

LINDRICK SERVICE CORPORATION ORIGINAL
POST OFFICE BOX 1176
NEW PORT RICHEY, FLORIDA 34656-1176
(813) 849-2266

December 3, 1998

Rutledge, Ecenia, Underwood,
Purnell & Hoffman, PA
215 S. Monroe Street
Suite 420
Tallahassee, FL 32301

Attention: Ken Hoffman, Esquire

RE: Docket No. 980242-SU
Application for Ltd. Rate Proceeding for Wastewater Rates
by LSC in Pasco County
Data Request

Dear Mr. Hoffman:

We have reviewed the data request made by PSC in connection with above rate proceeding and assembled appropriate documentation. Below please find responses keyed to PSC's request numbers.

1. Copy of Loan commitment from Republic Bank is attached as Exhibit "A".
2. Once wastewater treatment plant is converted to a flow equalizing master pumping station, Lindrick Service staff will be responsible for its maintenance and operation.
3. A list of utility's salaried employees during years 1995, 1996 and 1997, together with salary and job description information is attached as Exhibit "B". This information was previously provided to the Commission during audits of 1995, 1996 and 1997.

Please note that while LSC employed three licensed operators for the wastewater treatment plant in 1997, the salary of only one operator is incorporated into the utility rate structure. (Additional operators were added as a result of changes to permit requirements in 1997 and are currently being paid at a loss to LSC). Therefore, actual savings to utility after plant is taken

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off-line will be cost of only the single operator currently included in rate base. (LSC has numerous similar costs for which pass throughs have been denied - for example, sludge hauling increases - that must be recognized and adjudicated as part of this rate proceeding. Please refer to Schedule 4, page 6 of Revised Special Report issued 9/3/98.)

4. A list of utility officers' salaries for years 1995, 1996 and 1997, together with job description and time allocated to utility business is attached as Exhibit "C". This information has been previously provided to the Commission during audits of 1995, 1996 and 1997.
- 5&6. While an important part of Borda Engineers past services to LSC has been associated with the operation, maintenance, and monitoring/regulatory interface of the wastewater treatment plant, cessation of influent treatment at the plant site will reduce but not eliminate the need for engineering services associated with the current wastewater treatment plant site.

The wastewater treatment plant, rather than being abandoned, will be converted into a flow equalizing master pumping station. Raw sewage from Lindrick's customers will continue to pass through the plant structure with a portion of it being detained by Lindrick in order to regulate flows to New Port Richey's plant (reducing peak flows to City and optimizing treatment capacity as well as leveling peaks in influent chloride concentrations caused by daily fluctuations in system flow and tides). In order to control odors, aeration and chemical treatment of the influent at the plant will continue to be required. In addition, odor control treatment will be introduced at several other points in the collection system (refer to Exhibit "C" of original rate proceeding submission). Therefore, while some BEEC services associated strictly with wastewater treatment will be eliminated, the new pumping, emergency power and odor control systems will require the same types of oversight and monitoring to optimize system performance and minimize chemical usage while effectively controlling plant odors. (Similarly, while costs to operate plant will be eliminated, new power, testing and chemical treatment costs to operate master pumping station will be incurred.)

As the change from a wastewater treatment plant to flow equalizing pumping station occurs, some current job codes and tasks for engineering services may be retired or modified to reflect the shift in scope of Borda Engineers services. In addition, it may become necessary to create new task descriptions to accurately reflect services provided.

In January 1998, Borda Engineers reviewed their historical billing data and developed an estimate of anticipated future services following completion of rehabilitation work. This estimate, included as Exhibit D in the Limited Rate Proceeding Special Report issued January 28, 1998, reflected a reduction of over \$10,000 in engineering fees as a result of the cessation of wastewater treatment by Lindrick Service. Please note that BEEC services currently associated with water treatment and distribution as well as existing wastewater collection and pumping systems will remain basically unchanged. However, BEEC is currently providing (and will continue to provide) additional services associated with the ongoing Phase I & II Rehabilitation project (see 9(b) below). In addition, once influent chlorides have been lowered sufficiently to permit diversion of influent to the City of New Port Richey, engineering services associated with maintenance of the collection system will actually increase. Given the age of the system and the low chloride levels which must be maintained, extensive testing and monitoring of the collection system will be on-going so that incipient leaks can be detected and repaired before they have an adverse impact on the overall chloride level. (Please refer to further discussion of this issue following response to item 16.)

Also, it should be noted that a substantial portion of hours associated with job codes E11 and E07 were provided by Mr. Borda, and were not billed to utility. Overall, Mr. Borda contributes a significant number of hours to the engineering effort for which the utility is not billed. (In 1997, this averaged 8-10 hours per week for engineering services in addition to his duties as President).

7. Hours indicated for meeting attendance during period January through December 1997 were not related to interconnection with the City of New Port Richey. The majority of these hours were part of Mr. Borda's efforts and therefore, were not billed to the utility.
8. Contingency of 10% of estimated construction costs, engineering permitting and construction management fees was included based on past experience. Given the age of the existing system and uncertainty regarding the highly variable condition of the submerged clay pipe with numerous closely spaced joints, the 10% figure used is extremely conservative (in customer's favor).

9. (a) Engineering services for Phase I and II work are being provided by H₂O Utilities, Inc. and to a minor extent, Borda Engineers & Energy Consultants. The initial estimate for the specialized engineering services required for this project was 15% of the construction cost, as reflected in Schedule No. 9. Through negotiation, Lindrick Service Corporation has succeeded in reducing the engineering fees to 10% of construction cost. This includes engineering required on a day to day basis to address the various repair techniques required for each section of pipeline/manhole which can only be determined once pipe is cleaned and inspected. It is to LSC customers advantage, given the esoteric nature of the rehabilitation work, for the utility contractor to be working with an engineering company which has the daily time to devote on an ongoing, as needed basis, to this effort. This means that work flow will continue smoothly over the course of the project, without delays while waiting engineering responses (which create additional mobilization costs to customer).

Additionally, having engineering services under one roof with the utility contractor provides seamless communication and economies of operation which will benefit both the engineer and utility service contractor and ultimately, the rate paying customer. It should be noted that the next lowest engineering fee quoted to us was 12%. Please refer to Exhibit "D" attached. Engineering fees for this service are estimated to be \$92,200 for Phase I and \$125,800 for Phase II.

(b) In addition, Borda Engineers is providing limited supplementary engineering required for bidding, contract negotiations and administration for Phase I and II work on an hourly basis. Fees are not expected to exceed \$18,400 for Phase I and \$25,200 for Phase II.

(c) Geoscience and Materials, Inc. is serving as construction manager for both Phases of the project. In their role, Geoscience keep tabs on day to day activities (i.e. serves as utility's eyes and ears), facilitates communications as required and monitors project progress. In addition, Geoscience provides expertise with regard to value engineering and scheduling for both the Utility (LSC) as well as the Contractor. However, their key function on-site is to insure, as an independent observer, that work is performed in accordance with the project requirements and is invoiced accurately (if cleaning and sealing 50 manholes is billed, 50 manholes have actually been cleaned and sealed).

Construction Management billings of \$46,100 and \$62,900 for Phases I and II, respectively are estimated. Please note that next lowest quote for these services was 6%; refer to Exhibit "D".

10. Borda Engineers Contract for Engineering Services is based on hourly compensation at a rate of 2.75 times hourly rate for non-principals. The hourly rate is based on direct personnel expense for each individual and includes salary, employer's FICA, and benefits. The 2.75 multiplier covers BEEC overhead including rent, utilities, supplies, insurance, taxes and profit. Alternately, some BEEC clients choose to be billed in accordance with the engineer's fee schedule, which is attached as Exhibit "E". While comparable to competitors' hourly fee schedules, it is more costly than the current billing methodology selected by LSC.

The 25% mark-up for reimbursable expenses covers handling costs for these minimal expenses (printing, mailing costs, etc.).

11. Exhibit "D" in the original report was an estimate of anticipated future services to be provided by BEEC to Lindrick Service Corporation once wastewater treatment plant was taken off-line. Attached to this letter as Exhibit "F" is a breakdown of projected hourly services which generated the fee estimate provided in January 1998. Please note modification to category E07 to address changing scope of work associated with conversion of the plant to a flow equalizing pumping station and concurrent reductions in related categories including review of lab tests, correspondence, recordkeeping. While total number of hours spent has been reduced, subsequent personnel expense increases will affect future billings (increase 10-15%).

Engineering services associated with Phase I and II rehabilitation are currently being billed separately (see 9b). As previously indicated in items 5 and 6, more extensive engineering services associated with ongoing collection system monitoring and maintenance efforts will be necessary once Phase I & II rehabilitation is completed in order to preserve system integrity and minimal chloride levels required by the Bulk Wastewater Treatment Agreement with the City of New Port Richey.

Therefore, in retrospect, the original fee estimation provided in January 1998 appears low. Given personnel cost increases and additional unanticipated engineering services, a yearly billing of \$65,000-\$68,000 is likely at this point (plus Phase I & II rehabilitation project billings).

Exhibit "G" attached to this letter includes fee proposals from both Landon Moree & Associates and H₂O Utilities for the services currently provided by Borda Engineers. These proposals were solicited by LSC as part of their efforts on behalf of their customers to control and minimize operating costs wherever possible. Borda Engineers anticipated average billing of \$5,700 per month is less than the proposals received from these competitive firms. (Landon Moree proposal does not recognize the additional engineering time the ongoing collection system monitoring and maintenance will entail, which would further increase their proposal).

12. At this point in the process, we believe the original projections of \$25,000 for the accounting fees and \$20,000 for legal fees were underestimated due to the extensive effort the 1997 audit (required by limited rate proceeding) created for both our legal and financial consultants. Estimated accounting and legal expenses in the amounts of \$25,000 and \$20,000, respectively, was simply an estimate based on experience and consultation between Mr. Nixon and Mr. Hoffman. The estimated fees took into account the fact that, through no fault of its own, a second filing and cost analysis by the Utility were required.

Since that time, the Staff's decision to conduct a second field audit (one in 1997 and one in 1998) in connection with this Docket have caused the costs to escalate dramatically. Such audit related costs were not included in the \$45,000 estimate in the revised report.

As stated in the Company's response to that Audit Report, the report was full of error, half truths, and innuendo which required a lengthy response. Further, the Company has recently received a second revised Audit Report which will require some response and there will, no doubt, be significant time involved in sorting out, with Staff, the various outstanding audit related issues in this case.

