



JACK SHREVE
PUBLIC COUNSEL

STATE OF FLORIDA
OFFICE OF THE PUBLIC COUNSEL

c/o The Florida Legislature
111 West Madison St.
Room 812
Tallahassee, Florida 32399-1400
850-488-9330

RECEIVED-FPSC

AUG -5 PM 2:44

RECORDS AND
REPORTING

August 5, 1999

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Docket No. 981781-SU

Dear Ms. Bayó:

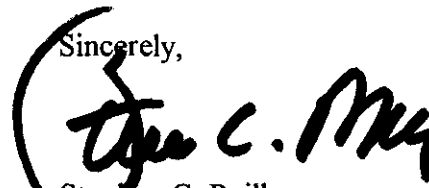
Enclosed are an original and fifteen copies of Rebuttal Testimony of Ted L. Bidy, P.E./P.L.S., for filing in the above-referenced docket.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

RECEIVED & FILED


FPSC BUREAU OF RECORDS

Sincerely,



Stephen C. Reilly
Associate Public Counsel

SCR/dsb
Enclosures

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DOCUMENT NUMBER-DATE

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RECORDS AND REPORTING

ORIGINAL

REBUTTAL TESTIMONY OF TED L. BIDDY, P.E./P.L.S.
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
ON BEHALF OF THE
CITIZENS OF THE STATE OF FLORIDA
DOCKET NO. 981781-SU

AUGUST 5, 1999

1 Q. WHAT IS YOUR NAME AND ADDRESS?

2 A. Ted L. Bidby, 2308 Clara Kee Blvd., Tallahassee, Florida 32303

3 Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

4 A. I am a self-employed consulting engineer who specializes in engineering matters
5 as they relate to public utility regulation. I have been retained by the Office of the
6 Public Counsel (OPC), on behalf of the citizens of the State of Florida, to
7 evaluate, and offer testimony on, the request by North Fort Myers Utility (NFMU
8 or utility) to extend its service territory to include the area of the Buccaneer
9 Estates Mobile Home Park.

10 Q. ARE YOU THE SAME TED L. BIDDY THAT PREFILED DIRECT TESTIMONY
11 ON JUNE 21, 1999?

12 A. Yes, I am.

13 Q. MR. BIDDY, WHAT ADDITIONAL INFORMATION HAVE YOU NOW REVIEWED
14 IN PREPARATION FOR FILING OF THIS REBUTTAL TESTIMONY?

15 A. I have reviewed extensive discovery information received from NFMU, a copy of
16 the wastewater collection system plans at Buccaneer Estates received by
17 discovery from Mobile Home Communities (MHC); Water consumption records
18 of Buccaneer Estates received from Lee County Utilities; the Florida Rural Water
19 Association collection system report; and the direct testimony of Staff witnesses
20 Andrew Barienbrock, John Williams and John Floyd.

21 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

22 A. The purpose of my rebuttal testimony is to examine the alternatives and
23 options for wastewater service to the residents of Buccaneer Estates in light
24 of further information obtained by discovery and from further direct testimony
25 filed in this case to determine which alternative or option is in the best interest
26 of the public.

1 Q. PLEASE DISCUSS THE ALTERNATIVES AND OPTIONS AVAILABLE TO
2 THE BUCCANEER RESIDENTS BASED ON YOUR STUDY OF ALL OF THE
3 ADDITIONAL INFORMATION.

4 A. The first alternative is for the owner of Buccaneer to restore the treatment plant
5 which was dismantled, obtain the proper operating permit and continue to charge
6 the residents of Buccaneer for sewer service as a pass through charge. Since
7 a major portion of the treatment plant was illegally dismantled, the Buccaneer
8 owner should not be allowed to charge anything for the plant restoration.
9 Additional pass through charge to the residents should be limited to the cost
10 which the owner would have experienced originally if the plant had been
11 upgraded as required by the Florida Department of Environmental Protection
12 (FDEP) for renewal of the operating permit. An estimate of the total cost which
13 the owner would have experienced is the amount of \$265,000 which includes
14 \$25,000 for a hydrogeologic investigation, \$100,000 for modifications and fill for
15 the percolation ponds, \$100,000 for repairs to the collection system and
16 treatment plant, and \$40,000 for engineering. The \$265,000 total estimate
17 agrees with the estimate range given in the direct testimony of Mr. Andrew
18 Barienbrook of the Ft. Myers FDEP office.

