect RAFs of 4.5 percent of the change in revenues. Therefore, staff recommends a test year TOTI of ~~\$29,570~~ \$29,120.

Operating Expense Summary

The Utility recorded an operating expense of \$342,547. The application of staff's recommended adjustments to the Utility's operating expense results in a total operating expense of ~~\$323,271~~ \$325,473. Operating expenses are shown on Schedule No. 3-A, and the related adjustments are shown on Schedule No. 3-B.

Issue 8: Does Water Oak Utility meet the criteria for application of the operating ratio methodology?

Recommendation: No. Water Oak does not meet the criteria for application of the operating ratio methodology for calculating the revenue requirement. (Cohn)

Staff Analysis: Rule 25-30.4575(2), F.A.C., provides that, in rate cases processed under Rule 25-30.455, F.A.C., the Commission will use the operating ratio methodology to establish the Utility's revenue requirement when its rate base is not greater than 125 percent of O&M expenses, less regulatory commission expense, and the use of the operating ratio methodology does not change the Utility's qualification for a SARC.

With respect to Water Oak, staff has recommended a rate base of ~~\$1,635,857~~ \$1,492,390. After removal of rate case expense, staff has calculated an adjusted O&M expense of ~~\$178,124~~ \$184,420. Based on staff's recommended amounts, the Utility's rate base is ~~918.38~~ 809.23 percent of its adjusted O&M expense. Therefore, the Utility does not qualify for application of the operating ratio methodology.

Issue 9: What is the appropriate revenue requirement for Water Oak Utility?

Recommendation: The appropriate revenue requirement is ~~\$462,434~~ \$452,430, resulting in an annual increase of ~~\$294,379~~ \$244,100 (~~175.17~~ 117.17 percent). (Cohn)

Staff Analysis: Water Oak Utility should be allowed an annual increase of ~~\$294,379~~ \$244,100 (~~175.17~~ 117.17 percent). This should allow the Utility the opportunity to recover expenses and earn 8.51 percent return on its rate base. The calculations of revenue requirement are shown on Table 9-1 below.³⁸

**Table 9-1
 Water Revenue Requirement**

Water Rate Base	\$1,635,857
	<u>\$1,492,390</u>
Rate of Return	× 8.51%
Return on Rate Base	\$139,162
	<u>\$126,958</u>
Water O&M Expense	\$180,882
	<u>\$189,955</u>
Depreciation Expense	112,819
<u>Amortization</u>	<u>(6,421)</u>
Taxes Other Than Income	29,570
	<u>29,120</u>
Revenue Requirement	\$462,434
	<u>\$452,430</u>
Less Test Year Revenues	\$168,055
	<u>\$208,330</u>
Annual Increase	\$294,379
	<u>\$244,100</u>
Percent Increase	175.17%
	<u>117.17%</u>

Source: Staff calculations.

³⁸ Staff notes the calculations presented in Table 9-1 may not sum due to rounding.

Issue 10: What are the appropriate rate structure and rates for Water Oak Utility?

Recommendation: The recommended rate structure and monthly water rates are shown on Schedule No. 4. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given by affidavit within 10 days of the date of the notice. (Sibley)

Staff Analysis: Water Oak is located in Lake County within the St. Johns River Water Management District. The Utility provides water service to 1,265 residential customers and ~~46~~ 50 general service customers. A review of the billing data indicates approximately 13 percent of the residential customer bills during the test year had zero gallons, which reflects a non-seasonal customer base. The average residential water demand was 4,540 gallons per month during the test period. Currently, the rate structure for the residential class consists of a base facility charge (BFC) and a three-tier inclining block gallonage charge. The general service class consists of a BFC and uniform gallonage charge.

Staff performed an analysis of the Utility's billing in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select the rate design parameters that: (1) produce the recommended revenue requirement; (2) equitably distribute cost recovery among the Utility's customers; (3) establish the appropriate discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with Commission practice.

