

Pluris-Wedgefield, LLC Acquisition
District 5 Update
July 22, 2019

Background

- Apr-16 Orange County EPD conducts water sampling event at Wedgefield
Orange County releases frequently asked questions document
- Jun-16 Pluris-Wedgefield, LLC (Pluris) releases action plan for Total Trihalomethanes (TTHM) and Haloacetic Acid (HAA) reduction
Florida DEP holds open house at Wedgefield
OCU prepares customer impact analysis for multiple acquisition cost scenarios
- Aug-16 OCU staff, District 5 Commissioner meet with Wedgefield HOA's to review steps required to consider acquisition
- Sep-16 Wedgefield HOA's hold first of multiple community meetings to gauge community wide interest in pursuing acquisition
- Oct-16 Wedgefield HOA's formally requests BCC to begin negotiations and due diligence for acquisition of Pluris-Wedgefield, Inc.
- Nov-16 District 5 discussion item at BCC - Decision to schedule BCC work session in early 2017
- Jan-17 Wedgefield Utility Acquisition discussion at BCC - outlined next steps to include Community Education & Engagement, Acquisition Process, and Final Community Balloting
- Aug-18 RFP Issued for Opinion of Value for Pluris-Wedgefield, Inc. Water and Wastewater System
- Oct-18 RFP Y19-801-TA, Opinion of Value for Pluris-Wedgefield, Inc. Water and Wastewater System awarded to Hartman Consultants, LLC
- May-19 Opinion of Value for Pluris-Wedgefield, Inc. Water and Wastewater System completed
- Pluris provides water and wastewater services to approximately 1,765 parcels
 - Rates regulated by the Florida Public Service Commission (PSC), operations and water quality regulated by Florida DEP
 - PSC approved return on equity is 8.3%
 - Residents voiced the following concerns:
 - Water Quality
 - Water Aesthetics
 - High Rates
 - Pluris rates are over 154% higher than OCU rates
 - OCU (\$52.11) vs. Pluris (\$132.60) @ 5,000 gallons
 - Lack of Responsive Customer Service
 - Lack of Confidence in PSC
 - Wedgefield HOA's collected over 1,200 affirmative non-binding letters of interest for OCU to investigate acquisition

Approach / Initial Costs

- Phase I – Preliminary Value Consulting – *Completed* / \$53,000
- Phase II – Initial Approach & Negotiations - \$31,000
- Phase III – Uniform Standards of Professional Appraisal Practice Appraisal - \$68,000

- Phase IV – Community Presentation, MSBU Balloting/Voting - \$18,000
- Phase V – Acquisition Implementation - \$37,000
 - Total Initial Costs All Phases - \$207,000

Consultant Phase I Findings

- Opinion of Value using three (3) approaches of Cost, Income, and Comparable Sales

Approach	Range	Weighting	Weighted Result
Cost	\$20,300,000	65%	\$13,200,000
Income	\$15,700,000 to \$17,800,000	25%	\$4,200,000
Comparable Sales	\$15,900,000 to \$16,700,000	10%	\$1,600,000

Phase I Value Consulting Maximum Price

\$19,000,000

- Preliminary Costs of Acquisition – assuming \$18.5M purchase price

Description	Estimate
Purchase Price	\$ 18,500,000
Transactional Cost*	\$ 350,000
Financing Cost	\$ 420,000
Renewal & Replacement Fund	\$ 1,000,000
Rate Stabilization Fund	\$ 250,000
Transitional Cost	\$ 150,000
Working Capital	\$ 310,000
Five (5) Year CIP	\$ 3,320,000
Deferred Maintenance	\$ 200,000
Debt Service Reserve Fund	\$ 1,200,000
Total Amount	\$ 25,700,000
* \$207,000 for Phase I-V initial costs are included here	

- Acquisition is not financially feasible without MSBU and/or subsidy
 - Recover costs via twenty (20) year MSBU for 1,765 parcel owners
 - Could seek grants or other supplemental funding options

NOTICE TO CUSTOMERS

Pursuant to Section 367.081(4)(a), Florida Statutes, water and wastewater utilities are permitted to adjust the rates and charges to its customers without those customers bearing the additional expense of a public hearing. These adjustments in rates would depend on increases or decreases in noncontrollable expenses subject to inflationary pressures such as chemicals, and other general operation and maintenance costs.