19
20 Assuming a total cost of the upgraded wastewater system of \$265,000 and an
21 ten percent (10%) rate of return plus taxes over 30 years on this investment, a
22 total annual charge of \$40,289 would therefore be fair as a pass through charge
23 to the Buccaneer residents. This annual charge would amount to \$41.45 per
24 year for each of the 972 mobile home connections which would be \$3.45 per
25 month per connection. This \$3.45 per month charge when added to the previous

1 charge for sewage service of \$6.07 per month would yield a total per month
2 charge of \$9.52 per mobile home connection.

3
4 This alternative is by far the best for the Buccaneer residents from an economic
5 standpoint. The Commission should order the restoration of the Buccaneer
6 treatment plant by the Owner with a total increase in cost to the residents of
7 \$3.45 per month per connection. This alternative is obviously more in the public
8 interest than for the residents to pay \$21.48 to \$27.43 per month per connection
9 as retail customers of NFMU.

10 **Q. HOW CAN THE PUBLIC SERVICE COMMISSION ORDER THIS OWNER TO**
11 **RESTORE THE TREATMENT PLANT AND RETURN TO THE FORMER PASS**
12 **THROUGH CHARGES PLUS THE INCREASE OF \$3.45 PER MONTH?**

13 **A.** Although the Buccaneer Owner included wastewater services as a part of the
14 monthly lot rental and was exempt from rate regulation, I agree with Staff witness
15 John Williams who stated in his direct testimony that this Owner was still under
16 the jurisdiction of the Commission. Specifically, the Commission by letter of May
17 14, 1976 had instructed the Buccaneer owners to "please inform this Commission
18 of any contemplated changes in utility operations (i.e. any rate changes, or intent
19 to begin charging customers a fee for service) or a pending sale of system."
20 Clearly, the Buccaneer owner is a utility for water service and regulated by the
21 Commission and the Commission had given this utility instructions concerning its
22 wastewater service to the residents. Therefore, it seems obvious that the
23 Commission has jurisdiction over this utility in the current wastewater matter. (See
24 Exhibit JDW-1)

1 Also, it is certainly uncontested that should the Commission rule that it is not in
2 the public interest for NFMU to serve the Buccaneer area, then the Buccaneer
3 owner would have to restore the wastewater service to the residents in order to
4 continue to earn the approximate \$4,000,000 which it receives in annual rent
5 from the Buccaneer residents.

6 **Q. WAS THERE A GOVERNMENTAL MANDATE FROM ANY AGENCY**
7 **REQUIRING THE INTERCONNECTION OF THE BUCCANEER WASTEWATER**
8 **SYSTEM TO NFMU?**

9 **A.** Absolutely not! Neither the FDEP nor Lee County ever mandated any
10 interconnection. A fact, the attorneys for NFMU continuously glossed over every
11 time NFMU alleged in letters to the Buccaneer owner that Buccaneer was in
12 violation of Lee County Ordinance No. 91-01, and that the existing treatment
13 plant could not be upgraded to FDEP standards to permit the renewal of the
14 plant's operating permit (See Exhibit TLB-2). These discussions even went so
15 far as to reach an agreement between NFMU and the Buccaneer owner MHC at
16 a meeting on May 12, 1998 that "NFMU will work in concert with MHC in order to
17 secure an order from the Lee County Department of Public Works requiring
18 interconnect." (See Exhibit TLB-4, Letter from Rose, Sundstrom & Bentley to
19 Buccaneer owner, paragraph 4).

