

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:** April 24, 2023

**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

**FROM:** Sonica C. Bruce, Economic Analyst, Division of Economics

Handwritten initials "SCB" in cursive script.

**RE:** Docket No. 20230000-OT - CWS Communities LP d/b/a Palm Valley

---

Please place the attached letter in the above-referenced docket. The letter is a recap of issues discussed on a telephone conference call dated March 14, 2023, with staff and the utility regarding potential overbilling.

RECEIVED-FPSC

2023 APR 24 PM 1:57

COMMISSION  
CLERK

# **HOMETOWN AMERICA**

---

## **C O M M U N I T I E S**

March 30, 2023

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
Attention: Sonica Bruce  
Email: [sbruce@psc.state.fl.us](mailto:sbruce@psc.state.fl.us)

**Re: Palm Valley Utilities**

Dear Ms. Bruce:

On behalf of Palm Valley Utilities, I am writing this letter to provide a recap of the items that were discussed on our call held on March 14, 2023, to discuss certain details of our water and sewer billing and invoicing practices and some of the corrective steps we intend to take going forward. The discussion that follows is organized into four sections, as follows: (A) timing of meter readings, (B) fixed charge billing period, (C) form of monthly invoice, and (D) EFT payment capability.

### **A. Timing of Meter Readings**

Given that there are approximately 775 home sites at Palm Valley, it is not physically possible to read every home's meter on the same day every month. That being said, Palm Valley uses reasonable efforts to read each water and sewer meter on and around the 1<sup>st</sup> and 4<sup>th</sup> day of each month. As a result, the usage period reflected on a resident's invoice may fluctuate, but only by a few days from month to month. The exact usage period is accurately reflected on the resident's monthly invoice. Where we have historically seen usage periods that strayed from the foregoing described practice was in the usage period that straddled a home turnover on sale. Without being able to identify the reason for each particular instance, it is speculated that the cause of many of the variances was the performance of meter readings based on estimated closing dates (and then such closing being delayed or expedited without a subsequent meter reading being conducted),

Going forward, Palm Valley will continue to make an effort to have meter readings for in-place residents taken on a consistent date each month, minimizing the variance from month to month. With respect to meter readings for homes in the sale process, Palm Valley will make an effort to conduct final meter readings on the day of the closing of the home. This will avoid mistimed readings which could result in a resident paying for usage for periods that may fall before (or after) their residency at the Community. To address any overlapping usage periods that may have occurred in connection with past home sales, Palm Valley will continue to audit its records surrounding each sale and the initial invoice provided to the incoming resident and, if and to the extent a resident was billed for usage for any period that predated the date they signed a lease at the Community, Palm Valley will pay such resident a credit for such overcharge. To date, Palm

# **HOMETOWN AMERICA**

---

## **C O M M U N I T I E S**

Valley has focused on those residents who sent letters requesting an audit of their file. Of the 46 residents who have made such an inquiry, it was identified that 10 were entitled to a refund in an amount ranging from \$0.65 to \$16.87, with an average refund of \$3.07. Credits for these residents are currently being administered.

### **B. Fixed Charge Billing Period**

In addition to a charge for usage, each resident's invoice reflects a fixed, base charge for water and sewer service. The period to which the base charge relates is the month in which the invoice is issued (for example, for an invoice issued on the 20<sup>th</sup> of May, the base charge is for water and sewer service for May). Given that there is typically a delay in issuing the first invoice to a resident to the month following the date of such resident's move-in, this ensures the resident pays base charges that align with their residency. To clarify this for residents, Palm Valley will modify the form of invoice so that the applicable billing period for the base charge is reflected on each invoice.

### **C. Palm Valley's Form of Monthly Invoice**

The current practice is for Palm Valley to provide a single invoice to each resident on or about the 20<sup>th</sup> day of the month, which invoice contains both amounts due for (i) water and sewer usage and (ii) rent and other related charges. An example of a current invoice is attached as Exhibit A. As you can see, the various charges are broken down individually so that the water and sewer charges are separately identifiable. Going forward, we intend to continue this practice, as we have found that most of our residents prefer to receive a single invoice for all monthly amounts that are due and payable. However, as we reviewed our current invoice, we did identify that the due date reflected thereon was not consistent with Rule 25-30.335(6) of the Florida Administrative Code, which states that a resident may not be deemed delinquent on a utility payment until at least the 21<sup>st</sup> day following the date the invoice was mailed. As you can see on the invoice attached as Exhibit A, we have worked with our billing administrator to update the form of our invoice so that it provides a statement regarding the delinquent date applicable specifically to the water and sewer charges, that is separate and distinct from the due date reflected for rent and other charges on the invoice. The language as shown on the invoice is the following:

"Please note that the Water/Sewer rates are due and payable when rendered and shall not become delinquent unless not paid within 20 days of the date of this invoice, at which time you may be charged a late fee of \$6.05 on your water rates and \$6.05 on your sewer rates."

In addition, to avoid confusion over the billing period applicable to the water and sewer fixed charges (discussed in more detail above), where the base charge is stated in the water and sewer billing details on the invoice, we will add a notation that reflects that the billing period for the base charge is the calendar month in which the invoice was issued.