On April 23, 2019, Pluris Wedgefield, LLC filed its notice of intention with the Florida Public Service Commission to increase water and wastewater rates in Orange County pursuant to this Statute. The filing is subject to review by the Commission Staff for accuracy and completeness. Water rates will increase by approximately 1.39% and wastewater rates by 1.50%. These rates should be reflected for service rendered on or after June 22, 2019.

Pluris Wedgefield, LLC

WEDGEFIELD UTILITIES, INC.
Schedule of Approved Water Rates

<u>Residential, General Service and Irrigation</u>	<u>Rates Prior to Filing</u>	<u>Commission Approved Final Rates</u>
Base Facility Charge by Meter Size:		
5/8" x 3/4"	\$21.12	\$23.15
3/4"	\$31.74	\$34.73
1"	\$52.92	\$57.88
1 1/2"	\$105.41	\$115.75
2"	\$169.30	\$185.20
3"	\$241.48	\$370.40
4"	\$377.34	\$578.75
6"	\$754.69	\$1,157.50
<u>Gallonage Charge</u> – Residential (per 1,000 gallons) 0 – 5,000 gallons	\$2.19	\$4.00
5001 – 10,000 gallons	\$2.19	\$5.00
Over 10,000 gallons	\$2.19	\$8.01
<u>Gallonage Charge</u> – General Service (per 1,000 gallons)	2.19	\$4.97

Schedule of Approved Miscellaneous Service Charges				
Type of Charge	Present Charge		Commission Approved Charge	
	During Business Hours	After Business Hours	During Business Hours	After Business Hours
Initial Connection	\$10.00	\$15.00	\$21.00	\$42.00
Normal Reconnection	\$10.00	\$15.00	\$21.00	\$42.00
Violation Reconnection	\$10.00	\$15.00	\$21.00	\$42.00
Premises Visit (in lieu of disconnection)	\$5.00	\$5.00	N/A	N/A
Premises Visit	N/A	N/A	\$21.00	\$42.00

BEFORE THE PUBLIC SERVICE COMMISSION
NOTICE OF PROPOSED RATE INCREASE
TO THE CUSTOMERS OF PLURIS WEDGEFIELD, INC.

AND

ALL OTHER INTERESTED PERSONS

RE: DOCKET NO. 20170166-WS

APPLICATION FOR A LIMITED PROCEEDING RATE INCREASE IN
ORANGE COUNTY BY PLURIS WEDGEFIELD, INC.

Issued: October 18, 2017

Notice is hereby given, pursuant to Rule 25-30.446, Florida Administrative Code, that Pluris Wedgefield, Inc. has filed a petition for a water and wastewater limited proceeding rate increase with the Florida Public Service Commission. The general reasons for the requested increase is to (1) recover the cost associated with installing AMI water meters; (2) to recover the cost associated with a wastewater main replacement; (3) to recover the cost associated with the construction of a maintenance building at the water plant site; and (4) to recover the cost associated with the installation of water softening equipment.

Copies of the petition, and minimum filing requirements are available for inspection at the following locations:

Pluris Wedgefield, Inc. 20449 Mansfield Street Orlando, FL, 32833	Office Hours: Monday through Friday 9:00 a.m. to 4:00 p.m.
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The current and proposed rates are as follows:

SCHEDULE OF PRESENT AND WATER PROPOSED RATES

	Present Rates	Utility Proposed Rates
<u>Residential, Irrigation and</u>		
<u>General Service</u>		
Base Facility Charge By Meter Size		
5/8" x 3/4"	\$24.71	\$28.34
3/4"	\$37.08	\$42.53
1"	\$61.79	\$70.87
1 1/2"	\$123.58	\$141.75
2"	\$197.74	\$226.81
3"	\$395.48	\$453.61
4"	\$617.92	\$708.75
6"	\$1,235.86	\$1,417.53
Charge per 1,000 gallons - Residential		
0 – 5,000 gallons	\$7.79	\$8.94
5,001 – 10,000 gallons	\$9.68	\$11.10
Over 10,000 gallons	\$14.52	\$16.65
Charge per 1,000 gallons – Multi-Residential, Bulk and General Service		
	\$8.79	\$10.08