Attached as Exhibit H is a summary of actual and estimated accounting and legal expense through issuance of a PAA Order. It does not include any costs which will be incurred in the event a hearing is required. An inordinate number of hours have been spent to date in order to respond to and resolve

various issues already addressed/resolved as part of the 1995/1996 audit. The current audit report resurrects these previously resolved issues and is incorrect/inaccurate to the point of harassment of the utility. In this case, the audit is not serving its purpose for the public good and is costing the rate payer rather than saving customer dollars. Lindrick's customers should not be required to bear the burden of these additional unnecessary costs.

13. This item requests a revised Schedule No. 4, utilizing 1997 operation and maintenance expenses. That schedule in the revised report was based on 1997 expenses, except as specifically noted for sludge removal and purchased power.

The Company is concerned with the apparent Staff approach to adjusting operating expenses and the impact it will have on the calculation of the new rates. The rates reflected on revised Schedule No. 3 result from applying the percentage increase in existing revenues to rates across the board. This approach will be invalid if wholesale adjustments are made to existing operating expenses. If this occurs, Lindrick will need to file revised proposed rates based on the total new cost of service and a consolidated billing analysis. We will provide this information to Staff if it becomes necessary to calculate fair rates.

14. The utility is required to pay a penalty to DEP as a result of the Consent Order (and has begun to do so). The utility is not requesting recovery of the penalty or the legal fees associated with the Order.
15. Staff has requested a breakdown of the \$30,297 reduction in payroll taxes, on page 8 of the revised report. We have reviewed page 8 and find no such reduction to payroll taxes. Rather, the reduction in officers' and employee salaries totalled \$30,297.00. The calculation of the related payroll taxes is set forth on that schedule, resulting in a total reduction of \$(2,374).
16. After retrofit of wastewater treatment plant to create a master lift station, all plant and land will remain in service. No utility land or facilities is to be sold.

As we have begun rehabilitation activities required to reduce influent chlorides below 600 mg/l, an unanticipated phenomena, which will have an ongoing impact on operating and maintenance expenses, has occurred. The Phase I rehabilitation includes cleaning of the existing lines, then video inspection of same, with repair activities as indicated by inspection. These repairs range from grouting of joints to slip lining pipe sections, to complete replacement of pipe.

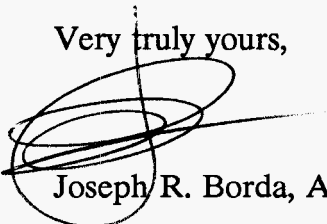
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As repairs are completed, influent chlorides for various sections of the system are tested, with dramatic reductions of chloride levels. However, these same sections of the system, when retested several months later, are again showing elevated chlorides, due to new leaks in the piping. Because of the age of the system, once an existing leak is sealed the increased ambient hydrostatic pressure creates a new leak in a previously sound section of piping. (Repair of weak link precipitates failure of next weakest point).

This genesis of new leaks as a result of rehabilitation activities will both increase the scope of the initial work effort as we strive to meet the 600 mg/l influent chloride level required by our agreement with the City of New Port Richey, as well as increasing the ongoing annual testing/analysis/maintenance and repairs required to sustain and improve upon the reduced chloride levels, again in accordance with the terms of the contract with the City. LSC is currently working to quantify the impact of these increased analysis and maintenance activities (and associated engineering costs) so that an appropriate mechanism of cost recovery can be included as part of this rate proceeding. (Perhaps inclusion of an allowance of \$75,000 per year in rate structure for increased maintenance activities, with provisions for a yearly "true up" based on actual costs).

We hope the above and various exhibits provide sufficient information to satisfy your request. Please feel free to contact us if you have any questions or require additional information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joseph R. Borda", is written over a circular stamp or seal. The signature is somewhat stylized and overlaps the circular boundary.

Joseph R. Borda, A.I.A., P.E., President

JRB:dlk

EXHIBIT "A"

REPUBLIC BANK LOAN COMMITMENT



September 29, 1998

Joseph R. Borda, President
Lindrick Service Corporation & Gulf Landings
Development Corporation
PO Box 1176
New Port Richey, FL 34656-1176

Dear Joe:

In response to your recent credit request, we are pleased to advise you that Republic Bank has approved a loan totaling \$4,000,000. This approval is subject to the following terms and conditions:

PURPOSE

Future advance and consolidation with Republic Bank Loan 4000002172 to provide funds to upgrade Lindrick Service Corporation's sewer and water system to meet the requirements of the Department of Environmental Regulation and the City of New Port Richey, FL, so that the sewer system may connect to the City of New Port Richey's sewerage treatment plant at Gulf Landings.

BORROWERS

Lindrick Service Corporation and Gulf Landings Development Corporation

LOAN

a.	Amount - Future advance	\$2,450,000
	Balance of Ln. #4000002172	<u>1,550,000</u>
	Total Loan Amount	\$4,000,000

b. Rate - 1.00% above the "base rate" of Citibank, N.A., New York, New York, adjusted daily (current base rate of 8.50% = current loan rate of 9.50%)

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 Lindrick Service/Gulf Landings Development Corps.
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- c. Payable - Interest only monthly on the amounts from time to time outstanding through July 28, 1999. Then principal plus interest payments monthly, based on a 12 year amortization with a **Balloon Payment** of the unpaid principal balance, plus accrued interest, and payable in full, due July 28, 2004.
- d. Fees & Expenses - At closing, the Borrower will pay to the Bank a non-refundable commitment fee in the amount of ~~\$62,250~~ ^{\$24,500}, plus all out-of-pocket expenses associated with this transaction, including, but not limited to such items as documentary stamps, intangible tax, title insurance premiums, legal fees, survey fees and recording costs. Borrowers agree to reimburse the Bank for all costs incurred in the event this loan is not consummated.

GUARANTORS

Full payment and performance of the loan and the loan documents shall be jointly and severally guaranteed, under form of guaranty satisfactory to the Bank, by Joseph R. Borda and Marlene B. Borda, his wife.

CLOSING

This loan is to close on or before ~~October 30~~ ^{NOVEMBER 15th}, 1998.

SECURITY

This loan will continue to be secured by the lien of the Bank's existing mortgage encompassing Lindrick Service Corporation's waste water treatment plant, water wells, collection, distribution and transmission lines, easements and rights-of-way, all located in Pasco County, FL, together with an assignment of all licenses, permits, franchise agreements, and distribution rights, now owned or hereafter acquired; and a 1st security interest in all of the Borrowers' accounts receivable, contract rights, inventory, machinery and equipment, now owned or hereafter acquired, all previously pledged by the Borrowers under Loan No. 4000002172. Said mortgage and future advance to be insured as a valid first lien by a title insurance company acceptable to the Bank, free and clear of all other liens

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and encumbrances with the exception of current taxes not yet due, matters of survey and easements and restriction of record, acceptable to both the Bank and its counsel.

This loan will also continue to be secured by the pledge of 100% of the Corporate Stock of Lindrick Service Corporation, hypothecated by Joseph R. and Marlene B. Borda.

SECOND MORTGAGE

This loan will also be secured by the lien of a mortgage on the water wells of the former SH Utilities, Inc. purchased by Lindrick Service Corporation in 1997, including all transmission and distribution lines, easements and rights-of-way, together with the assignment of all licenses, permits, franchise agreements, distribution rights and a security interest in all accounts receivable, inventory, machinery and equipment acquired in said purchase. Said mortgage to be insured as a valid lien by a title insurance company acceptable to the Bank, free and clear of all other liens and encumbrances with the exception of current taxes not yet due, matters of survey and easements and restriction of record, acceptable to both the Bank and its counsel, subject only to a prior lien on the specific assets given to SH Utilities, Inc. in the original amount of \$100,000, as more particularly described in Exhibit "A" attached.

ADDITIONAL COLLATERAL

This loan will also be secured by the lien of a mortgage on Tracts 40b, 50c & 40c, Phase II, in Gulf Landings, Pasco County, FL, as more particularly described in Exhibit "B" attached. Said mortgage to be insured as a valid lien, subject only to a prior lien in favor of Republic Bank in the amount of \$2,800,000, matters of survey and easements and restrictions of record acceptable to both the Bank and its counsel.

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Lindrick Service/Gulf Landings Corps.
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RELEASE OF ADDITIONAL COLLATERAL

Provided the loan is not in default, the Bank agrees to release its lien on Tracts 40b, 50c and 40c Phase II, Gulf Landings at such time as the balance of this loan is reduced to an amount no greater than 80% of Lindrick Service Corporation's "rate base", as defined by the Florida Public Service Commission and after receipt of two consecutive annual financial statements of Lindrick Service Corporation, evidencing debt service coverage of not less than 1.2x's. Debt service coverage to be defined as earnings before interest, dividends and depreciation divided by the Company's total annual principal and interest payments.

INSURANCE

The Borrowers will continue to provide evidence of insurance in such form and amounts and written on such company or companies as shall be acceptable to the Bank, with the appropriate endorsements listing the Bank as Mortgagee and/or Loss Payee.

CONSULTING ENGINEERING SERVICES

The Bank will require the services of an outside consulting engineer, to be engaged by the Bank at the cost and expense of the Borrower, to perform plan and specification analysis, budget and cost analysis and monitoring of job progress.

SOURCE AND USE OF FUNDS

An integral part of this commitment is the composition, timing and amount of the Borrowers' equity contribution, and the specific allocation of the Bank's loan proceeds according to Exhibit "C" attached.

Prior to closing, this allocation is subject to change pending receipt of the Bank's engineer's plan and cost review, and final determinations of mortgage payoff amounts, land releases, and closing costs, etc. Further, in the event that the total cost of construction exceeds the sum set forth in

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Exhibit "C", then Borrowers, at the request of the Bank, shall deposit the difference with the Bank (in a non-interest bearing account), which together with the net loan proceeds shall collectively constitute the construction loan account.

If at any time during construction the Bank determines that additional funds are required to complete the improvements, Borrower agrees to deposit to the construction account such funds as the Bank shall determine is reasonable and necessary in its sole discretion to complete construction in accordance with the plans and specifications. This requirement shall apply also to every line item of Exhibit "C" and for payment of additional expenses which the Bank determines may become due with respect to the project.

During construction, Borrowers and the Bank acknowledge that the method and type of construction, availability of materials and workmen, weather conditions and other factors may make it reasonably prudent to deviate from the strict requirements of the approved plans and specifications and the allocation of loan proceeds. Accordingly, the Bank, at its option and in its sole discretion, may allow deviations from the approved plans, substitutions of materials of equivalent value and quality, and deviations to the construction loan payment schedule.

DISBURSEMENTS

Disbursements of portions of this loan will be made in accordance with a construction loan payment schedule to be agreed upon by the Borrower and the Bank prior to closing. Disbursements will not be made more frequently than once per month, and according to the terms and conditions of the Mortgage and Loan Agreement.