20
21 Despite the efforts of these parties to secure such an order requiring the
22 interconnection of the Buccaneer system to NFMU, no such order was ever
23 issued by Lee County. Likewise no mandate for interconnection was considered
24 by the FDEP. The FDEP only considered the agreement to interconnect after the
25 matter was proposed to FDEP by the parties.
26

1 Q. WHAT OTHER ALTERNATIVES AND OPTIONS ARE AVAILABLE TO THE
2 BUCCANEER RESIDENTS BASED ON YOUR STUDY OF THE ADDITIONAL
3 INFORMATION?

4 A. An option to the alternative discussed above would be for the Buccaneer owner
5 to become a bulk customer of NFMU and simply pass through the NFMU charges
6 for this service to the residents of Buccaneer. With this option, the NFMU
7 wastewater charges would be a base facility charge of \$539.78 plus a gallonage
8 charge of \$3.98 per 1,000 gallons of water usage (NFMU General Service Tariff).
9 Records of water usage were obtained from Lee County Utilities which show the
10 water usage for Buccaneer (See Exhibit TLB- 5) for the last 12 month period
11 from 7/98 through 6/99. The calculation which is attached hereto as Exhibit TLB-
12 6 shows the monthly wastewater charges which would have been charged by
13 NFMU during the last 12 month period with this option in place. The water
14 consumption varies during the warmer months, but the average per month
15 wastewater bill would be \$11.05 per mobile home connection. This option would
16 be the next best alternative for wastewater services for the Buccaneer residents.
17 The only other alternative studied is for the owner of Buccaneer Estates to cease
18 all wastewater operations, turn the wastewater facilities over to Lee County and
19 allow the Buccaneer Homeowners Association to take over the collection system
20 and become a bulk customer of NFMU for wastewater service. Under this
21 unlikely alternative, the Buccaneer owner would have to transfer the purchase
22 price which it received from NFMU for the collection system to the Homeowners
23 Association for the Association's use in repairing the collection system. The
24 Association would then be responsible for proportioning the bulk customer charge
25 from NFMU to the residents. The average monthly per connection wastewater
26 cost would then be the same as discussed above for the second option with the

1 average charge being \$11.05 per month. The alternative of the Homeowners
2 Association operating a treatment plant and the collection system was not
3 considered since the Association has no interest in operating a treatment plant.

4 **Q. NOW THAT YOU HAVE THE ACTUAL WATER CONSUMPTION RECORDS**
5 **FOR BUCCANEER FOR THE PAST 12 MONTH PERIOD, HAVE YOU**
6 **RECALCULATED THE AVERAGE MONTHLY WASTEWATER COST FOR A**
7 **RESIDENT OF BUCCANEER BASED UPON BEING A RETAIL CUSTOMER OF**
8 **NFMU?**

9 **A. Yes. The published NFMU Tariff Rate Schedule RS would be the only schedule**
10 **which would apply to Buccaneer since each lot is individually metered for water.**
11 **The schedule shows a base facility charge of \$10.98 with a gallonage charge of**
12 **\$3.98 per 1,000 gallons of water used. My calculation of the average monthly**
13 **wastewater charge per connection based on these rates is included in Exhibit**
14 **TLB-7 hereto. The average monthly charge per resident would be \$21.48 as a**
15 **retail customer of NFMU. This average monthly charge is more than three times**
16 **the monthly rate of \$6.07 that the residents formally paid to the Buccaneer owner**
17 **for wastewater service. Also, it should be noted that the computation of an**
18 **average monthly per connection charge is misleading because many residents**
19 **are gone for several months each year making the average \$21.48 charge lower**
20 **than it would be if all connections had full year occupancy. A better comparison**
21 **would be for the month of April, 1999 when most residents were present at**
22 **Buccaneer. The average water usage during April was 4,134 gallons and the**
23 **average wastewater charge per connection would have been \$27.43 which is**
24 **four and one half times the previous monthly cost of \$6.07 per month.**
25

1 Q. DID YOU SEE ANY OTHER ITEMS IN THE DISCOVERY OR IN YOUR
2 INVESTIGATION THAT YOU WOULD LIKE TO ADD TO YOUR TESTIMONY?