SCHEDULE OF PRESENT AND WASTEWATER PROPOSED RATES

	Present Rates	Utility Proposed Rates
<u>Residential Service</u> – All meter sizes	\$29.01	\$30.87
<u>General Service</u>		
Base Facility Charge By Meter Size		
5/8" x 3/4"	\$29.01	\$30.87
3/4"	\$43.52	\$46.30
1"	\$72.55	\$77.19
1 1/2"	\$145.07	\$154.35
2"	\$232.11	\$249.96
3"	\$464.22	\$493.93
4"	\$725.35	\$771.77
6"	\$1,450.71	\$1,543.54

Charge per 1,000 gallons - Residential 8,000 gallon cap	\$4.24	\$4.51
Charge per 1,000 gallons -General Service	\$5.08	\$5.41

Any person who wishes to comment or provide information to Commission Staff may do so at the meetings, either orally or in writing. Other written comments regarding the Utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Florida Public Service Commission
Director, Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

All correspondence should refer to "Docket No. 20170166-WS, Pluris Wedgefield, Inc." Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission's toll-free facsimile line at 1-800-511-0809, or the Commission's website available at <http://www.floridapsc.com/ConsumerAssistance/ComplaintForm>.

If you wish to contact the Florida Public Service Commission regarding complaints about service, you may call the Commission's Division of Consumer Assistance and Outreach at the following toll-free number 1-800-342-3552.

This notice was prepared by the Utility and approved by Commission staff for distribution by the Utility to its customers. If you have any questions, please call the Utility's office at 1-888-758-7471.

January 18, 2013

The Honorable Rick Scott
Governor
State of Florida
The Capitol
400 S. Monroe Street
Tallahassee, FL 32399-0001

SUBJECT: Pluris Wedgefield, Inc., PSC Docket #120152 WS

Dear Governor Scott:

On December 5, 2012, a member of my staff attended a public hearing in the Wedgefield community of Orange County hosted by the Public Service Commission (PSC). The purpose of the meeting was to obtain customer comments and input as they related to a proposed water and wastewater utility rate increase sought by the utility provider, Pluris Wedgefield, Inc., under PSC Docket #120152 WS. Based on reports to me from my staff, the citizens are infuriated by the notion that this utility provider would seek a second rate increase in a matter of four years – all to pay for water which is, according to them, of extremely poor quality and undrinkable.

This raised several questions for me and I wanted to bring their concerns to your attention. Therefore, I am writing seeking your assistance on behalf of the approximately 7,500 Wedgefield residents I represent. Below, I have outlined issues raised during the PSC's public hearing by residents in the community:

- Pluris Wedgefield purchased the utility serving the community in November 2009.
- During testimony at the December 5th meeting, residents complained of poor water quality, poor customer service, an aged and improperly maintained infrastructure, as well as a host of other issues related to their water and the rates they pay.
- Since September 20th, they have experienced five water outages resulting in multiple boil water alerts.
- Wedgefield residents already pay some of the highest rates for water and wastewater services in the state. They testified that their average bills are in the neighborhood of \$150 per month.

- Costs for water are compounded by the fact that, according to citizens' testimonies, they do not feel safe drinking the water and must buy bottled water for most all of their daily water needs.
- There are myriad other complaints from the residents about Pluris Wedgefield.

After hearing from the residents, they are exasperated in feeling as though they are being held hostage by constantly escalating rates of this private utility company. They have sought the assistance of their elected officials to combat this latest effort and I am compelled to advocate on their behalf because they feel they are voiceless against the PSC and in their plight. The President of the homeowners association recently appeared before the Orange County Legislative Delegation seeking their intervention in this matter. Therefore, I would ask that you direct your staff to review this matter independent of what the PSC staff's investigation has pertained to. I am seeking your support for the Wedgefield residents and encourage your staff to contact them to learn more about this matter which would be necessary for your office to formulate a position on the matter.

