# PORT LABELLE UTILITY SYSTEM

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February 1, 2013

Dear Port LaBelle Utility System Advisory Board Members:

I, along with staff, would like to thank you for your guidance, your advice, and your valuable contribution to the Port LaBelle Utility System (PLUS). We appreciate the time you take out of your busy lives to meet with us and hear the needs of the Utility.

Your recommendation was conveyed to the Hendry County BOCC at their meeting on January 22, 2013:

> The PLUS Advisory Board recommends that the Hendry County BOCC increase the water and sewer base and usage rates by 13.04% for all customers, increase the line maintenance fee applied to all vacant residential lots, and create a new debt fee applied to all residential lots in the PLUS service area. Also, that the Hendry County BOCC, upon PLUS realizing additional income from an increase in line maintenance fees and/or new assessment to recovery administration fees and debt, reduce the usage rates for customers by an amount to be determined at that time.

Staff, however, recommended a 20% rate increase rather than the 13.04% as this percentage is necessary for the recovery of the projected shortfall in the utility revenue and the payback to the general fund of deferred administration fees. Staff also recommended if an increase was approved in the line maintenance fee and a new assessment was imposed for debt, an evaluation would be conducted to reduce rates after administration fees were paid and reserves were replenished.

The BOCC carefully evaluated your recommendation of a 13.04% rate increase, but thought it was in the best interest of PLUS to increase the rates by 20%. We know this may prove to be a hardship on all of our valued customers. However, we will strive to provide quality service and product, and look at lowering the rates in the future.

Sincerely,

Roger Greer, Director
Port LaBelle Utility System