For this case, due to the non-seasonal customer base, staff recommends that 30 percent of the water revenues be generated from the BFC, which will provide sufficient revenues to design gallonage charges that will send the appropriate pricing signals to customers using above the non-discretionary level. The average number of people per household is 1.87;³⁹ therefore, based on the number of people per household, 50 gallons per day, per person, and the number of days per month, the discretionary usage threshold should be 3,000 gallons per month. Staff's review of the billing data indicates that discretionary usage above 3,000 gallons represents approximately 46 percent of the bills, which accounts for approximately 57 percent of water demand. This indicates that there is some high discretionary usage above 3,000 gallons.

Staff recommends a continuation of the three-tier inclining block rate structure which includes separate gallonage charges for non-discretionary and discretionary usage for residential water rates. Due to the fairly high usage above 3,000 gallons per month, staff believes that it is appropriate in this case to recommend rate factors of 1.50 in the second tier and 1.75 in the third tier because it will target those customers with higher levels of consumption. General service customers should continue to be billed a BFC and uniform gallonage charge

³⁹ Average persons per household may be found by following:
<https://data.census.gov/table/ACSDP5Y2023.DP02?q=Lady+Lake+town,+Florida+dp02> (last visited March 20, 2026).

Based on staff's recommended revenue increase of ~~175.17~~ 117.17 percent, the residential consumption can be expected to decline by ~~34,131,000~~ 22,116,000 gallons resulting in an anticipated average residential demand of ~~2,244~~ 3,052 gallons per month. Staff recommends a ~~50.6~~ 32.8 percent reduction in test year residential gallons for ratesetting purposes. As a result, the corresponding reductions for purchased power expense is ~~\$5,000~~ \$3,076, ~~\$5,680~~ \$3,494 for chemicals expense, and ~~\$503~~ \$310 for RAFs to reflect the anticipated repression, which results in a post repression revenue requirement of ~~\$451,251~~ \$445,551.

Furthermore, in its application, the Utility indicated a preference to implement rates in three phases, but "reserve[d] the right to implement full compensatory rates . . . in its sole discretion" In the staff report, staff concluded that a rate phase-in was not needed in this docket. Staff typically recommends phase-in rates when pro forma items have been requested but not completed, allowing for incremental increases upon completion. Pursuant to Section 367.081(1), "a utility may only charge rates and charges that have been approved by the [C]ommission," except as provided in Subsections (4) and (6). Those Subsections deal with price adjustment indices and the file-and-suspend provision, respectively. Therefore, the Utility may only charge the rates approved by the Commission unless otherwise expressly authorized by law.

Based on the above, staff's recommended rate structure and monthly water rates are shown on Schedule No. 4. For a residential customer using 6,000 gallons, the proposed monthly bill in the recommendation filed for the April 7, 2026 Commission Conference would have been \$75.30; as shown on Schedule No. 4, the bill under the revised staff recommended rates would be \$35.16, a reduction of \$40.14. Additional bill comparisons are shown on Schedule No. 4. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given by affidavit within 10 days of the date of the notice.

Issue 11: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Water Oak should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and or pass-through increase and the reduction in the rates due to the amortized rate case expense. (Cohn)

Staff Analysis: Section 367.081(8), F.S., requires that the rates be reduced by the amount of the rate case expense previously included in rates immediately following the expiration of the recovery period. The reduction will reflect the removal of revenue associated with the amortization of rate case expense and the gross-up for RAFs. The total reduction is ~~\$2,888~~ \$5,796.

Staff recommends that the rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Water Oak should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index, or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

Issue 12: Should the recommended rates be approved for Water Oak Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Water Oak should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed below in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. (Cohn)

Staff Analysis: This recommendation proposes an increase in rates. A timely protest might delay a rate increase resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the Utility, staff recommends that the proposed rates be approved on a temporary basis. Water Oak should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and it has been received by the customers. The additional revenue produced by staff's recommended rates and collected by the Utility should be subject to the refund provisions discussed below.