# HOMETOWN AMERICA

---

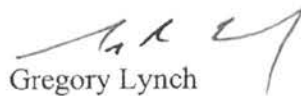
## C O M M U N I T I E S

### D. EFT Payment Capability

Palm Valley offers the residents the ability to pay their rental charges via an electronic funds transfer. By signing an EFT authorization form, a resident can choose to authorize Palm Valley to automatically draw from the resident's bank account the monthly rent and other charges payable pursuant to their lease (which includes utilities) on the fifth day of each month. However, in the light of certain resident inquiries, we recognize that payment on the 5<sup>th</sup> day means that the resident is technically paying the utilities portion of their invoice prior to the delinquency date. Currently, we are unable to administer a bifurcated EFT payment, with a partial EFT payment on the rent due date and a second EFT payment on the utilities delinquency date. To allow the resident to better control the timing of the respective payments, Palm Valley is going to send each resident a notice that (i) terminates their existing EFT authorization (if applicable) and (ii) provide each resident with the option to execute a new EFT authorization, which new authorization will clearly explain to the resident that by choosing to enroll in the EFT payment plan, the resident would be agreeing to pay their utility charges prior to the date in which such charges would be considered delinquent per the invoice. If a resident would rather pay the utility charges on the later date, they can choose not to sign the EFT authorization and pay their monthly rent and utility charges via the other payment methods permitted under their lease.

We hope that the information in this letter provides helpful detail of the various processes surrounding Palm Valley's water and sewer billing and our prospective efforts towards improving the same in response to questions and concerns raised by certain of Palm Valley's residents. We would be happy to have a follow up call should you have any further questions or like clarification around any of the points addressed in this letter. More importantly, we appreciate the opportunity you have provided us to have an open dialogue with PSC regarding this subject matter.

Sincerely,



Gregory Lynch  
General Counsel, Hometown America

cc: Gena Paugh ([gpaugh@hometownamerica.net](mailto:gpaugh@hometownamerica.net))  
Rachel Zemke ([rzemke@hometownamerica.net](mailto:rzemke@hometownamerica.net))  
Marty Deterding ([mdeterding@sfflaw.com](mailto:mdeterding@sfflaw.com))

| Account Number | Site/Unit | Due Date     | Amount Due | Amount Paid |
|----------------|-----------|--------------|------------|-------------|
| 0000XXX38290   | 6         | Mar. 1, 2023 | \$0.00     |             |

Palm Valley  
 3700 Palm Valley Circle  
 Oviedo, FL 32765

ARUBA CIRCLE  
 Oviedo, FL 32765

Please Return The Top Portion With Your Payment."DO NOT STAPLE". Make Checks Payable to Palm Valley

**ACCOUNT SUMMARY : Site/Unit# Due: Mar. 1, 2023 Office Phone 407-326-9678**

| Service             | Amount      | Service Dates |            | Meter Readings |         | Diff  | Multiplier | Usage | Units      | Previous Month |         |
|---------------------|-------------|---------------|------------|----------------|---------|-------|------------|-------|------------|----------------|---------|
|                     |             | From          | To         | Previous       | Current |       |            |       |            | Usage          | Amount  |
| Sewer               | \$89.39     | 01/04/2023    | 02/03/2023 | 512480         | 530450  | 17970 | 0.001      | 17.97 | 1000 Gals. | 9.21           | \$89.39 |
| Water               | \$65.10     | 01/04/2023    | 02/03/2023 | 512480         | 530450  | 17970 | 0.001      | 17.97 | 1000 Gals. | 9.21           | \$39.39 |
| Base Rent           | \$887.68    |               |            |                |         |       |            |       |            |                |         |
| Credit Card : RP :  | -\$1,018.92 |               |            |                |         |       |            |       |            |                |         |
| A/C H : 4683668     |             |               |            |                |         |       |            |       |            |                |         |
| Prospectus Discount | -\$50.00    |               |            |                |         |       |            |       |            |                |         |
| Sales Tax - General | \$1.75      |               |            |                |         |       |            |       |            |                |         |
| Storage Fee         | \$25.00     |               |            |                |         |       |            |       |            |                |         |
| Prev Bal            | \$0.00      |               |            |                |         |       |            |       |            |                |         |
| Total Due           | \$0.00      |               |            |                |         |       |            |       |            |                |         |

**UTILITY DETAIL**

| Sewer               | Flow Volume | Rate     | Total          |
|---------------------|-------------|----------|----------------|
| Base Charge         | -           | 27.05000 | \$27.05        |
| Usage               | 6.00        | 10.39000 | \$62.34        |
| Usage Over 6000 Gal | 11.97       | 0.00000  | \$0.00         |
| Subtotal            | 17.97       | -        | \$89.39        |
| Admin. Fee          | 1           | 0.00000  | \$0.00         |
| <b>Total</b>        |             |          | <b>\$89.39</b> |

| Water        | Usage/Vol | Rate     | Total          |
|--------------|-----------|----------|----------------|
| Base Charge  | -         | 11.74000 | \$11.74        |
| Usage        | 17.97     | 2.83000  | \$50.86        |
| Subtotal     | 17.97     | -        | \$62.60        |
| Water Tax    | \$62.60   | 0.04000  | \$2.55         |
| <b>Total</b> |           |          | <b>\$65.15</b> |

Please note that the Water and Sewer rates reflected on this invoice are due and payable when rendered and shall not become delinquent unless not paid within 20 day the date of this invoice, at which time you may be charged a late fee of \$6.05 on your water rates and \$6.05 on your sewer rates.

Easy Pay Program: Save time and money! No late fees! Rent is paid automatically! Stop by the office for information or [www.hometownamerica.com/ezpay](http://www.hometownamerica.com/ezpay). CWS Communities, LP d/b/a Palm Valley Utilities was recently reorganized to become Hometown Palm Valley, LLC d/b/a Palm Valley Utilities. On September 9, 2022, utility filed an application for name change with the Florida Public Service Commission. The purpose of this notification is to inform you that by application to the Florida Public Service Commission, we are formally changing the name of the utility to Hometown Palm Valley, LLC d/b/a Palm Valley Utilities. Please note that this application is not a request for any change in rates. However, if you have any questions concerning the name change, please do not hesitate to contact our customer service representative at 407-366-0733.