On behalf of the Wedgefield residents, thank you for your assistance in this matter and I look forward to their opportunity to fairly and openly discuss this serious matter. If you have any additional questions on this issue, please do not hesitate to contact me.

Sincerely,

Teresa Jacobs

Cc: The Honorable Ted Edwards, Orange County Commissioner, District 5
The Honorable Ronald A. Brise', Chairman, Florida Public Service Commission
The Honorable Eduardo E. Balbis, Florida Public Service Commissioner
The Honorable Julie Imanuel Brown, Florida Public Service Commissioner
The Honorable Lisa Polak Edgar, Florida Public Service Commissioner
The Honorable Art Graham, Florida Public Service Commissioner
Mr. Rich Mehochko, President, Wedgefield Homeowners Association
Mr. Ajit Lalchandani, County Administrator, Orange County Government

FW: Wedgefield community

Teresa.Jacobs@ocfl.net <Teresa.Jacobs@ocfl.net>

Wed 10/17/2012 6:27 PM

To: rick.scott@eog.myflorida.com <rick.scott@eog.myflorida.com>

Cc: lulu2u@msn.com <lulu2u@msn.com>; russ.abrams@eog.myflorida.com <russ.abrams@eog.myflorida.com>; Charles.Smith@ocfl.net <Charles.Smith@ocfl.net>

Dear Governor Scott,

My office has received concerns from residents living in the Wedgefield community in West Orange County regarding the water rates they are paying to a private, water utility serving their community. The utility is Pluris and, due to the fact that they are a private company, they are not governed or regulated by any local jurisdiction but, rather by the Public Service Commission. The residents have sought relief and/or an audience with the PSC but, feel as though their voices are not being heard which is why they have reached out and sought assistance through my office.

As you will see below, my staff has conveyed the limitations on our ability to intervene. Therefore, I wanted to forward their concerns on to you to ask if your office may be able to offer any assistance in this very important matter.

Sincerely,

Teresa

TERESA JACOBS

MAYOR, ORANGE COUNTY GOVERNMENT

P.O. Box 1393

ORLANDO, FL 32802-1393

(407) 836-7037 PHONE

(407) 836-7360 FAX



PLEASE NOTE: Florida has a very broad public records law (F. S. 119).

All e-mails to and from County Officials are kept as a public record.

Your e-mail communications, including your e-mail address may be disclosed to the public and media at any time.

From: Smith, Chase [mailto:Charles.Smith@ocfl.net]

Sent: Wednesday, October 17, 2012 8:57 AM

To: 'LuAnn Nemeth'

Cc: Rummel, Lynette

Subject: RE: Wedgefield community

Good morning, Ms. Nemeth,

I can certainly understand your frustration, as well as the frustration of all your neighbors. Which is why I wish there was more we could do regarding Pluris.

The Public Service Commission was established by the Florida Legislature and the commissioners are appointed by the Governor. I would definitely encourage you to contact either Governor Scott's office or the PSC commissioners themselves. I'm sure you've already been to the PSC website but, I wanted to provide you with a link directly to the commissioners' page just in case. <http://www.psc.state.fl.us/about/commissioners/index.aspx>. On each commissioner's page, their email address as well as office phone numbers are listed for citizens to be able to utilize to contact them. Like Mayor Jacobs and Commissioner Edwards, they are public servants and are responsible for representing the citizens of Orange County and Florida. I would definitely encourage you to reach out to them and express your concerns and frustrations with them.

With regard to your request to have Commissioner Edwards attend your December 5th meeting, I have copied his office on this email so they are aware of your request and am certain either Lynette or Dana will be back in touch. Again, thank you for contacting Mayor Jacobs' office and I appreciate your understanding of the limitations under which we are constrained in this particular matter. If there is anything with which we can ever offer our assistance on a matter should it relate to Orange County Government, please do not hesitate to contact us and we'll be happy to do what we can.

Sincerely,

Chase

CHASE SMITH
ORANGE COUNTY OMBUDSMAN &
AIDE TO MAYOR TERESA JACOBS
CONSTITUENT RELATIONS AND OUTREACH
P.O. Box 1393
ORLANDO, FL 32802-1393
(407) 836-7309 PHONE
(407) 836-7360 FAX



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From: LuAnn Nemeth [mailto:lulu2u@msn.com]
Sent: Tuesday, October 16, 2012 7:48 PM
To: Smith, Chase
Subject: RE: Wedgefield community

Thank you for responding.