Water Oak should be authorized to initiate the temporary rates upon staff's approval of an appropriate security for the potential refund and cost of the proposed customer notice. Security should be in the form of either a bond or letter of credit in the amount of ~~\$201,015~~ \$166,683. Alternatively, the Utility may establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond for securing the potential refund, the bond should contain wording to the effect that it will be terminated only under the following conditions:

1. The Commission approves the rate increase; or,
2. If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

If the Utility chooses a letter of credit for securing the potential refund, the letter of credit should contain the following conditions:

1. The letter of credit is irrevocable for the period it is in effect.
2. The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions should be part of the agreement:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.
2. No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee.
3. The escrow account shall be an interest bearing account.
4. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
5. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility.
6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
8. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to *Cosentino v. Elson*, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
9. The account must specify by whom and on whose behalf such monies were paid.

In no instance should the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and should be borne by, the Utility. Irrespective of the form of security chosen by the Utility, an account of all monies received as a result of the rate increase should be maintained by the Utility. If a refund is ultimately required, it should be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

The Utility should maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission Clerk's office no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

Issue 13: Should Water Oak Utility be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable NARUC USOA?

Recommendation: Yes. Water Oak should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. The Utility should submit a letter within 90 days of the Commission's final order in this docket, confirming that the adjustments to all applicable National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts (USOA) primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline requesting an extension. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days. (Cohn)

Staff Analysis: Water Oak should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. The Utility should submit a letter within 90 days of the Commission's final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline requesting an extension. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

Issue 14: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the proposed agency action order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff, and that the Utility submitted its letter confirming all adjustments to applicable NARUC USOA primary accounts were made. Once these actions are complete, this docket should be closed administratively. (Marquez)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the proposed agency action order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff, and that the Utility submitted its letter confirming all adjustments to applicable NARUC USOA primary accounts were made. Once these actions are complete, this docket should be closed administratively.

SUN COMMUNITIES FINANCE, LLC D/B/A WATER OAK UTILITY		SCHEDULE NO. 1-A	
TEST YEAR ENDED 12/31/2024		DOCKET NO. 20250088-WU	
SCHEDULE OF WATER RATE BASE			
DESCRIPTION	BALANCE PER UTILITY	STAFF ADJUST.	BALANCE PER STAFF
1. UTILITY PLANT IN SERVICE	\$2,925,041	(\$447,693)	\$2,477,349
2. LAND & LAND RIGHTS	73,415	(70,365)	3,050
3. ACCUMULATED DEPRECIATION	(1,092,623)	225,816	(866,807)
4. CIAC	(174,916)	0 <u>(103,929)</u>	(174,916) <u>(278,845)</u>
5. ACCUMULATED AMORTIZATION OF CIAC	174,916	0 <u>(40,325)</u>	174,916 <u>134,591</u>
6. WORKING CAPITAL ALLOWANCE	<u>\$0</u>	<u>\$22,266</u> <u>\$23,052</u>	<u>\$22,266</u> <u>\$23,052</u>
WATER RATE BASE	<u>\$1,905,833</u>	<u>(269,976)</u> <u>(\$413,443)</u>	<u>\$1,635,857</u> <u>\$1,492,390</u>

**SUN COMMUNITIES FINANCE, LLC D/B/A WATER
 OAK UTILITY**

**SCHEDULE NO. 1-B
 DOCKET NO. 20250088-
 WU**

**TEST YEAR ENDED 12/31/2024
 ADJUSTMENTS TO RATE BASE**

WATER

UTILITY PLANT IN SERVICE

1. To reclassify plant additions from Land Account.	\$70,365
2. To reflect averaging adjustments.	(570,871)
3. To reflect pro forma additions.	211,254
4. To reflect pro forma retirements.	(158,441)
Total	<u>(\$447,693)</u>

LAND & LAND RIGHTS

1. To reflect an auditing adjustment.	(\$70,365)
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ACCUMULATED DEPRECIATION

