

FLORIDA UTILITY SERVICES 1, LLC
3336 GRAND BLVD. SUITE 102
HOLIDAY, FLORIDA 34690
863-904-5574

Date

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No. 20180202-SU – Application for Staff Assisted Rate Case in Polk County by West Lakeland Wastewater, LLC.

Dear Commission Clerk,

Enclosed please find Florida Utility Services 1, LLC request for consideration and approval of proforma salaries in the above referenced docket.

On behalf of the utility,



Mike Smallridge
mike@fus1llc.com

The following salary levels for Florida Utility Services 1, LLC (FUS1) were approved in Docket No. 20170230-WS, by Order No. PSC-2018-0439-PAA-WS, issued August 28, 2018, for Orange Land Utilities, LLC (OLU) - Staff Assisted Rate Case (SARC).

Title	Requested	Approved	Hrs
President	\$80,000	\$80,000	FT
Chief Financial Officer	\$54,366	\$54,366	FT
Office Manager	\$39,500	\$39,500	FT
Customer Service Rep.	\$34,000	\$34,000	FT
Customer Billing	\$20,800	\$20,800	PT
Operations Supervisor	\$39,000	\$39,000	FT
Maintenance Tech	\$37,900	\$37,900	FT
Maintenance Tech (Requested/Filled)	\$37,900	\$0	FT
Maintenance Tech (Requested/Vacant)	\$37,900	\$0	FT
Total	\$381,366	\$305,566	

The salary levels requested for two Maintenance Tech positions were considered in the OLU proceeding and declined because staff felt that three field employees (President, Operations Supervisor and Maintenance Tech) provided adequate service to the OLU system and its customers.

At the time of the OLU SARC, FUS1 owned twelve (12) utility systems serving approximately 2,791 customers, as of September 30, 2017. Currently, FUS1 owns fourteen (14) utility systems serving approximately 3,114 customers, as of September 30, 2018. This represents an increase of approximately 323 customers or 11.57 percent for the 12-month period. See Appendix 1 for a list of FUS1 utility systems and calculations.

As stated in FUS1’s OLU salary request, our ability to operate with the existing number of employees has become a challenge. We are requesting that staff reconsider the number of Maintenance Tech positions that were approved in the OLU order based on the additional information provided below.

- In the OLU analysis, staff included the President’s position as a field employee to assist with maintaining field operations. While this may have been possible in the past, going forward the amount of time the president can spend in the field will be limited due to the increased duties and requirements of his time, as president of FUS1.
- The Operations Supervisor role has changed as well, as he assumes more of the field supervisory responsibilities that were performed by the president. He will continue to supervise and work with the existing approved Maintenance Tech and the two proposed Maintenance Tech positions, one of which is already filled.
- The four (4) field positions (Operations Supervisor and 3 Maintenance Techs) are/will be responsible for the maintenance and repairs for all fourteen (14) utility systems. Appendix 2 illustrates their current roles and responsibilities.
- FUS1’s 14 systems now encompass operations from Columbia County in the north to Hardee County in the south of Florida. A distance of approximately 240 miles.

- FUS1 contracts with independent vendors that provide certified operators to oversee the water and wastewater operations and reporting requirements as required by the Florida Department of Environmental Protection (FDEP) and(or) the respective County Health Departments. The services that the contract operators provide are limited to those specific duties. All ongoing, as well as future maintenance and repairs of the FUS1's utility systems are/will be performed by FUS1 employees or other contract vendors as needed.

The approval of the two (2) additional Maintenance Tech positions will enable FUS1 to achieve a staffing ratio of approximately 1 field employee for every 779 customers served (3,114/4). The prior requested staffing ratio in the OLU proceeding was approximately 1 in 698 (2,791/4). The FUS1 staffing ratio approved in the OLU order was 1 in 930 (2,791/3), which was based only on the staffing level deemed appropriate for the OLU system. Staff, in that proceeding, did not consider or include the maintenance staffing level requested for all of the FUS1 systems.

Change in Duties

In the past, FUS1 maintenance staff were assigned task based on the work performed for a specific utility. Commission staff, in past proceedings, used that information to allocate FUS1 maintenance employees' salary solely on the utility system that each employee worked on. Due to growth, FUS1 needs the flexibility to assign maintenance employees based on the actual work load and the specific demands for each utility system. The OLU order recognized and approved these changes in FUS1's operation. FUS1 no longer assigns its employees to a specific system. Presently, the operations supervisor assesses the work load and assigns maintenance employees based on the task or work required for each of the 14 utility systems. This process is a more efficient use of FUS1 labor resources.

Salary Levels

The above table reflects the current salary levels approved by the Commission for the indicated positions.

The salaries request for the two additional Maintenance Tech positions reflect the proposed entry level salary requirements for a similar position based on an Employee Compensation Survey compiled by OCBOA Consulting, LLC which was filed by FUS1 in Docket No. 20160143-WU for CCU. Specifically, Commission Document No. 08857-2016. As indicated, one maintenance position already exists and FUS1 is requesting the approval of the two additional maintenance positions to properly maintain our existing and newly acquired utility systems.

APPENDIX 1

FUS 1 System	FUS1 Customer Base (# of services billed)		
	9/30/17	9/30/18	Inc(Dec)
ATU Alturas	not owned	55	55
CCU Charlie Creek	162	163	1
CMU College Manor (1)	55	55	0
CRU Crestridge	619	619	0
EMU East Marion	105	105	0
HHU Heather Hills	355	353	(2)
HGU Holiday Gardens	456	458	2
LYU Lake Yale	404	406	2
MGU McCleod Gardens	90	95	5
OLU Orange Land	74	74	0
PCU Pinecrest	132	142	10
SRU Sunrise	not owned	250	250
SVU Suwannee Valley (1)	23	23	0
WLU West Lakeland	316	316	0
	2,791	3,114	323
Actual/Requested Employees	9	9	0
Customer Base per Employee (Staffing Ratio)	310	346	30
Increase in Customer Base			11.57%

APPENDIX 2

FUS1 - Employee positions with time allocation by primary duties assigned

<u>Operations Supervisor</u>	<i>Approved existing position</i>
50%	Supervise maintenance staff and coordinate daily work flow for maintenance request and utility projects
30%	Provide daily maintenance and repairs for all utility systems
15%	Process new service connections and respond to requests for disconnects/reconnects
5%	Other duties assigned
<u>Maintenance Technician</u>	<i>Approved existing position</i>
50%	Provide daily maintenance and repairs for all utility systems
30%	Process new service connections and respond to requests for disconnects/reconnects
10%	Provide landscape maintenance for all utility systems
5%	Provide maintain and repairs for utility tools and equipment
5%	Other duties assigned
<u>Maintenance Technician</u>	<i>Requested existing position</i>
50%	Provide daily maintenance and repairs for all utility systems
30%	Process new service connections and respond to requests for disconnects/reconnects
15%	Provide landscape maintenance for all utility systems
5%	Other duties assigned
<u>Maintenance Technician</u>	<i>Requested new position</i>
50%	Provide daily maintenance and repairs for all utility systems
30%	Process new service connections and respond to requests for disconnects/reconnects
15%	Provide landscape maintenance for all utility systems
5%	Other duties assigned