

## Lindrick Utilities Fact Sheet

**Q: Why did the FGUA purchase the Lindrick Utilities?**

A: Customers of the Lindrick Services Corporation faced water pressure problems, numerous service interruptions and rising costs due to numerous repairs of an aging system. The Pasco County Board of County Commissioners, seeking to obtain assistance in acquiring the system to effect the necessary improvements to the system, approached the FGUA, a state agency chartered to purchase and operate utilities. Following many months of discussion and negotiation between the FGUA, county staff and the Lindrick system owners, the utility was purchased in March 2010.

**Q: Does the FGUA gain a profit by purchasing and operating the system?**

A: The FGUA did not pursue the system to make a profit. The FGUA is a government entity and does not earn a profit. Instead, the FGUA is focused on meeting critical water and wastewater utility needs. The FGUA received support from Lindrick customers and county staff on an agreed purchase price of \$16.8 million. The financing obtained by the FGUA provides funding to purchase the utility and to execute the Capital Improvement Plan, which is designed specifically to address water availability and quality concerns and to improve customer service.

**Q: Did the FGUA notify customers of the rate change before it was approved by the FGUA Board?**

A: Advertised public hearings were held regarding the acquisition and rates, beginning in November 2009. The acquisition hearings included presentations about the rate increase requirements. The FGUA notified the public, the Gulf Harbors Civic Association, numerous local home owners' associations and condominium management groups and the Pasco Board of County Commissioners regarding the rate changes through press releases and letter notices before the FGUA Board unanimously approved the decision on January 21, 2010. The FGUA notified the public about the purchase and final closing and provided notice to Lindrick Customers on March 10, 2010.

**Q: Did the FGUA have customer and community support for the water rate changes?**

A: Customers represented by the Gulf Harbors Civic Association and Lindrick-area Home Owners' Associations and condominium management groups, as well as the Pasco County Board of Commissioners, were fully aware that the proposed rates by the FGUA were nearly half the rate that customers would have experienced if Lindrick Services Corporation remained the owner of the utility.

**Q: I have not seen any changes to the system since the FGUA gained ownership. When will I see improvements to my water service?**

A: The FGUA has budgeted \$4.25 million for system improvements. *Planned upgrades to the existing condition of the system will begin now but will take time to finish.* The FGUA appreciates its customers' patience during the initial start-up period. Our focus is to increase system reliability and water pressure in the long term, as well as prevent salt water intrusion into the system, control odor and

rehabilitate the sewer lift stations. In addition, the FGUA will provide day-to-day system maintenance and customer service as part of its charter.

**Q: Wouldn't the utility rates have been less if Lindrick Services Company had maintained ownership of the utility?**

A: Lindrick Services Corporation had filed a letter with the Florida Public Service Commission (PSC) suggesting a 58% increase in rates and had indicated to the FGUA that they were proposing to raise rates as much as 66% to maintain the system and make system improvements. The FGUA rates are approximately half of the rates that were proposed by the Lindrick.

**Q: Why such a sharp increase in the rates? Could the FGUA phase the increases gradually?**

A: The rates for the increase must take effect in full immediately in order to cover the acquisition, critically needed system improvements, and debt service. Without these initial increases, financing could not be obtained.

**Q: How will my customer service experience change as an FGUA customer?**

A: The FGUA's mission focuses on providing excellent water and wastewater utility service to its customers. In order to fulfill this mission, the FGUA Capital Improvement Plan includes a strong emphasis on public involvement and developing positive relationships with FGUA customers by increased communication with customers through community meetings and billing inserts, as well as providing a Community Service Representative to address significant customer concerns.

**Q: What can consumers do if they have issues with their water quality?**

A: Customers are encouraged to report any issue to the Pasco FGUA Utility Customer Service Office at (727) 372-0115.

**Q: Will we be kept informed of progress, and where can I obtain the information?**

A: Yes, information on progress will be provided at community meetings, in billing inserts, and on the FGUA website at [www.fgua.com](http://www.fgua.com).