1. To reflect auditing adjustments.	\$11,585
2. To reflect a staff adjustment.	(1,302)
3. To reflect an averaging adjustment.	60,070
4. To reflect pro forma adjustments.	<u>155,463</u>
Total	<u>\$225,816</u>

CIAC

1. <u>To reflect an staff adjustment.</u>	<u>(\$103,929)</u>
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ACCUMULATED AMORTIZATION OF CIAC

1. <u>To reflect an staff adjustment</u>	<u>(\$40,325)</u>
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WORKING CAPITAL ALLOWANCE

To reflect 1/8 of test year O&M expenses.	<u>\$22,266</u> <u>\$23,052</u>
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SUN COMMUNITIES FINANCE, LLC D/B/A WATER OAK UTILITY TEST YEAR ENDED 12/31/2024 SCHEDULE OF CAPITAL STRUCTURE					SCHEDULE NO. 2 DOCKET NO. 20250088-WU	
CAPITAL COMPONENT	PER UTILITY	ADJUST-MENTS	BALANCE PER STAFF	PERCENT OF TOTAL	COST	WEIGHTED COST
1. COMMON EQUITY	<u>\$1,905,833</u>	(\$269,976)	<u>\$1,635,857</u>	<u>100.00%</u>	<u>8.51%</u>	<u>8.51%</u>
		(\$413,443)	<u>\$1,492,390</u>			
TOTAL CAPITAL	<u>\$1,905,833</u>	(\$269,976)	<u>\$1,635,857</u>	<u>100.00%</u>	<u>8.51%</u>	<u>8.51%</u>
		(\$413,443)	<u>\$1,492,390</u>			
		<u>RANGE OF REASONABLENESS</u>			<u>LOW</u>	<u>HIGH</u>
			RETURN ON EQUITY		7.51%	9.51%
			OVERALL RATE OF RETURN		7.51%	9.51%

SUN COMMUNITIES FINANCE, LLC D/B/A WATER OAK UTILITY TEST YEAR ENDED 12/31/2024 SCHEDULE OF WATER OPERATING INCOME				SCHEDULE NO. 3-A DOCKET NO. 20250088-WU	
	TEST YEAR PER UTILITY	STAFF ADJUST- MENTS	STAFF ADJUSTED TEST YEAR	ADJUST FOR INCREASE	REVENUE REQUIREMENT
1. TOTAL OPERATING REVENUES	<u>\$191,134</u>	<u>\$17,196</u>	<u>\$208,330</u>	<u>\$244,100</u> 117.17%	<u>\$452,430</u>
		(\$23,079)	\$168,055	\$294,379 175.17%	\$462,434
OPERATING EXPENSES:					
2. OPERATION & MAINTENANCE	<u>\$216,890</u>	(\$26,935)	<u>\$189,955</u>		<u>\$189,955</u>
		(\$36,008)	\$180,882		\$180,882
3. DEPRECIATION (NET)	107,275	5,544	112,819		112,819
4. <u>AMORTIZATION</u>	<u>0</u>	(6,421)	(6,421)		(6,421)
5. TAXES OTHER THAN INCOME	<u>18,382</u>	(247)	<u>18,135</u>	<u>10,985</u>	<u>29,120</u>
		(2,059)	16,323	13,247	29,570
TOTAL OPERATING EXPENSES	<u>\$342,547</u>	(\$28,059)	<u>\$314,488</u>	<u>\$10,985</u>	<u>\$325,473</u>
		(32,523)	\$310,024	\$13,247	\$323,271
6. OPERATING INCOME / (LOSS)	(\$151,413)		(\$141,969)		<u>\$139,162</u>
			(\$106,158)		\$126,958
7. WATER RATE BASE	\$1,905,833	(\$413,443)	<u>\$1,492,390</u>		<u>\$1,492,390</u>
		(\$269,976)	\$1,635,857		\$1,635,857
8. RATE OF RETURN					8.51%