3 A. Yes, there are two items which I think are important and should be brought to the
4 attention of the Commission. The first item is a letter dated July 31, 1998 from
5 Steven Morrison, P.E., of Johnson Engineering, Inc of Ft. Myers to Tony Reeves,
6 Manager of NFMU. At that time, Johnson Engineering was performing the design
7 for the Buccaneer/NFMU Interconnect for NFMU. In his letter, Mr. Morrison
8 states that "his firm has been involved with the Buccaneer project since its
9 original construction in the 1970's including several expansions and renewal of
10 FDEP operating permit." He further states that "Based on our on-site visit and
11 the FDEP review, it appears the Buccaneer system has been functioning
12 adequately during the past several years." " Most of the compliance issues are
13 related to operational issues and pending successful answering of the sufficiency
14 questions, and constructing any required modifications to the facility, an
15 operational permit would most likely be reissued." (See Exhibit TLB-8) The
16 importance of this letter is the fact that NFMU knew first hand from the original
17 design engineers that the Buccaneer treatment plant could have obtained a
18 FDEP operating permit renewal and continued to serve the Buccaneer residents.

19
20 The second item which I believe should be discussed is a report which I was able
21 to obtain from the Florida Rural Water Association (FRWA) in connection with a
22 study of the collection system at Buccaneer which was performed by the FRWA.
23 We tried, but were unsuccessful in obtaining a copy of this report through
24 discovery. The report, which is attached hereto as Exhibit TLB-9, concerns the
25 detailed inspection of the Buccaneer system manholes and a smoke test of the
26 collection system. The FRWA found the manholes to be in good condition and

1 the smoke test did not find inflow connections of stormwater sewers to the
2 collection system. The manhole inspections and the smoke test are services that
3 the FRWA will perform free of charge for any of the its members. Further testing
4 such as T.V. inspection of the lines is charged for by the FRWA and no
5 authorization was given to the FRWA for this additional testing and inspection.
6 The importance of this report is the fact that the manholes were found to be in
7 good condition and not in need of repair and no inflow sources were identified
8 with the smoke tests. Therefore the collection system is probably subject to only
9 infiltration at the joints or pipe breaks for this vitrified clay pipe system and could
10 be repaired at less cost than originally assumed.

11 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

12 **A. Yes it does.**

**CERTIFICATE OF SERVICE
DOCKET NO. 981781-SU**

I HEREBY CERTIFY that a correct copy of the foregoing Rebuttal Testimony of Ted L. Bidby, P.E./P.L.S. has been furnished by U.S. Mail or hand delivery* to the following parties on this 5th day of August, 1999.

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Jennifer Brubaker, Esquire*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Mr. Donald Gill
674 Brigantine Blvd.
North Ft. Myers, FL 33917

Mr. Joseph Devine
688 Brigantine Blvd.
North Ft. Myers, FL 33917

Mr. Ronald Ludington
509 Avanti Way Blvd.
North Ft. Myers, FL 33917



Stephen C. Reilly
Associate Public Counsel

EXHIBITS LIST FOR REBUTTAL TESTIMONY

- EXHIBIT TLB-4** Letter dated May 18, 1998 from law firm of Rose, Sundstrom & Bentley to Manufactured Home Communities, Inc, Owner of Buccaneer Estates
- EXHIBIT TLB-5** Record of Water Usage by Buccaneer Estates for Period July, 1998 through June, 1999 from records of Lee County Utilities
- EXHIBIT TLB-6** Calculation of average monthly wastewater charges based upon Buccaneer becoming a Bulk Customer of NFMU and passing through these charges to residents
- EXHIBIT TLB-7** Calculation of average monthly wastewater charges by NFMU with Buccaneer Residents being retail customers of NFMU
- EXHIBIT TLB-8** July 31, 1998 letter from Johnson Engineering, Inc. to NFMU
- EXHIBIT TLB-9** Florida Rural Water Association Report on Buccaneer Wastewater Collection System