CONTRACTOR

Prior to the first disbursement, the Borrowers will enter into a Construction Contract with a General Contractor to improve the property according to the approved plans and specifications, both the Contractor and the Construction Contract are to be satisfactory to the Bank in its sole discretion.

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Lindrick Service/Gulf Landings Corps.
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PLANS AND SPECIFICATIONS

Prior to first disbursement for construction, the Borrowers shall submit two sets of the final plans and specifications with endorsements thereon by the Borrowers, General Contractor and all Consulting Engineers as appropriate. The plans and specifications must be acceptable to the Bank in its sole discretion. All change orders or other amendments to said documents shall be submitted to the Bank and the Bank's consulting engineer for prior approval.

ASSIGNMENT OF CONSTRUCTION DOCUMENTS

The Bank will require a general collateral assignment of the construction contract, engineer's contract as appropriate, and all other contracts and documents concerning or affecting the property. Said assignment shall incorporate consents thereto by all parties to said contracts as well as undertakings of the General Contractor, and Engineer to continue performance on behalf of the Bank without additional cost in the event of default by the Borrowers.

GENERAL CONDITIONS

The following is a list of general conditions to be satisfied prior to closing:

- a. Articles of Incorporation and By-Laws, a Corporate Certificate of Good Standing (State of Florida and state of incorporation as appropriate), and a Corporate Borrowing Resolution, each, together with any amendments thereto, for any corporate entity involved as Borrower, Guarantor, as Limited or General Partner of a Partnership or as Trustee of a Trust.
- b. State UCC II search - Borrower/Guarantors.
- c. Subordination of all existing liens affecting the property as appropriate.
- d. Subordination of all leasehold and other interests affecting the properties.
- e. Satisfaction of any and all liens and assessments affecting the property as the Title Insurer may require.

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- f. Certified copies of all liens, mortgages, encumbrances, judgments, pledges, hypothecation, leaseholds, licenses, or other agreements affecting the properties and Borrower's interest therein, or which may affect the right or priority of the Bank's security.
- g. Final project cost breakdown of all project cost on AIA Forms G701/G702.
- h. Detailed cost breakdown of all construction costs and every item to be included on the Construction Loan Payment Schedule.
- i. Signed Construction Contracts.
- j. Copy of Contractor's License.
- k. Copies of all applicable development, construction and building permits or licenses, properly issued by the appropriate governmental agency authorizing the construction or development of the project with evidence of payment of permit fees.
- l. Evidence that the General Contractor(s) is in compliance with insurance requirements regarding public liability and workmens compensation.
- m. The final documents relating to the transaction described in the commitment letter will include, without limitation, covenants, representations, warranties and indemnities as to the following:
 - 1. Past and current uses of the subject property comply with all federal, state and local environmental statutes, regulations and ordinances.
 - 2. The Borrowers/Guarantors have not received a citation, notice or violation or formal complaint from any federal, state or local environmental agency for noncompliance.
 - 3. The Borrowers/Guarantors have no knowledge of any threatened environmental enforcement actions.
 - 4. The Borrowers/Guarantors have no knowledge of any soil or groundwater contamination or the release or discharge of toxic or hazardous substances, petroleum or petroleum products, chemicals or other pollutants on the subject properties.

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- 5. The Borrowers/Guarantors will covenant to comply with all present and future environmental laws and take remedial action upon the discovery of contamination.
- 6. The Borrowers/Guarantors will indemnify and hold harmless the Bank against any and all damages, claims or causes of action arising from the previous, present or ongoing usage of the subject property (including any improvements thereon) relating to the presence, release or discharge of toxic or hazardous substances, petroleum or petroleum products, chemicals, pollutants or other contaminants on the subject properties.

BANK NOT A JOINT VENTURE

The Bank shall not be deemed to be a partner or joint venturer with Borrowers, any Guarantor or any other parties. Borrowers and Guarantors will indemnify and hold the Bank harmless from and against any and all liabilities, damages, claims, demands, costs, expenses and attorney's fees resulting from such a construction of the parties and their relationship.

FINANCIAL REPORTING

Annual financial statements and federal tax returns on the Borrowers, Guarantors and their related entities will be required throughout the term of this loan. The Borrowers will also provide the Bank with copies of Lindrick Service Corporation's annual report to The Public Service Commission throughout the term of this loan.

PROPERTY TAX REPORTING

Not later than March 31st of each year during the term of the loan, Borrowers will be required to furnish the Bank with a copy of the paid property tax receipts on the mortgaged properties.

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LITIGATION

Any litigation between the parties brought in connection with this commitment or concerning the subject matter hereof prior to closing of the loan shall only be brought in Pinellas County, Florida. In any such litigation the Bank shall be entitled to an award of its reasonable attorney's fee and costs. The Borrowers and any Guarantors further knowingly, voluntarily and intentionally, waive any right to trial by jury in respect of any litigation arising out of, under, or in connection with this commitment, or the loan.

YEAR 2000

This commitment is subject to, among other conditions contained herein, Borrowers' demonstration, to the satisfaction of the Bank, that:

- a. Borrowers have taken and is taking all necessary and appropriate steps to ascertain the extent of , qualify and successfully address business and financial risks facing Borrower as result as what is commonly referred to "Year 2000 Problem" (i.e. an ability of certain computer applications to recognize correctly and perform properly date sensitive functions involving certain dates prior to and after December 31, 1999), including risks resulting from the failure of key vendors and suppliers of Borrowers to successfully address the Year 2000 Problem, and
- b. Borrowers' material computer applications and those of their key vendors and suppliers will, on a timely basis, adequately address the Year 2000 Problem in all material respects.

TERMINATION

This commitment may be terminated at the Bank's option by written notice to the Borrowers at the address set forth above upon the occurrence of any of the following events:

- a. Borrowers' or any Guarantors' assignment for the benefit of its creditors, admissions in writing of its inability to pay its debts as they

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become due, the filing of a petition of bankruptcy or being adjudicated a bankrupt or insolvent, or filing of a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, receivership or similar relief under any present or future statute, law or regulation. The foregoing shall also apply to any general partner of Borrowers or of any Guarantor.

- b. Any change in the financial condition of the Borrowers or any Guarantor, subsequent to the above date of this commitment which is, in the sole discretion of the Bank, material and adverse.
- c. If any statement or representation made by the Borrowers in this commitment or in support of the loan shall prove untrue.
- d. Default by the Borrowers in performance of any other covenant, condition or agreement set forth in this commitment.
- e. Default by the Borrowers or any Guarantor under any other loan or extension of credit by the Bank to the Borrowers or any Guarantor.
- f. Failure to pay the commitment fee when due.
- g. Failure to accept and return the original of this commitment within the allotted time period.

Any termination of this commitment shall not affect the Bank's rights to enforce Paragraph "Loan Costs" hereof, which rights shall survive any such termination.

TIME

Time is of the essence with respect to all dates and period of time set forth in this loan commitment.

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ACCEPTANCE

Please indicate your acceptance of the Bank's offer by signing below, and returning the original of this commitment to me within ten (10) days of this date.

The Bank may, prior to closing, make additional requirements in order to comply with federal regulations, governmental agencies, and as the Bank's legal counsel may deem necessary regarding legal matters, but not business decisions. It is further understood and agreed that the terms and conditions of this commitment will survive the closing of the mortgage loan hereby contemplated, and that the loan will be closed in accordance with generally accepted closing practices in the Bank's local trade area.

This commitment may not be sold, transferred or assigned to any other person, corporation or other entity without the Bank's written permission.

We appreciate this opportunity to furnish you mortgage financing. Should you have any questions regarding this commitment, please call me at 823-7300, Ext. 5543.

Sincerely,



Frank Burke

1st Sr. Vice President

FB:gjk

Enclosures

Joseph R. Borda, President
Lindrick Service/Gulf Landings Corp.
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SIGNATURE PAGE


The undersigned hereby accepts this loan commitment and agrees to the terms and conditions hereof this 23 day of November 1998.

GULF LANDINGS DEVELOPMENT CORPORATION, A Florida Corporation

By: 

Joseph R. Borda, President


LINDRICK SERVICE CORPORATION, A Florida Corporation

By: 

Joseph R. Borda, President

By: 

Joseph R. Borda, Guarantor

By: 

Marlene B. Borda, Guarantor

EXHIBIT "C"

USE OF PROCEEDS

BORROWER: Lindrick Service Corp. & Gulf Landings Development
 PROJECT NAME: Lindrick Service Corp.
 PROJECT ADDRESS: Gulf Landings, Pasco County, FL

LB

	Project Cost	Borrower Equity	Loan Reserve	Closing Disbursement
I. LOAN COSTS				
1. Republic Bank Loan Origination Fee	\$ 24,500	\$	\$ 24,500	\$ 24,500
2. Permanent Lender's Fee				
3. Documentary Stamps, Intangible Taxes and Recording	13,475 200		13,475 200	13,475 200
4. Title Insurance	12,250		12,250	12,250
5. Borrower Attorney's Fee				
6. Lender Attorney's Fee	6,000		6,000	6,000
7. Other:				
II. LAND				
1. Acquisition Cost				
2. Date Acquired:				
3. Subordinated Land				
III. HARD COSTS				
1. Land development contract				
2. Balance due on Ln. #4000002172	1,550,000		1,550,000	
3.				
4. Construction contract	2,184,878	315,726	1,869,152	
Construction Management	108,994		108,994	
5. Utilities				
6. Tenant Improvements				
7. Tenant Improvements				
8. Landscaping				
9. Hard Cost Contingency	330,296	155,296	175,000	
10. Other:				
IV. SOFT COSTS				
1. Architect (name: _____)				
2. Engineer (name: _____)	261,585	26,156	235,429	
3. Surveys (name: _____)				
4. Appraisal (name: _____)				
5. Bond Premium (agent: _____)				
6. Permits	2,500	2,500		
7. Soil Test				
8. Builder's Risk Ins. (agent: _____)				
9. Flood insurance				
10. Liability Ins.				
11. Key Man Ins.				
12. Real Estate Taxes				
13.				
14.				
15. Cost Analysis/Insp. Est. (name <u>Cumbe & Fair, Inc.</u>)	5,000		5,000	
16.				
17. Interest (70 % ADB @ 9.5 int. x 9 mos)	199,500	199,500		
18. Borrower overhead/management				
19. Accounting				
20. Soft Cost Contingency				
21.				
TOTALS	4,699,178	699,178	4,000,000	56,425

EXHIBIT "B"

UTILITY SALARIED EMPLOYEES DATA
1995-1997

Job Duties - Utility Employees
1995-1997

- Helen McNeil:** Ms. McNeil is LSC's customer service representative and liaison, controls utility inventory, initiates and records maintenance work orders and assists CEO as required. In addition, she holds a Class "C" Water license and backs up other water operator. Ms. McNeil works/conducts utility business full-time (40 or more hours weekly).
- James Straight:** Wastewater plant operator (Class "C" License). Responsible for maintenance and operation of Wastewater treatment plant. (40 or more hours weekly).
- John Armour:** Class "C" Wastewater license and Class "D" Water license. Responsible for water system operations, supervises maintenance and repairs on collection/distribution systems. Provides coverage as required at wastewater plant. (40 or more hours weekly - left Lindrick in 1995).
- Brent Hopkins:** Foreman for maintenance and repairs on collection/distribution systems. (On call 24 hours a day. 40 or more hours weekly).
- Joel Sutton, Charles Contegini, Adam Wach et al.:** Assistants for maintenance and repairs of collection/distribution system.
- Tina Paliotte:** Wastewater plant operator, Class "C" License. Responsible for maintenance and operation of wastewater treatment plant during her shift (40 or more hours per week). Began work with LSC in August 1997 to comply with 24 hour a day, 7 day a week staffing conditions of Permit #FL0032603.
- Joseph Michaels:** Lead wastewater plant operator, Class "B" License. Responsible for maintenance and operation of wastewater treatment plant during first period of peak flow daily as well as supervision of other operators. (40 or more hours per week). Began work with LSC in August 1997 to comply with 24 hour a day, 7 day a week staffing conditions of Permit #FL0032603.