**SUN COMMUNITIES FINANCE, LLC D/B/A WATER OAK
 UTILITY
 TEST YEAR ENDED 12/31/2024
 ADJUSTMENTS TO OPERATING INCOME**

**SCHEDULE 3-B
 DOCKET NO. 20250088-WU**

WATER

OPERATING REVENUES

1.	To reflect an auditing adjustment to Service Revenues.	(\$23,571)
<u>2.</u>	<u>To reflect the appropriate test year Service Revenues.</u>	<u>40,767</u>
		<u>\$23,571</u>
	Total	<u>\$17,196</u>

OPERATION AND MAINTENANCE EXPENSE

1.	Salaries and Wages - Employees (601 / 701) To reflect reclassification of payroll taxes to TOTL.	(\$3,669)
2.	Purchased Power (615 / 715)	
	a. To reflect an auditing adjustment.	\$529
	b. To reflect EUW and I&I adjustment.	(4,189) <u>(1,241)</u>
	Subtotal	(\$3,660) <u>(\$712)</u>
3.	Chemicals Expense (618 / 718) To reflect EUW and I&I adjustment.	(\$4,758) <u>(\$1,410)</u>
4.	Materials and Supplies (620 / 720) To reflect an auditing adjustment.	(\$60)
5.	Contractual Services - Professional (631 / 731)	
	a. To reflect an auditing adjustment.	(\$15,870)
	b. To reflect amortization of EPA costs over a 5-year period.	<u>(8,574)</u>
	Subtotal	<u>(\$24,444)</u>
6.	Contractual Services - Other (636 / 736) To reflect an auditing adjustment.	(\$2,175)
7.	Rate Case Expense (665 / 765) To reflect 1/4 rate case expense.	\$2,758 <u>\$5,535</u>
	TOTAL OPERATION AND MAINTENANCE ADJUSTMENTS	(\$36,008) <u>(\$26,935)</u>

DEPRECIATION EXPENSE

1.	To reflect an auditing adjustment.	(\$39)
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SUN COMMUNITIES FINANCE, LLC D/B/A WATER OAK UTILITY		SCHEDULE 3-B
TEST YEAR ENDED 12/31/2024		DOCKET NO. 20250088-WU
ADJUSTMENTS TO OPERATING INCOME		
2.	To reflect a staff adjustment.	2,606
3.	To reflect pro forma additions.	<u>2,977</u>
	Total	<u>\$5,544</u>
<u>AMORTIZATION EXPENSE</u>		
1.	<u>To reflect a staff adjustment.</u>	<u>(\$6,421)</u>
TAXES OTHER THAN INCOME		
1.	To reflect the reclassification of payroll taxes.	\$3,669
2.	To reflect appropriate test year property tax expense.	(5,484)
3.	To reflect appropriate test year RAFs.	(1,039) <u>774</u>
4.	To reflect revenue requirement RAFs.	13,247 <u>10,985</u>
5.	To reflect property taxes associated with pro forma plant additions.	<u>794</u>
	Total	\$11,187 <u>\$10,738</u>
 TOTAL OPERATING EXPENSE ADJUSTMENTS		 (\$19,276) <u>(\$17,073)</u>