I would ask then, who will help us? Tell me the agency that has jurisdiction over the PSC. Do I need to contact the governor?

Frankly, I am tired of everyone passing the buck on this. The PSC approved a rate hike of greater than 50% for this utility in early 2009. How can they get away with that? Many of my neighbors have a water bill over \$100 for normal daily use when our neighbors in Avalon pay half of what we pay. I have the bills to prove it. By the way, after that hike was approved, the PSC was in the news again. There was evidence of corruption and a couple of the members were repalced. If you do your research, you will find this all to be true.

The people in this community are outraged. No one seems to want ot help us. Are we going to be at the mercy of the utility and the PSC forever?

There is a meeting at our clubhouse on December 5. I am asking that Mr. Edwards or other appointed representative attend to represent our community. We need your support.

Sincerely, L. Nemeth 407-761-9460

Subject: RE: Wedgefield community
Date: Tue, 16 Oct 2012 09:15:17 -0400
From: Charles.Smith@ocfl.net
To: lulu2u@msn.com

Ms. Nemeth, my deepest apologies. I thought I had sent this last Monday but, I guess it got dropped into my "drafts" folder and was never sent. So, again, I am so sorry you did not get this sooner.

Good afternoon, Ms. Nemeth,

On behalf of Mayor Jacobs, thank you for contacting her on behalf of your family and neighbors regarding this matter. I will be certain to share with her your concerns and I know she will appreciate hearing from you.

Unfortunately, there is not much, if anything at all, Orange County Government can do in this matter since, as you know, Pluris is a privately-owned utility and is answerable (to some degree) to the Public Service Commission (PSC). In light of that, Orange County Government does not have any authority over this entity. The only local authority would lie with the Orange County Health Department, which is an agency of the State, and that would be pertaining to monitoring the quality of the water. Again, as you know, the PSC has input in the rates Pluris charges its customers and is not answerable to Orange County nor are they required to obtain any approvals or submit to any monitoring by the county. So, I wish there was more we could do to assist your neighbors and you with this issue.

I know the Wedgefield community has been in constant contact with Commissioner Ted Edwards' office and vice versa on this matter. I will be certain to share your continued concerns with Mayor Jacobs so she is kept abreast of what issues are important to you.

Sincerely,

Chase

=====

CHASE SMITH

ORANGE COUNTY OMBUDSMAN &
AIDE TO MAYOR TERESA JACOBS
CONSTITUENT RELATIONS AND OUTREACH
P.O. Box 1393
ORLANDO, FL 32802-1393
(407) 836-7309 PHONE
(407) 836-7360 FAX



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disclosed to the public and media at any time.

From: LuAnn Nemeth [<mailto:lulu2u@msn.com>]

Sent: Sunday, October 07, 2012 6:38 PM

To: Smith, Chase

Subject: Wedgefield community

Our community recently had some serious issues with water quality. In addition, our rates were raised once again, approved by the Public Service Commisison. I moved into Wedgefield in 2005 and this appears to be an ongoing issue.

In 2008, the water utility was owned by Utilites, Inc. It was previously Wedgefield Utilities. In 2009, the PSC approved a rate hike of more than 50%. We had a community meetting and wrote letters, but to no avail. The rates still went up. That was an outrage. Shortly afterwards, Pluris became the owners of the utility. Around that same time, there was news that members of the PSC were fired. That was no surprise.

Once again, history is repeating itself. Pluris still owns the utility. We had several recent boil water alerts and water outages within a matter of days. Eyewitness News reported this. There is a petition circulating the community.

I have compared our ridiculous rates to others in the area. We pay around 50% more than other area residents. As a community, we feel violated. All we want is clean water and reasonable rates that are competitive. Being a private company should not give them the right to charge whatever they feel like charging. The Public Service Commisison does not act in our best interests.