Employee Salaries
Lindrick Service Corp.
1995

<u>Name</u>	<u>Earnings</u>	<u>Position</u>
Helen McNeil	\$22,880.00	Customer Service, Class "C" Water License
John Armour	\$19,500.00	Maint. & Repair Supervisor, Class "C" Water and Class "D" Wastewater Licenses
Brent Hopkins	\$16,370.00	Maintenance & Repair Foreman
James Straight	\$18,720.00	Wastewater Plant Operator, Class "C" License
Joel Sutton	\$ 3,393.13	Maintenance & Repair Assistant

Employee Salaries
Lindrick Service Corp.
1996

<u>Name</u>	<u>Earnings</u>	<u>Position</u>
Helen McNeil	\$22,880.00	Customer Service, Class "C" Water License
Brent Hopkins	\$16,900.00	Maintenance & Repair Supervisor
James Straight	\$18,720.00	Wastewater Plant Operator, Class "C" License
*Joel Sutton	\$ 9,200.25	Maintenance & Repair Assistant
*John Ventimiglia	\$ 720.00	" " "
*Ronald Francesconi	\$ 322.00	" " "
*Adam Wach	\$ 1,580.00	" " "

*Partial year employees

Employee Salaries
Lindrick Service Corp.
1997

<u>Name</u>	<u>Annual Salary</u>	<u>Position</u>
*Tina Paliotte	\$22,880.00	Plant Operator, Class "C"
James Straight	\$21,840.00	Plant Operator, Class "C"
*Joseph Michaels	\$24,960.00	Plant Operator, Class "B"
Brent Hopkins	\$16,900.00	Maint. & Repair Supervisor
**Charles Contegini	\$13,104.00	Maint. & Repair Assistant
Helen McNeil	\$22,880.00	Customer Service, Class "C" Water License

*Partial year employees, began work August 1997 as required by DEP Permit No. FL0032603.
Salaries are not included in current LSC rate structure.

**Partial year

EXHIBIT "C"

UTILITY OFFICERS SALARY DATA
1995-1997

Utility Officers Job Description

Joseph R. Borda, P.E., President/Owner: Mr. Borda is involved in all aspects of LSC business; sets operational policy and quality standards; develops long range strategic and financial plans; represents utility with regulatory agencies, consultants, and contractors; finalizes bid reviews and contract negotiations; liaison travel between NJ/Fla.; provides service in all related areas as Registered Engineer, Planner, and Design Professional.

Salary increase in 1997 reflects ever increasing involvement by President as utility has grown as well as increasing complexity of utility operations. Through Mr. Borda's tenure as President, his salary had not increased despite a 45% growth in customers (inflation/COLA alone would warrant an increase). In addition, Mr. Borda has had to become more active going from part-time service to almost full-time service (his time has tripled to \pm 35 hrs./week devoted to the utility) to keep up with the complex nature of the utility with ever changing PSC, DEP/EPA requirements (not to mention Lindrick's aged system getting older daily).

As a licensed Professional Engineer, Mr. Borda's engineering time is not billed - if it were, costs to utility would exceed his \$60,000 salary. Compared to officers' salaries for other utilities (without professional service benefit) - \$60,000 is surely in line, especially when one considers the utility's size and President's personal involvement. (i.e. salary fair and reasonable as compared to other commission approved salaries for similar sized utilities - some without Waste Water Treatment Plants.)

Margaret E. Mountain, Secretary/Treasurer C.E.O.: Oversees all on-site operations and personnel; authorizes/supervises repair/replacement/maintenance plans; assists Engineer in obtaining bids for capital expenditures; on-site invoice verification; attends meetings representing LSC; coordinates with Consultants/County/City DEP/EPA coordination w/Administrative Service provider; liaison between realty company, area developers and utility for tariff area; all related companies, and outside consultants; track status of and inspect on-going repairs, maintenance and testing of distribution, collection, and treatment systems.

Ms. Mountain is a salaried employee with no time constraints regarding service to the utility, however, it is estimated that 50% or more of her time is spent on utility business.

Utility Officers Salary Data

1995

<u>Name</u>	<u>Position</u>	<u>Salary</u>
Joseph Borda	President/Owner	\$44,980
Margaret Mountain	Secretary/Treasurer/C.E.O.	\$31,200

1996

Joseph R. Borda	President/Owner	\$44,980
Margaret Mountain	Secretary/Treasurer/C.E.O.	\$32,200

1997

Joseph R. Borda	President/Owner	\$60,000
Margaret Mountain	Secretary/Treasurer/C.E.O.	\$31,200

EXHIBIT "D"

**PHASE I AND II ENGINEERING
AND CONSTRUCTION MANAGEMENT NEGOTIATIONS**

LINDRICK SERVICE CORPORATION

POST OFFICE BOX 1176
NEW PORT RICHEY, FLORIDA 34656-1176
(813) 849-2266

August 28, 1998

Landon, Moree & Associates, Inc.
31622 U.S. Highway 19 North
Palm Harbor, FL 34684

Attention: John Landon, P.E.

RE: Phase I & II Rehabilitation Work
Engineering and Construction Management Services

Dear Mr. Landon:

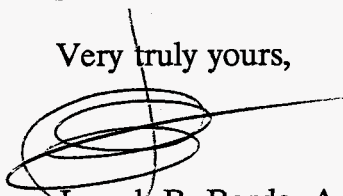
Phase I and II rehabilitation of LSC wastewater collection system (I & I effort) will require the support of both on-going engineering services and on-site construction management throughout the course of the work.

Your original estimate for engineering services was 15% of total construction cost which was included as part of our original application to PSC for a limited rate proceeding. Upon examination, PSC questioned the magnitude of this fee and LMA was subsequently asked to reconsider their estimate, which you have done. You have indicated that while it is possible to modify the fee somewhat, the nature of the work prohibits significant reductions. This is due to the unknown and highly variable condition of the existing collection system as well as the fact that LMA must be virtually at the beck and call of the contractor to investigate and act on problems immediately as they are discovered in the course of cleaning and videoing the lines. (Project disrupts LMA's other work efforts). Therefore, minimum fee for engineering services is 12%.

Construction management fee was similarly considered, however, the best fee that can be offered for those services is 6%, for the same reasons cited above.

We appreciate your time and effort put forth in investigating and developing these fee proposals for this demanding project.

Very truly yours,



Joseph R. Borda, A.I.A., P.E.
JRB:dlk

EXHIBIT "E"

BORDA ENGINEERS FEE SCHEDULE



BORDA ENGINEERS & ENERGY CONSULTANTS

Merchantville Train Station • 10 E. Chestnut Street
Merchantville, New Jersey 08109 • (609) 662-5307 • (609) 662-5342 (FAX)

Fee Schedule Effective January 1, 1998

Principal	\$125.00
Registered Engineer	\$100.00
Staff Engineer	\$ 75.00
Technical Support	\$ 50.00
Administrative Support	\$ 45.00

Florida Office • P.O. Box 1176 • New Port Richey, FL 34656-1176 • (813) 849-2266

Joseph R. Borda, A.I.A., P.E. • Keith A. Haberern, P.E., R.A. • Linda O. Miedwig, P.E.

APPENDIX "F"

ENGINEERING FEE ESTIMATE

Engineering Fee Estimate
for LSC once Plant is Off-line

Assumptions

1. Use current billing codes except E07 for WWTP will be modified for services associated with master lift station (flow equalizing pumping station).

<u>Job Code</u>	<u>Principal</u>	<u>Engr.</u>	<u>Tech. Supp.</u>	<u>Adm. Support</u>
01	24	120	0	0
02	30	36	0	0
03	24	120	0	42
04	0	24	0	0
05	0	12	60	0
06	30	48	0	6
07	36	90	0	0
08	24	60	6	0
09	12	30	12	0
10	6	36	6	0
11	0	0	0	0
12	18	24	0	0
13	72	36	0	0
14	<u>60</u>	<u>0</u>	<u>0</u>	<u>0</u>
	336	636	84	48

Estimated billing at current rates

JRB	-	336 x \$125	=	\$42,000.00
Engr. (LOM & KAH)	-	636 x 2.75 x \$28/hr.	=	\$48,972.00
Tech. Supp. (MH & BA)	-	84 x 2.75 x \$15/hr	=	\$ 3,465.00
Adm. Supp. (DLK)	-	48 x 2.75 x \$12/hr	=	<u>\$ 1,584.00</u>
				\$96,021.00

JRB hours not charged to utility therefore total billing = \$54,021

Say \$54,000 per year.

12-2-98

DOES NOT INCLUDE IMPACT OF ADD'L
COLLECTION SYSTEM MAINTENANCE & MONITORING
NEEDED TO MAINTAIN REDUCED CHLORIDES.

EXHIBIT "G"

PROPOSALS FOR ENGINEERING SERVICES



Landon, Moree & Associates, Inc.
Civil & Environmental Engineers
Planners- Surveyors

31622 U.S. Highway 19 North
Palm Harbor, Florida 34684
Ph (813) 789-5010
Fax (813) 787-4394
lma@compuserve.com

Memo

October 17, 1998

To: Joe Borda, President / Lindrick Service Corporation

Via: Fax (727)848-4866

From: John C. Landon, P.E.

LMA#: 000-15

RE: Proposal for Yearly Engineering Services

As per our conversation on October 15th, we will provide hourly professional engineering services per the attached fee schedule as necessary to support the day to day operations for the above named utility located in Pasco County.