SUN COMMUNITIES FINANCE, LLC D/B/A WATER OAK UTILITY		SCHEDULE NO. 3-C		
TEST YEAR ENDED 12/31/2024		DOCKET NO. 20250088-WU		
ANALYSIS OF WATER O&M EXPENSE				
ACCT. #	DESCRIPTION	TOTAL PER UTILITY	STAFF ADJUST- MENT	TOTAL PER STAFF
601	Salaries and Wages - Employees	\$51,843	(\$3,669)	\$48,174
			(3,660)	<u>9,914</u>
615	Purchased Power	13,574	(712)	<u>12,862</u>
			(4,758)	11,261
618	Chemicals	16,019	(1,410)	<u>14,609</u>
620	Materials and Supplies	294	(60)	234
630	Contractual Services - Billing	10,785	0	10,785
631	Contractual Services - Professional	95,324	(24,444)	70,880
635	Contractual Services - Testing	3,629	0	3,629
636	Contractual Services - Other	24,421	(2,175)	22,246
			<u>2,758</u>	<u>2,758</u>
665	Rate Case Expense	0	<u>5,535</u>	<u>5,535</u>
670	Bad Debt Expense	0	0	0
675	Miscellaneous Expenses	<u>1,001</u>	<u>0</u>	<u>1,001</u>
			(\$36,008)	\$180,882
	Total O&M Expense	<u>\$216,890</u>	<u>(\$26,935)</u>	<u>\$189,955</u>
				<u>\$22,266</u>
	Working Capital is 1/8 of O&M Less RCE			<u>\$23,052</u>

SUN COMMUNITIES FINANCE, LLC D/B/A WATER OAK UTILITY		SCHEDULE NO. 4	
TEST YEAR ENDED DECEMBER 31, 2024		DOCKET NO. 20250088-WU	
MONTHLY WATER RATES			
	UTILITY CURRENT RATES	STAFF RECOMMENDED RATES	4-YEAR RATE REDUCTION
<u>Residential & General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$5.74	\$8.94 \$7.80	\$0.06 \$0.10
3/4"	\$8.61	\$13.41 \$11.70	\$0.09 \$0.15
1"	\$14.35	\$22.35 \$19.50	\$0.14 \$0.25
1-1/2"	\$28.70	\$44.70 \$39.00	\$0.29 \$0.51
2"	\$45.92	\$71.52 \$62.40	\$0.46 \$0.81
3"	\$91.84	\$143.04 \$124.80	\$0.92 \$1.62
4"	\$143.50	\$223.50 \$195.00	\$1.43 \$2.54
6"	\$287.00	\$447.00 \$390.00	\$2.86 \$5.07
Charge per 1,000 gallons - Residential Service			
0 - 3,000 gallons	\$1.07	\$8.85 \$3.65	\$0.06 \$0.05
3,001 - 6,000 gallons	\$1.11	\$13.27 \$5.47	\$0.08 \$0.07
Over 6,000 gallons	\$1.43	\$15.49 \$6.38	\$0.10 \$0.08
Charge per 1,000 gallons - General Service	\$1.17	\$9.42 \$4.45	\$0.06
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
3,000 Gallons	\$8.95	\$35.49 \$18.75	-
6,000 Gallons	\$12.28	\$75.30 \$35.16	-
8,000 Gallons	\$15.14	\$106.28 \$47.92	-