I am asking the Mayor to please check into this situation and confirm the information above. We need a strong advocate. I voted for her because I thought she was a fair, reasonable person who still cares about doing what is right for her consitituents, even if it is not always the politically popular path.

I look forward to hearing from you. Thanks for your time.

Sincerely,
L. Nemeth

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Capitol Office:
317 House Office Building
402 South Monroe Street
Tallahassee, FL 32399-1300
Phone: (850) 488-4669

District Office:
Suite 108
2460 North Courtenay Parkway
Merritt Island, FL 32953-4193
Phone: (321) 449-5111

E-Mail Representative Steve Crisafulli

Dear LuAnn Nemeth,

Welcome to my Write Your Representative page. I appreciate your taking the time to contact me. This site was created so that I may receive E-mail from the people of Florida's 32nd House District. Also, this site helps me to stay in touch with the people I represent and to be made aware of new issues that need immediate concern.

Your opinions are important in my decision making process on legislation affecting Florida. Please make full use of this opportunity to let me know your opinions on issues before the House.

Sincerely,
Steve Crisafulli
Member of the Florida House



LuAnn Nemeth
2849 Regency Oak Lane

Oriundo, FL 32833
(407)761-9460

03/21/09 12:13 PM

To the Honorable Steve Crisafulli:

I am a resident of the Wedgefield subdivision. Recently, our water company raised our rates by over 50%. The name of this company is Wedgefield Utilities, owned by Utilities, Inc. You may have seen us on Eyewitness News recently, as it was discovered that AIG apparently has some holdings in this utility.

I attended a meeting regarding this issue held at our golf club last year. The Florida Public Service Commission was present to hear our concerns. My perception at that meeting and from the contacts I had with parties involved was that it was a "done deal" already and the meeting was really a waste of time. I have no doubt that the more powerful lobbyists already had their own meeting with the decision-makers.

It is unfathomable to me how the Public Service Commission could allow such an unfair, unreasonable increase, especially at a time when the country is in economic turmoil. If you do your research, I am sure you will discover that we have the highest water rates in Orange County. I have compared our rates to those of several friends and I know this to be true. I believe that most people would accept a reasonable increase of around 10%. But to raise these rates so high on a utility that is a necessity for survival displays a lack of conscience.

I did my best to make the community aware of the issue by passing out fliers and advising my homeowner's association. I wrote a letter to the PSC with my concerns. I was advised that I could speak at a meeting in Tally or participate in a conference call. I was unable to take time away from work to do this. I remained in contact with the lawyer who allegedly was advocating for us, but it was quite obvious the outcome would not be promising.

Many of my neighbors are as concerned about this as I am. We do not understand how this could happen. I would also like to know why Orange County is not able to provide our water. There were several comments made at our meeting that were quite disturbing regarding the past history with this utility.

Disclaimer: The information on this system is unverified. The journals or printed bills of the respective chambers should be consulted for official purposes. Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing. Copyright © 2003-2004 State of Florida. [Contact Us](#). [Privacy Statement](#). [Site Map](#).

CUSTOMER NOTICE

ISSUED: JANUARY 23, 2009

On May 30, 2008, Wedgefield Utilities, Inc. (the "Utility"), completed its application to the Florida Public Service Commission (the "Commission") for increased water service rates, in which it requested a permanent water service rate increase of 50.66%.

By Proposed Agency Action Order No. PSC-08-0827-PAA-WS ("PAA Order"), issued December 22, 2008, the Commission approved a rate increase of 50.69%. In addition, the Commission approved revised miscellaneous service charges. These rates and charges were designed to allow the Utility the opportunity to recover its reasonable and prudent costs for providing service, and a reasonable rate of return on its investment in facilities necessary to provide such water service. The PAA Order was not protested within the protest period, and became final by Order No. PSC-09-0037-CO-WS, issued January 20, 2009.

The increased rates and charges are effective for service on or after January 28, 2009.

The rates prior to filing, the Commission-approved water, and approved revised miscellaneous service charges are attached to this customer notice.

This notice was prepared by the Utility and approved by the Commission Staff for distribution by the Utility to its customers.

If you have any questions about your bill, please contact the Utility at (800) 272-1919.

Sincerely,

Wedgefield Utilities, Inc.