It is estimated that our fees will average approximately \$6,250 per month to cover the attached scope of services.

This estimate does not include any unusual design requirements which may be required by the utility.

We would be please to provide you with individual quotes for this type of work on a case by case basis.

If you have any questions, please call me.



BORDA ENGINEERS & ENERGY CONSULTANTS

Merchantville Train Station • 10 E. Chestnut Street
Merchantville, New Jersey 08109 • (609) 662-5307 • (609) 662-5342 (FAX)

January 5, 1997

LINDRICK SERVICE CORPORATION ENGINEERING TASK CODES

Key hourly billings to appropriate task codes.

<u>CODE</u>	<u>TASK</u>
E01	Daily Check: Reports/Lab Test Results/Operations.
E02	Daily Check: Repair Methology Interface.
E03	Engr. Communications: Field/Subs/Home Office/DEP.
E04	Analyze Bids/Wk. Orders/Costs/Engr. Completeness.
E05	Maintain Tech. Reports/Engr. Records.
E06	Prepare/Review Reports & Agreements (City, County, DEP, EPA, Customers).
E07	WWTP: Analyze System Operation, Flows, Equipment, Air System, Biology/Chemistry (Influent/Effluent) vs. compliance with Permit Parameters.
E08	Wellfields: Review Monthly Reports for permit compliance, Corrosion Control Analysis, Testing, Repairs.
E09	Pumping Stations: Design/Sizing Pumps/Efficiency and Longevity.
E10	Water Distribution System: Hydraulic Analysis, Valving, Extent of Repairs.
E11	WWTP: Evaluation of Treatment Options, Prelim. Design of All System Components.
E12	Value Engineering: Overall Water and Wastewater System.
E13	Meeting Attendance.
E14	Field Inspection.

Florida Office • P.O. Box 1176 • New Port Richey, FL 34656-1176 • (813) 849-2266

Joseph R. Borda, A.I.A., P.E. • Keith A. Haberman, P.E., R.A. • Linda O. Miedwig, P.E.

LONDON, MOREE & ASSOCIATES, INC.

FEE SCHEDULE

EFFECTIVE January 1, 1997

Principal Engineer	\$120.00
Senior Engineer	\$100.00
Engineer V	\$90.00
Engineer IV	\$80.00
Engineer III	\$75.00
Engineer II	\$70.00
Engineer I	\$60.00
CAD Tech II	\$60.00
CAD Tech I	\$50.00
Draftsman	\$30.00
Survey Crew	\$75.00

Field construction



November 23, 1998

Mr. Joseph Borda, ALA, PE
Borda Engineers and Energy Consultants
Merchantville Train Station
10 East Chestnut Street
Merchantville, New Jersey 8109

RE: Proposal for Annual Engineering Support
Lindrick Service Corporation
P.N. 9800


Dear Mr. Borda:

I am writing pursuant to our recent conversation to provide a proposal to provide engineering support services in accordance with the attached scope of services list entitled "Lindrick Service Corporation Engineering Task Codes". As we are intimately familiar with this system, we have a realistic feel for the level of effort that will be required to accomplish all of the items that are listed. In addition, given the nature of the system and the fact that controlling chlorides will be an ongoing problem for this system, a significant additional and ongoing effort will need to be included to monitor and control the infiltration, and consequently chlorides, in this system.

We estimate that an annualized monthly fee of approximately \$7,200.00 will be required to provide the engineering services listed on the Task Codes sheet, and also includes monitoring, planning and supervision of the ongoing chloride control program that will be required.

As we are the general contractor currently performing the rehabilitation work on the system, we can make a realistic estimate of the cost of the actual ongoing repairs that will be required on this aging system. Given the size, age and condition of this system, this is quite probably the most serious maintenance issue faced by this utility over the next decade. After the completion of the Phase I and Phase II system rehabilitation and chloride reduction program, we estimate that an annual expenditure of approximately \$70,000 to \$100,000 will be necessary to continuously test, repair, and maintain the collection system to prevent chloride levels from rising above 600 mg/l level. This work will involve line cleaning, televising, grouting, manhole inspection and point repairs involving excavation and line replacement.

Please feel free to call on me at your convenience should you have any questions.

Very truly yours,

G. Jeffrey Hines, P.E.
Vice President
GH:ej

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EXHIBIT "H"

ACTUAL AND ESTIMATED ACCOUNTING AND LEGAL EXPENSES

Lindrick Service Corporation
Summary of Actual And Estimated Accounting And Legal Expense
Docket No. 980242-SU

Accounting Expense	\$31,124
Legal Expense	18,621
Filing Fees	<u>1,750</u>
Total actual & estimated Expense	<u><u>\$51,495</u></u>

Lindrick Service Corporation
Actual And Estimated Accounting Expense
Docket No.980242- SU

<u>Cronin, Jackson, Wilson & Nixon CPA's</u>	<u>Inv. Date</u>	<u>Fees</u>	<u>Out Of Pocket</u>	<u>Total</u>
Jan., 1998	2/17/98	\$ 6,498	\$ 346	\$ 6,844
Feb., 1998	3/16/98	975	151	1,126
Mar., 1998	4/20/98	1,125	20	1,145
Jun., 1998	7/21/98	750	28	778
Jul., 1998	8/17/98	3,675	3	3,678
Aug., 1998	9/23/98	2,175	135	2,310
Sep., 1998	10/22/98	5,569	1,324	6,893
Total Actual Expense To 9/30/98		20,767	2,007	22,774
Estimate to Complete:				
Respond to various audit issues- R. Nixon- 12 hrs. @ \$150		1,800		1,800
Answer Staff questions; prepare schedules/ information requests- R. Nixon-12hrs. @ \$150		1,800		1,800
Conferences with client/attorney-R. Nixon- 8hrs. @ 150		1,200		1,200
Review Staff Recommendation; provide additional info.- R. Nixon-8hrs. @ \$150		1,200		1,200
Attend Agenda Conference- R. Nixon- 9hrs. @ \$150		1,350		1,350
Review PAA Order & proof revenue- R. Nixon- 4hrs. @ \$150		600		600
Airfare, copies, Clerical, FedX, Phone & Copies			400	400
Total estimate to complete		7,950	400	8,350
Total actual & estimated accounting expense		\$28,717	\$2,407	\$31,124

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
TRACY A. RIZZO, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

COPY

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

INVOICE

February 17, 1998

Mr. Joe Borda, President
Borda Engineers & Energy Consultants
10 East Chestnut Street
Merchantville, NJ 08109

Re: Lindrick Service Corporation

#781

For professional services rendered during
January, 1998, as follows:

1. Partial billing for preparation of limited proceeding schedules and report for wastewater rate increases	\$6,497.75
2. Telephone, Federal Express charges, and copies	<u>346.05</u>
	6,843.80
Amounts due from previous billings	<u>3,093.83</u>
Total	<u>\$9,937.63</u>

cc: William J. Malloy

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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I N V O I C E

March 16, 1998

Mr. Joe Borda, President
Borda Engineers & Energy Consultants
10 East Chestnut Street
Merchantville, NJ 08109

Re: Lindrick Service Corporation

#781

For professional services rendered during
February, 1998, as follows:

1. Preparation of Limited Proceeding for increase in sewer rates for tie-in with City of New Port Richey	\$ 975.00
2. Telephone, postage, Federal Express charges, and copies	<u>150.77</u>
Total	1,125.77
Amounts due from previous billings	<u>9,937.63</u>
Total	<u>\$11,063.40</u>

cc: William J. Malloy

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
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FACSIMILE
(813) 797

INVOICE

April 20, 1998

Mr. Joe Borda, President
Borda Engineers & Energy Consultants
10 East Chestnut Street
Merchantville, NJ 08109

Re: Lindrick Service Corporation

#781

For professional services rendered during
March, 1998, as follows:

- | | |
|---|-------------------|
| 1. Work related to the limited proceeding for wastewater rate increase, including analysis of additional information requested by Staff and letter, conferences with client and attorneys regarding information needed for revision to emergency rate request | \$ 675.00 |
| 2. Work related to the ongoing PSC Audit, including contact with Staff in Tallahassee to determine need for audit, review of Company responses to Audit Requests No. 2, 8, and 14; conference with PSC Auditor regarding location of books and records | 450.00 |
| 3. Telephone, postage, and copies | <u>19.74</u> |
| Total | <u>\$1,144.74</u> |

cc: William J. Malloy

Cronin, Jackson, Nixon & Wilson

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FACSIMILE
(813) 797-3602

COPY

INVOICE

July 21, 1998

Mr. Joe Borda, President
Borda Engineers & Energy Consultants
10 East Chestnut Street
Merchantville, NJ 08109

Re: Lindrick Service Corporation

#781

For professional services rendered during
June, 1998, as follows:

1. Conference with Mr. Borda regarding limited proceeding and value of sale of portion of service territory	\$ 450.00
2. Prepare draft and final schedule of estimated pricing proposal for sale of a portion of Utility service area (Walker Tract)	1,425.00
3. Work related to the limited proceeding and timing of submission of revisions and PSC timetable for considering the rate request	300.00
4. Telephone, Federal Express charges, postage, and copies	<u>27.60</u>
Total	<u>\$2,202.60</u>

cc: William J. Malloy

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
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(813) 797-3602

INVOICE

COPY

August 17, 1998

Mr. Joe Borda, President
Borda Engineers & Energy Consultants
10 East Chestnut Street
Merchantville, NJ 08109

Re: Lindrick Service Corporation

#781

For professional services rendered during
July, 1998, as follows:

1. Partial billing for preparation of revised Special Report for limited proceeding rate increase to reflect requirements of the Agreement with City of New Port Richey	\$3,675.00
2. Telephone and copies	<u>3.30</u>
Total	<u>\$3,678.30</u>

cc: William J. Malloy

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
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ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
ELIZABETH A. MAY, C.P.A.
BRENDA W. McBARRON, C.P.A.
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(727) 791-4020
FACSIMILE
(727) 797-3602

INVOICE

COPY

September 23, 1998

Mr. Joe Borda, President
Borda Engineers & Energy Consultants
10 East Chestnut Street
Merchantville, NJ 08109

Re: Lindrick Service Corporation

#781

For professional services rendered during
August, 1998, as follows:

1. Partial billing for preparation of revised Special Report for limited proceeding waste- water rate increase	\$2,175.00
2. Telephone, Federal Express charges, and copies	<u>135.42</u>
Total	<u>\$2,310.42</u>

cc: William J. Malloy

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
ELIZABETH A. MAY, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
HOLLY M. TOWNER, C.P.A.
JOHN A. VANTREASE, C.P.A.
JAMES L. WILSON, C.P.A.