NUMBER OF GENERAL SERVICE CUSTOMERS DURING THE TEST YEAR				
ACCOUNT	LOCATION	CUSTOMER	METER	
NUMBER		TYPE	SIZE	
1	<u>9001 A</u>	<u>Guard Shack</u>	<u>Potable</u>	<u>5/8" x 3/4"</u>
2	<u>9010</u>	<u>Administration Office - 216 Magnolia</u>	<u>Potable</u>	<u>5/8" x 3/4"</u>
3	<u>9011</u>	<u>Old Office - 106 Evergreen</u>	<u>Potable</u>	<u>5/8" x 3/4"</u>
4	<u>9016</u>	<u>Park Maintenance Shop</u>	<u>Potable</u>	<u>5/8" x 3/4"</u>
5	<u>1885-001624</u>	<u>409 Fowler Lane - Bathroom</u>	<u>Potable</u>	<u>5/8" x 3/4"</u>
6	<u>9009 A</u>	<u>Ball Park Bathrooms</u>	<u>Potable</u>	<u>1"</u>
7	<u>9005 A</u>	<u>MCH - Right of Lobby</u>	<u>Potable</u>	<u>1 1/2"</u>
8	<u>9005 C</u>	<u>MCH - Bath Houses</u>	<u>Potable</u>	<u>1/12"</u>
9	<u>9003 A</u>	<u>Pro Shop/Restaurant</u>	<u>Potable</u>	<u>2"</u>
10	<u>9004</u>	<u>Satellite Clubhouse - 814 E. Norman</u>	<u>Potable</u>	<u>2"</u>
11	<u>9005 D</u>	<u>MCH - Kitchen</u>	<u>Potable</u>	<u>2"</u>
12		<u>Swimming Pool</u>	<u>Potable</u>	<u>2"</u>
13	<u>9004 A</u>	<u>Satellite Clubhouse</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
14	<u>9010 A</u>	<u>Administration Office</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
15	<u>9010 B</u>	<u>Administration Office</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
16	<u>9011 B</u>	<u>Old Office Front - 216 Magnolia</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
17	<u>9013</u>	<u>Back Gate East</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
18	<u>9014</u>	<u>Back Gate West</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
19	<u>9015</u>	<u>Water Oak Blvd.</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
20	<u>9018</u>	<u>Lift Station 2</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
21	<u>9019</u>	<u>Palmer Mail Center</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
22	<u>9017</u>	<u>Sewer Plant</u>	<u>Irrigation</u>	<u>1"</u>
23	<u>9022</u>	<u>Willow Way</u>	<u>Irrigation</u>	<u>1 1/2"</u>
24	<u>9005 B</u>	<u>MCH - Pool Pump Room</u>	<u>Irrigation</u>	<u>1 1/2"</u>
25	<u>9001</u>	<u>Front Entrance</u>	<u>Irrigation</u>	<u>2"</u>
26	<u>9002</u>	<u>Front Entrance</u>	<u>Irrigation</u>	<u>2"</u>
27	<u>9006</u>	<u>Main Clubhouse</u>	<u>Irrigation</u>	<u>2"</u>
28	<u>9020</u>	<u>Tennis Courts</u>	<u>Irrigation</u>	<u>2"</u>
29	<u>9021</u>	<u>Water Oak Blvd.</u>	<u>Irrigation</u>	<u>2"</u>
30	<u>9006</u>	<u>Main Clubhouse</u>	<u>Irrigation</u>	<u>2"</u>
31	<u>9007</u>	<u>Water Oak Blvd.</u>	<u>Irrigation</u>	<u>2"</u>
32	<u>9008</u>	<u>Water Oak Blvd.</u>	<u>Irrigation</u>	<u>2"</u>
33	<u>9009</u>	<u>Ball Park</u>	<u>Irrigation</u>	<u>2"</u>
34	<u>9012</u>	<u>Front Entrance</u>	<u>Irrigation</u>	<u>2"</u>
35	<u>9005</u>	<u>Main Clubhouse - 415 Water Oak</u>	<u>Irrigation</u>	<u>3"</u>
36	<u>11</u>	<u>225 Sakura Ct (Residential)</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
37	<u>1885-000132</u>	<u>123 Willow Way</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
38	<u>1885-000180</u>	<u>116 Evergreen Lane</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
39	<u>1885-000259</u>	<u>210 Birch St.</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
40	<u>1885-000292</u>	<u>637 Hickory Hill</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
41	<u>1885-000864</u>	<u>207 Littler Lane</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
42	<u>1885-001287</u>	<u>905 Nelson Lane</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
43	<u>1885-001623</u>	<u>402 Palmer Dr.</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
44	<u>2985</u>	<u>530 Rahm Way</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
45	<u>2987</u>	<u>797 Zacharias Ct</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
46	<u>3006</u>	<u>801 Stewart Dr</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
47	<u>3014</u>	<u>879 Stewart Dr</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
48	<u>3027</u>	<u>816 Stewart Dr</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
49	<u>3029</u>	<u>806 Stewart Dr</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>
50	<u>1885-001625</u>	<u>409 Fowler Lane</u>	<u>Irrigation</u>	<u>5/8" x 3/4"</u>