COPY

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(727) 791-4020
FACSIMILE
(727) 797-3602

I N V O I C E

October 22, 1998

Mr. Joe Borda, President
Borda Engineers & Energy Consultants
10 East Chestnut Street
Merchantville, NJ 08109

Re: Lindrick Service Corporation

#781

For professional services rendered during
September, 1998, as follows:

1. Preparation of response to PSC Audit associated with Limited Proceeding rate case, including exhibits	\$5,568.75
2. Telephone, Federal Express charges, copies, and postage	<u>1,323.90</u>
Total	<u>\$6,892.65</u>

cc: William J. Malloy

Joe,

Please note that I wrote-off charges totalling \$4,950, relating to filing the second limited proceeding package and responding to the PSC Audit. Although all of these charges are valid, I am sensitive to the level of costs.

Bob

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

STEPHEN A. ECENIA
JOHN R. ELLIS
KENNETH A. HOFFMAN
THOMAS W. KONRAD
MICHAEL G. MAIDA
J. STEPHEN MENTON
R. DAVID PRESCOTT
HAROLD F. X. PURNELL
GARY R. RUTLEDGE
R. MICHAEL UNDERWOOD

POST OFFICE BOX 551, 32302-0551
215 SOUTH MONROE STREET, SUITE 420
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (850) 681-6788
TELECOPIER (850) 681-6515

OF COUNSEL:
CHARLES F. DUDLEY

GOVERNMENTAL CONSULTANTS:
PATRICK R. MALOY
AMY J. YOUNG

December 3, 1998

VIA TELECOPIER AND U. S. MAIL

Mr. Robert C. Nixon
Cronin, Jackson, Nixon & Wilson
2560 Gulf-to-Bay Boulevard
Suite 200
Clearwater, Florida 34625

Re: Docket No. 980242-SU
Lindrick Service Corporation's Amended Petition for Limited Proceeding to
Implement Two-Step Increase in Wastewater Rates

Dear Mr. Nixon:

This letter sets forth my estimate of legal fees and expenses through completion of the above-referenced proceeding, assuming that the matter does not involve a formal administrative hearing.

As reflected by the copies of the attached invoices from our firm, we have incurred legal fees of \$8,275.50 and expenses of \$395.50 for a total of \$8,671.00, for services rendered through October 31, 1998. At this juncture of the proceeding, it would appear that the remaining tasks to be performed include but are not limited to: conferences with you and Mr. Borda concerning various aspects of the case, any necessary communications with the PSC staff, review and input on any further staff (or intervenor) data or discovery requests, possible preparation of additional pleadings, review of staff recommendations, preparation for and attendance at agenda conferences, review of orders issued by the Commission, and post-final order tasks including motions for reconsideration and the filing of tariffs. I would estimate that the time required to complete these tasks, the scope

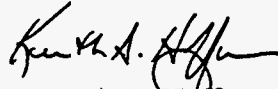
Mr. Robert C. Nixon

Page 2

December 3, 1998

of which remain uncertain, is approximately 45 hours. By multiplying 45 x \$210.00 (my agreed hourly rate with Lindrick), the result is a total estimate of additional fees of \$9,450.00. To that I would add an estimate of \$500.00 for additional costs through completion of the proceeding, yielding a total estimate of fees and costs to complete of \$9,950.00.

Sincerely,



Kenneth A. Hoffman

KAH/rl

Enclosures

cc: Mr. Joseph R. Borda, A.I.A., P.E., with enclosures

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

November 6, 1998

Billed through 10/31/98

Bill number 001964-00001-016 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

Balance forward as of bill number 015 dated 10/06/98 \$ 2,493.68

FOR PROFESSIONAL SERVICES RENDERED

10/13/98 KAH REVIEW LINDRICK'S RESPONSE TO PSC STAFF AUDIT
REPORT .80 hrs 168.00

Total Professional Fees \$ 168.00

REIMBURSABLE COSTS

10/30/98 LONG DISTANCE 1.25

Total Reimbursable Costs \$ 1.25

BILLING SUMMARY

TOTAL PROFESSIONAL FEES \$ 168.00

TOTAL REIMBURSABLE COSTS \$ 1.25

TOTAL CHARGES FOR THIS BILL \$ 169.25

NET BALANCE FORWARD \$ 2,493.68

CURRENT BALANCE DUE \$ 2,662.93

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

October 6, 1998

Billed through 09/30/98

Bill number 001964-00001-015 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

Balance forward as of bill number 014 dated 09/14/98	\$ 1,856.70
Payments received since last bill (last payment 09/21/98)	\$ 44.95
Net balance forward	\$ 1,811.75

FOR PROFESSIONAL SERVICES RENDERED

09/17/98 KAH	TELEPHONE CONFERENCE WITH BOB NIXON RE: FINAL VERSION OF REVISED SPECIAL REPORT SUPPORTING AMENDED PETITION FOR LIMITED PROCEEDING; REVIEW FINAL REVISED REPORT AND DRAFT REVISIONS TO MOTION FOR LEAVE TO FILE AMENDED PETITION FOR LIMITED PROCEEDING, AMENDED PETITION FOR LIMITED PROCEEDING AND ACCOMPANYING TARIFFS INCLUDING TELEPHONE CONFERENCES WITH BOB NIXON (2) RE: DISCUSSION OF VARIOUS SCHEDULES CONTAINED IN THE REVISED SPECIAL REPORT AND OTHER FACTS PERTINENT TO THE AMENDED PETITION FOR LIMITED PROCEEDING; FINALIZE MOTION FOR LEAVE TO FILE AMENDED PETITION AND AMENDED PETITION FOR LIMITED PROCEEDING FOR FILING WITH THE PSC	2.00 hrs	420.00
09/23/98 KAH	REVIEW PORTIONS OF DRAFT RESPONSE TO THE PSC AUDIT REPORT	.40 hrs	84.00
	Total Professional Fees		\$ 504.00

REIMBURSABLE COSTS

09/30/98	POSTAGE		4.36
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RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
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TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

Lindrick Service Corporation
Bill number 001964-00001-015 KAH

09/30/98	LONG DISTANCE	1.07
09/30/98	PHOTOCOPIES	172.50

	Total Reimbursable Costs	\$ 177.93

BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$ 504.00
TOTAL REIMBURSABLE COSTS	\$ 177.93

TOTAL CHARGES FOR THIS BILL	\$ 681.93
NET BALANCE FORWARD	\$ 1,811.75

CURRENT BALANCE DUE	\$ 2,493.68

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

September 14, 1998

Billed through 08/31/98

Bill number 001964-00001-014 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

Balance forward as of bill number 012 dated 08/14/98 \$ 44.95

FOR PROFESSIONAL SERVICES RENDERED

08/12/98 KAH	REVIEW DRAFT OF REVISED EXECUTIVE SUMMARY AND ATTACHMENTS WHICH WILL SUPPORT AMENDED PETITION FOR LIMITED PROCEEDING TO INCREASE RATES	.80 hrs	168.00
08/18/98 KAH	TELEPHONE CONFERENCE WITH BOB NIXON RE: DISCUSSION OF DRAFT OF REVISED SPECIAL REPORT SUPPORTING ANTICIPATED AMENDED PETITION FOR LIMITED PROCEEDING AND DISCUSSION OF PROPOSED COURSE OF ACTION FOR FILING AMENDED PETITION	.30 hrs	63.00
08/24/98 KAH	DRAFT MOTION FOR LEAVE TO FILE AMENDED PETITION FOR LIMITED PROCEEDING TO IMPLEMENT TWO-STEP WASTEWATER RATE INCREASE	1.00 hrs	210.00
08/25/98 KAH	REVIEW AND DRAFT REVISIONS TO MOTION FOR LEAVE TO FILE AMENDED PETITION FOR TWO-STEP INCREASE IN WASTEWATER RATES	.70 hrs	147.00
08/26/98 KAH	REVIEW PORTIONS OF STAFF AUDIT REPORT	.30 hrs	63.00
08/27/98 KAH	TELEPHONE CONFERENCE WITH BOB NIXON RE: DISCUSSION OF MATTERS RAISED IN PSC STAFF AUDIT REPORT AND MATTERS RELATED TO ANTICIPATED FILING OF AMENDED PETITION FOR LIMITED PROCEEDING	.30 hrs	63.00
08/29/98 KAH	FURTHER REVIEW OF REVISED SPECIAL REPORT SUPPORTING AMENDED PETITION FOR LIMITED PROCEEDING FOR TWO-STEP INCREASE IN WASTEWATER RATES AND DRAFT FIRST DRAFT OF AMENDED PETITION; DRAFT REVISIONS TO TARIFFS TO BE ATTACHED TO AMENDED PETITION; DRAFT REVISIONS TO CURRENT DRAFT OF LINDRICK'S MOTION FOR LEAVE TO FILE		

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

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(850) 681-6788

Lindrick Service Corporation
Bill number 001964-00001-014 KAH

AMENDED PETITION FOR LIMITED PROCEEDING

08/31/98 KAH	TELEPHONE CONFERENCE WITH BOB NIXON RE: DISCUSSION OF ISSUES RELATED TO AMENDED PETITION FOR LIMITED PROCEEDING AND NEED FOR ADDITIONAL TIME TO PROVIDE WRITTEN RESPONSE TO STAFF AUDIT REPORT; REVIEW AND DRAFT REVISIONS TO AMENDED PETITION FOR LIMITED PROCEEDING; DRAFT LETTER TO DIVISION OF RECORDS AND REPORTING REQUESTING EXTENSION OF TIME TO FILE RESPONSE TO STAFF AUDIT REPORT	3.60 hrs	756.00
		1.50 hrs	315.00

Total Professional Fees \$ 1,785.00

REIMBURSABLE COSTS

08/31/98	PHOTOCOPIES	26.75
	Total Reimbursable Costs	\$ 26.75

BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$ 1,785.00
TOTAL REIMBURSABLE COSTS	\$ 26.75
TOTAL CHARGES FOR THIS BILL	\$ 1,811.75
NET BALANCE FORWARD	\$ 44.95
CURRENT BALANCE DUE	\$ 1,856.70

PLEASE RETURN ONE COPY OF THIS STATEMENT WITH PAYMENT

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

August 14, 1998

Billed through 07/31/98

Bill number 001964-00001-012 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

Balance forward as of bill number 011 dated 07/13/98 \$ 1,005.70

FOR PROFESSIONAL SERVICES RENDERED

07/30/98 KAH REVIEW CORRESPONDENCE FROM BOB NIXON AND DRAFT
EXECUTIVE SUMMARY FOR ANTICIPATED REVISED RATE
REQUEST .20 hrs 42.00

Total Professional Fees \$ 42.00

REIMBURSABLE COSTS

07/31/98 LONG DISTANCE 2.95

Total Reimbursable Costs \$ 2.95

BILLING SUMMARY

TOTAL PROFESSIONAL FEES \$ 42.00

TOTAL REIMBURSABLE COSTS \$ 2.95

TOTAL CHARGES FOR THIS BILL \$ 44.95

NET BALANCE FORWARD \$ 1,005.70

CURRENT BALANCE DUE \$ 1,050.65

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

July 13, 1998

Billed through 06/30/98

Bill number 001964-00001-011 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

Balance forward as of bill number 010 dated 06/05/98 \$ 504.38

FOR PROFESSIONAL SERVICES RENDERED

06/01/98 KAH	TELEPHONE CONFERENCES WITH BOB NIXON AND RALPH JAEGER (2), PSC STAFF COUNSEL RE: STATUS OF CASE, NEW WASTEWATER TREATMENT AGREEMENT WITH THE CITY, ANTICIPATED SCHEDULE FOR FILING AMENDED PETITION AND SEEKING PSC APPROVAL OF NEW RATE AND RELATED MATTERS; DRAFT LETTER TO RALPH JAEGER RE: SAME SUBJECT	1.00 hrs	210.00
06/03/98 KAH	TELEPHONE CONFERENCES WITH JOE BORDA AND BOB NIXON RE: FURTHER DISCUSSION OF DETAILS RELATED TO ANTICIPATED AMENDED PETITION FOR LIMITED PROCEEDING AND TWO-STEP RATE INCREASE WHICH WILL BE REQUESTED PURSUANT TO THE AMENDED PETITION; DICTATE MEMORANDUM TO FILE RE: SAME SUBJECTS; TELEPHONE CONFERENCE WITH RALPH JAEGER, PSC STAFF COUNSEL RE: SAME SUBJECT AND DRAFT LETTER TO MR. JAEGER OUTLINING DETAILS OF TWO-STEP RATE INCREASE WHICH WILL BE REQUESTED PURSUANT TO THE AMENDED PETITION FOR LIMITED PROCEEDING AND ASSOCIATED TIME FRAMES FOR REQUEST	1.30 hrs	273.00

Total Professional Fees \$ 483.00

REIMBURSABLE COSTS

06/30/98	PHOTOCOPIES		10.75
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RUTLEDGE, ECENIA, UNDERWOOD, FURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

Lindrick Service Corporation
Bill number 001964-00001-011 KAH

06/30/98	POSTAGE	4.62
06/30/98	LONG DISTANCE	2.95
	Total Reimbursable Costs	<u>\$ 18.32</u>

BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$ 483.00
TOTAL REIMBURSABLE COSTS	\$ 18.32
TOTAL CHARGES FOR THIS BILL	<u>\$ 501.32</u>
NET BALANCE FORWARD	\$ 504.38
CURRENT BALANCE DUE	<u>\$ 1,005.70</u>

PLEASE RETURN ONE COPY OF THIS STATEMENT WITH PAYMENT

RUTLEDGE, ECENIA, UNDERWOOD, FURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

June 5, 1998

Billed through 05/31/98

Bill number 001964-00001-010 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

Balance forward as of bill number 007 dated 04/10/98	\$ 4,957.42
Payments received since last bill (last payment 05/04/98)	\$ 4,957.42

Net balance forward	\$.00

FOR PROFESSIONAL SERVICES RENDERED

04/10/98 KAH	TELEPHONE CONFERENCE WITH JAKE VARN RE: STATUS OF NEGOTIATIONS WITH THE CITY OF NEW PORT RICHEY FOR WASTEWATER TREATMENT AND STATUS OF PROTEST OF DEP NOTICE OF VIOLATIONS AND COORDINATION WITH TIMING OF PSC REQUEST FOR RATE RELIEF	.30 hrs	63.00
05/05/98 KAH	TELEPHONE CONFERENCE WITH LILA JABER RE: JUNE 16, 1998 AGENDA CONFERENCE DATE AND WHETHER LINDRICK EXPECTS TO FILE AMENDED PETITION IN TIME FOR JUNE 16, 1998 AGENDA CONFERENCE CONSIDERATION AND MATTERS RELATED THERETO; DRAFT LETTER TO JOE BORDA RE: SAME SUBJECT AND NEED TO PROVIDE STAFF WITH STATUS REPORT ON NEGOTIATIONS WITH THE CITY AND ANTICIPATED DATE OF FILING AMENDED PETITION	.70 hrs	147.00
05/20/98 JRE	TELEPHONE CONFERENCE WITH BOB NIXON CONCERNING AGREEMENT WITH CITY OF NEW PORT RICHEY, CONTINUANCE AND REVISED PETITON; DRAFT MEMO TO KEN HOFFMAN	.50 hrs	82.50
05/20/98 KAH	DRAFT LETTER TO RALPH JAEGER, PSC STAFF COUNSEL RE: RECENTLY APPROVED WASTEWATER TREATMENT AGREEMENT WITH THE CITY OF NEW PORT RICHEY, AND IMPROVEMENTS REQUIRED THEREUNDER, ANTICIPATED FILING OF AMENDED PETITION FOR LIMITED PROCEEDING AND MATTERS RELATED THERETO	.70 hrs	147.00

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

Lindrick Service Corporation
Bill number 001964-00001-010 KAH

05/28/98 KAH TELEPHONE CONFERENCE WITH RALPH JAEGER RE: STATUS
OF PENDING PETITION FOR LIMITED PROCEEDING AND
REQUEST TO POSTPONE DATES FOR AGENDA CONFERENCE
AND RELATED MATTERS .20 hrs 42.00

Total Professional Fees \$ 481.50

REIMBURSABLE COSTS

04/30/98 PHOTOCOPIES .25
04/30/98 FACSIMILE TRANSMISSIONS 2.00
04/30/98 POSTAGE .32
04/30/98 LONG DISTANCE 5.61
05/31/98 PHOTOCOPIES 4.50
05/31/98 FACSIMILE TRANSMISSIONS 8.00
05/31/98 POSTAGE .96
05/31/98 LONG DISTANCE 1.24

Total Reimbursable Costs \$ 22.88

BILLING SUMMARY

TOTAL PROFESSIONAL FEES \$ 481.50
TOTAL REIMBURSABLE COSTS \$ 22.88
TOTAL CHARGES FOR THIS BILL \$ 504.38
CURRENT BALANCE DUE \$ 504.38

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

April 10, 1998

Billed through 03/31/98

Bill number 001964-00001-007 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

Balance forward as of bill number 005 dated 03/12/98 \$ 4,172.98

FOR PROFESSIONAL SERVICES RENDERED

03/02/98 JRE	TELEPHONE CONFERENCE WITH ROBERT NIXON RE: STATUS OF CONTRACT NEGOTIATIONS WITH CITY, AND DRAFT MEMO TO KEN HOFFMAN RE: CALL; TELEPHONE CONFERENCE WITH JOE BORDA, BOB NIXON AND KEN HOFFMAN RE: AMENDED PETITION	.50 hrs	82.50
03/02/98 KAH	TELEPHONE CONFERENCE WITH BOB NIXON, JOE BORDA AND JOHN ELLIS RE: STRATEGY RE: DISCUSSION OF NEW DEMANDS PLACED BY THE CITY OF NEW PORT RICHEY ON LINDRICK RELATED TO EMERGENCY RATE INCREASE AND DISCUSSION OF STRATEGY AND COURSE OF ACTION FOR FILING AMENDED PETITION AMENDING THE AMOUNT OF THE EMERGENCY RATE INCREASE AND THE SECOND STEP INCREASE	.60 hrs	126.00
03/04/98 KAH	TELEPHONE CONFERENCE WITH RALPH JAEGER RE: RECENT DEMANDS OF CITY OF NEW PORT RICHEY POTENTIALLY AFFECTING LEVEL OF EMERGENCY INCREASE IN RATES AND MATTERS RELATED THERETO	.20 hrs	42.00
03/16/98 KAH	TELEPHONE CONFERENCE WITH RALPH JAEGER OF THE PSC STAFF RE: STATUS OF CASE; REVIEW REVISED CASE ASSIGNMENT AND SCHEDULING RECORD AND DRAFT MEMORANDUM TO BOB NIXON AND JOE BORDA RE: SAME SUBJECT	.40 hrs	84.00
03/22/98 KAH	REVIEW DATA REQUEST SERVED BY THE PSC STAFF AND DRAFT LETTER TO BOB NIXON RE: SAME	.30 hrs	63.00
03/26/98 JRE	REVIEW STAFF'S/JAEGER'S INFORMATION REQUESTS; TELEPHONE CONFERENCE WITH BOB NIXON CONCERNING STATUS OF CONTRACT NEGOTIATIONS WITH CITY OF NEW PORT RICHEY, TIMETABLE FOR AMENDED PETITION, AND RESPONSES TO DATA REQUESTS; PREPARE STATUS MEMO TO KEN HOFFMAN	.50 hrs	82.50

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

Lindrick Service Corporation

Bill number 001964-00001-007 KAH

03/30/98	KAH	TELEPHONE CONFERENCE WITH RALPH JAEGER, PSC STAFF COUNSEL RE: STATUS OF CASE	.20 hrs	42.00
03/30/98	KAH	TELEPHONE CONFERENCE WITH BOB NIXON RE: STATUS OF PROPOSED AGREEMENT WITH CITY FOR TREATMENT OF WASTEWATER AND NEW REQUIREMENTS IMPOSED BY CITY CONCERNING CHLORIDE LEVELS AND RELATED MATTERS AND IMPACT ON TIMING AND FILING OF AMENDED PETITION FOR LIMITED PROCEEDING; TELEPHONE CONFERENCE WITH RALPH JAEGER, PSC STAFF COUNSEL RE: SAME SUBJECT; DRAFT MEMORANDUM TO JOE BORDA AND BOB NIXON RE: SAME SUBJECT AND DISCUSSION WITH MR. JAEGER	.70 hrs	147.00
03/31/98	JRE	REVIEW LETTER FROM BOB NIXON CONCERNING STAFF'S INFORMATION REQUESTS; CONFERENCE WITH KEN HOFFMAN CONCERNING AMENDING PETITION FOR EMERGENCY INCREASE; REVIEW DECISION AND SEARCH PSC DOCKETS RE: OVERTURNING INQUIRY; REVIEW LETTER TO BOB NIXON AND J. BORDA RE: CONVERSATION WITH STAFF ATTORNEY RALPH JAEGER	.50 hrs	82.50

Total Professional Fees

\$ 751.50

REIMBURSABLE COSTS

03/31/98	PHOTOCOPIES	5.00
03/31/98	FACSIMILE TRANSMISSIONS	18.00
03/31/98	POSTAGE	1.28
03/31/98	LONG DISTANCE	8.66

Total Reimbursable Costs

\$ 32.94

BILLING SUMMARY

TOTAL PROFESSIONAL FEES

\$ 751.50

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

Lindrick Service Corporation
Bill number, 001964-00001-007 KAH

TOTAL REIMBURSABLE COSTS	\$ 32.94
TOTAL CHARGES FOR THIS BILL	\$ 784.44
NET BALANCE FORWARD	\$ 4,172.98
CURRENT BALANCE DUE	\$ 4,957.42

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

March 12, 1998

Billed through 02/28/98

Bill number 001964-00001-005 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

Balance forward as of bill number 001 dated 02/16/98 \$ 1,339.00

FOR PROFESSIONAL SERVICES RENDERED

02/02/98	JRE	DRAFT PORTIONS OF PETITION FOR LIMITED PROCEEDING FOR TWO-STEP INCREASE	2.00 hrs	330.00
02/03/98	JRE	REVISE AND EDIT PETITION FOR LIMITED PROCEEDING; TELEPHONE CONFERENCE WITH ROBERT NIXON	1.80 hrs	297.00
02/04/98	JRE	REVIEW FOREST HILLS' PETITION FOR LIMITED PROCEEDING; OFFICE CONFERENCE WITH KEN HOFFMAN RE: SPECIFIC MATTERS ADDRESSED IN PETITION	1.00 hrs	165.00
02/04/98	KAH	REVIEW AND DRAFT REVISIONS TO PORTIONS OF PETITION FOR LIMITED PROCEEDING; TELEPHONE CONFERENCE WITH BOB NIXON RE: DISCUSSION OF MATTERS RELATED TO DRAFTING PETITION FOR LIMITED PROCEEDING	.70 hrs	147.00
02/11/98	KAH	REVIEW AND DRAFT REVISIONS TO PETITION FOR LIMITED PROCEEDING TO INCREASE WASTEWATER RATES	.60 hrs	126.00
02/11/98	JRE	TELEPHONE CONFERENCE WITH ROBERT NIXON RE: PETITION; MEMO TO KEN HOFFMAN RE: CALL; REVISE PETITION PER MR. NIXON'S COMMENTS	1.00 hrs	165.00
02/12/98	KAH	WORK SESSION WITH JOHN ELLIS TO REVIEW CURRENT DRAFT OF LIMITED PROCEEDING PETITION; REVIEW AND DRAFT FINAL REVISIONS TO LIMITED PROCEEDING PETITION AND PREPARE FOR FILING	2.00 hrs	420.00
02/12/98	JRE	REVISE FOUR TARIFF SHEETS IN SUPPORT OF PETITION; CONFERENCES WITH KEN HOFFMAN; FILE PETITION	2.00 hrs	330.00

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

Lindrick Service Corporation

Bill number 001964-00001-005 KAH

02/23/98	KAH	TELEPHONE CONFERENCE WITH RALPH JAEGER RE MATTERS RELATED TO MEETING WITH PSC STAFF ON FEBRUARY 26, 1998	.20 hrs	42.00
02/26/98	KAH	ATTEND MEETING WITH PSC STAFF RE: DISCUSSION OF LINDRICK'S PETITION FOR EMERGENCY AND FINAL INCREASE IN RATES AND ISSUES RELATED THERETO; CONFERENCE CALL WITH BOB NIXON AND JOHN ELLIS RE: MEETING WITH STAFF, ISSUES CONCERNING EMERGENCY INCREASE AND RECENT POSITION OF PASCO COUNTY REGARDING REDUCTION OF EXCESSIVE CHLORIDES PRIOR TO TREATMENT BY CITY WASTEWATER TREATMENT PLANT AND DISCUSSION OF COURSE OF ACTION; DRAFT LETTER TO BOB NIXON RE: ITEMS DISCUSSED BY THE PSC STAFF TO BE INCLUDED IN FOLLOW-UP LETTER REGARDING PETITIOIN FOR LIMITED PROCEEDING AND REQUEST FOR EMERGENCY RATE INCREASE	2.80 hrs	588.00
02/27/98	JRE	RESEARCH FPSC ORDERS NOS. 97-0207, 97-1458 RE: FOREST HILLS; REVIEW KEN HOFFMAN LETTER TO JOE BORDA AND ROBERT NIXON	.50 hrs	82.50
02/27/98	KAH	TELEPHONE CONFERENCE WITH JAKE VARN RE: STATUS OF LINDRICK'S PROTEST OF DEP NOTICE OF VIOLATIONS	.20 hrs	42.00

Total Professional Fees

\$ 2,734.50

REIMBURSABLE COSTS

02/27/98	LONG DISTANCE	2.73
02/27/98	PHOTOCOPIES	81.75
02/27/98	FACSIMILE TRANSMISSIONS	15.00

Total Reimbursable Costs

\$ 99.48

BILLING SUMMARY

TOTAL PROFESSIONAL FEES

\$ 2,734.50

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 551
TALLAHASSEE, FLORIDA 32302-0551
(850) 681-6788

Lindrick Service Corporation
Bill number 001964-00001-005 KAH

TOTAL REIMBURSABLE COSTS	\$ 99.48

TOTAL CHARGES FOR THIS BILL	\$ 2,833.98

NET BALANCE FORWARD	\$ 1,339.00

CURRENT BALANCE DUE	\$ 4,172.98

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

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February 16, 1998

Billed through 01/31/98

Bill number 001964-00001-001 KAH

Lindrick Service Corporation
c/o Borda Engineers & Energy
Consultants
10 East Chestnut Street
Merchantville Train Station
Merchantville, NJ 08109

FOR PROFESSIONAL SERVICES RENDERED

01/27/98	KAH	TELEPHONE CONFERENCE WITH BOB NIXON RE: STATUS OF FILING AND MATTERS RELATED TO FILING PETITION FOR LIMITED PROCEEDING; REVIEW DRAFT SCHEDULES SUPPORTING PETITION FOR LIMITED PROCEEDING PROVIDED BY BOB NIXON	.60 hrs	126.00
01/29/98	JRE	CONFERENCE WITH KEN HOFFMAN; REVIEW FILE; RESEARCH FPSC DECISIONS RE: LINDRICK AND CH. 367, FLORIDA STATUTES	3.50 hrs	577.50
01/29/98	KAH	REVIEW DEP NOTICE OF VIOLATIONS AND REQUIRED CORRECTIVE ACTION	.50 hrs	105.00
01/30/98	JRE	REVIEW SPECIAL REPORT; RESEARCH FPSC ORDER NO. 12691; TELEPHONE CONFERENCE WITH ROBERT NIXON AND KEN HOFFMAN	2.50 hrs	412.50
01/30/98	KAH	TELEPHONE CONFERENCE WITH BOB NIXON REGARDING DISCUSSION OF BACKGROUND DOCUMENTS SUPPORTING PETITION FOR LIMITED PROCEEDING; CONTINUE REVIEW OF BACKGROUND SUPPORTING DOCUMENTS AND EXECUTIVE SUMMARY	.50 hrs	105.00

Total Professional Fees				\$ 1,326.00

REIMBURSABLE COSTS

01/31/98		PHOTOCOPIES		13.00

Total Reimbursable Costs				\$ 13.00

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

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Lindrick Service Corporation
Bill number 001964-00001-001 KAH

BILLING SUMMARY

TOTAL PROFESSIONAL FEES	\$ 1,326.00
TOTAL REIMBURSABLE COSTS	\$ 13.00
TOTAL CHARGES FOR THIS BILL	----- \$ 1,339.00

PLEASE RETURN ONE COPY OF STATEMENT WITH PAYMENT

Lindrick Service Corporation
Summary of SH Utilities System Values
December 31, 1997

Utility plant in service	\$ 103,143
Land and land rights	3,450
Accumulated depreciation	(82,840)
CIAC	(52,498)
Accumulated amortization of CIAC	<u>52,498</u>
Net assets	<u>\$ 23,753</u>

San Joaquin System
Accumulated Depreciation & CIAC Amortization
at December 31, 1997

Accumulated Depreciation	07/31/97		PSC Depreciation Rate	5 Months Depreciation Expense/Adj.	Accumulated Depreciation 12/31/97
	Plant Balance per PSC (2)	Accumulated Depreciation per PSC			
Structures & Improvements	\$ 4,263	\$ 3,172	3.57%	\$ 63	\$ 3,235
Wells & Springs	2,090	1,812	3.70%	32	1,844
Supply Mains	1,125	907	3.13%	14	921
Power Generation Equipment (1)	6,063	6,729	5.88%	(666)	6,063
Pumping Equipment	14,947	8,679	5.88%	366	9,045
Water Treatment Equipment	17,629	10,839	5.88%	437	11,276
Distribution Reservoirs	2,205	1,756	3.03%	28	1,784
Transmission & Distribution Mains	17,308	13,004	2.63%	189	13,193
Services	9,613	7,464	2.86%	115	7,579
Meters (1)	27,900	29,771	5.88%	(1,871)	27,900
Total	\$ 103,143	\$ 84,133	-	\$ (1,293)	\$ 82,840

- (1) Staff workpapers indicate that power generation equipment and meters were over depreciated by \$666 and \$1,871, respectively.
(2) No additions to plant were made between 07/31/97 and 12/31/97.

CIAC Amortization

Total plant 12/31/97	\$ 103,143
Less: Fully depreciated plant (\$6,063 + \$27,900)	<u>(21,837)</u>
Gross depreciable plant	<u>\$ 81,306</u>
Staff depreciation expense to 07/31/97	\$ 2,902
Less: Depreciation on assets fully depreciated:	
Power generation equipment	(208)
Meters	<u>(957)</u>
Adjusted expense to 07/31/97	1,737
Expense 07/31/97 to 12/31/97	<u>1,244</u>
Total gross depreciation expense	<u>\$ 2,981</u>
Composite amortization rate	3.67%
CIAC balance 12/31/97 (1)	\$ 52,498
Annual amortization	1,926
Amortization per Staff to 07/31/97	<u>(1,477)</u>
Amortization 07/31/97 to 12/31/97	<u>\$ 449</u>

Summary

CIAC Balance 12/31/97	\$ 52,498
Accumulated amortization per Staff at 07/31/97	\$ 50,937
1997 amortization (2)	<u>1,561</u>
Accumulated amortization 12/31/97	<u>\$ 52,498</u>

- (1) No CIAC additions were made between 07/31/97 and 12/31/97.
(2) 1997 amortization is limited to amount to fully amortize CIAC (\$1,926 - \$365 = \$1,561).