EXHIBIT TLB-4

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

EXHIBIT TLB-4

CHRIS H. BENTLEY, P.A.
F. MARSHALL DETENDING
BRIAN L. DOSTER
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MENDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

May 18, 1998

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (850) 656-4029

VIA TELECOPY AND MAIL

ROBERT M. C. ROSE
Of Counsel

Ms. Marguerite Nader
Manufactured Home Communities, Inc.
Two North Riverside Plaza
Chicago, Illinois 60606

Re: North Fort Myers Utility, Inc./Buccaneer Village
Our File No. 16319.29

Dear Marguerite:

It was a pleasure meeting with you, David Fell, and Klaus Voss on May 12th relative to the above. During the course of our discussion, we outlined a transaction substantially as follows:

1. The Buccaneer Village Wastewater Collection System would be sold to NFMU for a purchase price of \$136,987. The Wastewater Collection System would be transferred by appropriate bill of sale, along with perpetual easements for such ingress and egress as may be necessary for the operation, maintenance, repair and restoration of the subject collection system and pump stations in the future. Upon receipt of the subject bill of sale by NFMU, Buccaneer Village will be relieved of all operation and maintenance responsibilities for the subject facilities, and NFMU would assume same;
2. The approved wastewater capacity fee of NFMU is \$462 per manufactured home, meaning that the total cost of capacity in this case would be \$452,760. MHC would assign to NFMU MHC's right to collect such monies from the individual lot occupants. NFMU will offer the occupants the option of either paying the \$462 in a one-time, up-front payment, or over a five year period, at 10% interest, amortized as a portion of the unit owners' monthly bill;
3. NFMU will construct, at its own expense, the on-site and off-site pumping stations and force mains needed in order to interconnect the existing Buccaneer Wastewater Treatment facility to the NFMU Wastewater Collection System. Once the changeover is activated, MHC will dismantle its existing wastewater treatment facility and will recover the land attendant thereto for its own use in the future;

Ms. Marguerite Nader
May 18, 1998
Page 2

4. MHC will coordinate with its Florida counsel as to the proper method of notifying the residents of this action, the reduction in monthly base rent in accordance with the statute, and the assignment of the collection obligation from the individual residents. NFMU will work in concert with MHC in order to secure an order from the Lee County Department of Public Works requiring interconnect;

5. David Fell will be responsible for working with our office in preparation of the appropriate service agreement, including advising as to the appropriate entities thereto, etc. Klaus Voss will be responsible for interfacing between Tony Reeves and the Florida Department of Environmental Protection relative to the pending interconnect; and


6. Although we did not discuss it at our meeting, we need MHC to agree to provide water meter reading information to NFMU so that NFMU may render its bill based upon consumption. Further, we need an agreement with your water company by which the water company will pull water meters in the event of non-payment of wastewater bills. For your information, NFMU already has a similar agreement with Lee County, as do virtually all sewer only utilities of which I am aware.

Marguerite, I believe that I have described the transaction that we agreed upon. If I am in any way incorrect, please advise. I would also appreciate it if you and/or David would take responsibility for communicating with your Florida counsel, so that we may begin the process as outlined above. Also, we will prepare a draft interconnect agreement and forward it to David shortly. Finally, NFMU will commence the process of the design of the subject interconnecting facilities.

Should you have any questions or comments concerning the above, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP


William E. Sundstrom, P.A.
For the Firm

WES:jmt

cc: Mr. A. A. Reeves

Ms. Marguerite Nader

May 18, 1998

Page 3

bcc: Jack Schenkman
Joel Schenkman
Michael Schenkman
Marty Friedman

NFMUNader.518

EXHIBIT TLB-5

UTHI
ACTION: D PASSWORD:

HISTORY SCREEN

F10>NEXT QTR F11>PREV QTR

ACCOUNT#: 30225936003 302-25-936-003 07/21/99 1433

	CURRENT	1ST PRIOR	2ND PRIOR	3RD PRIOR
DATE READ	00/00/00	06/23/99	05/24/99	04/26/99
DATED BILLED	00/00/00	06/30/99	05/30/99	04/30/99
DATE COLLECTED	07/16/99	06/17/99	05/17/99	04/26/99
TOTAL CHARGE	.00	8423.25	9264.73	13378.39
AMOUNT COLLECTED	8423.25	9264.73	13378.39	12177.21
OUTSTANDING BALANCE	8423.25	.00	.00	.00
OUTSTANDING WATER	8423.25	.00	.00	.00
OUTSTANDING SEWER	.00	.00	.00	.00
METER READ	0	172,905,000	171,160,000	169,029,000
ADJUSTED METER READ	0	0	0	0
GALLONS USED	0	1,745,000	2,131,000	4,018,000
WATER CHARGE	.00	8423.25	9264.73	13378.39
WATER ADJUSTMENTS	.00	.00	.00	.00
WATER MISC ADJUSTMENTS	.00	.00	.00	.00
SEWER CHARGE	.00	.00	.00	.00
SEWER ADJUSTMENTS	.00	.00	.00	.00
SEWER MISC ADJUSTMENTS	.00	.00	.00	.00
CITY TAX CHARGE	.00	.00	.00	.00
CITY TAX ADJUSTMENTS	.00	.00	.00	.00

AMOUNT DUE: .00

EXHIBIT TLB-6

EXHIBIT TLB-6

**ESTIMATED WASTEWATER CHARGES BY NFMU WITH BUCCANEER OWNER
BECOMING A BULK CUSTOMER OF NFMU AND PASSING THROUGH CHARGES
TO RESIDENTS OF BUCCANEER MOBILE HOME ESTATES**

(Based on water consumption for past 12 months and average per lot wastewater charges)

(972 Connections)

Month	Water Usage (gals)	Base Facility Charge	Gallonge Charge (\$3.98 per 1,000 gals)	Total Monthly Wastewater Charges per Connection	Average Monthly Charge
July, 1998	1,998,000	\$ 539.78	\$ 7,952.04	\$ 8,491.82	\$ 8.74
August, 1998	1,877,000	\$ 539.78	\$ 7,470.46	\$ 8,010.24	\$ 8.24
September, 1998	1,701,000	\$ 539.78	\$ 6,769.98	\$ 7,309.76	\$ 7.52
October, 1998	2,405,000	\$ 539.78	\$ 9,571.90	\$ 10,111.68	\$ 10.40
November, 1998	2,585,000	\$ 539.78	\$ 10,288.30	\$ 10,828.08	\$ 11.14
December, 1998	2,574,000	\$ 539.78	\$ 10,244.52	\$ 10,784.30	\$ 11.09
January, 1999	3,236,000	\$ 539.78	\$ 12,879.28	\$ 13,419.06	\$ 13.81
February, 1999	3,020,000	\$ 539.78	\$ 12,019.60	\$ 12,559.38	\$ 12.92
March, 1999	3,467,000	\$ 539.78	\$ 13,798.66	\$ 14,338.44	\$ 14.75
April, 1999	4,018,000	\$ 539.78	\$ 15,991.64	\$ 16,531.42	\$ 17.01
May, 1999	2,131,000	\$ 539.78	\$ 8,481.38	\$ 9,021.16	\$ 9.28
June, 1999	1,745,000	\$ 539.78	\$ 6,945.10	\$ 7,484.88	\$ 7.70
Totals =				\$ 128,890.22	\$ 132.60

Average Monthly Wastewater Charge per Connection = \$11.05

EXHIBIT TLB-7

EXHIBIT TLB-7

**ESTIMATED WASTEWATER CHARGES BY NFMU WITH BUCCANEER RESIDENTS
BEING RETAIL CUSTOMERS OF NFMU.**

(Based on water consumption for past 12 months and average per lot wastewater charges)
(972 Connections)

Month	Water Usage (gals)	Base Facility Charge	Gallonge Charge (\$3.98 per 1,000 gals)	Avg. Monthly Gallonge Charge	Average Monthly Charge per Connection
July, 1998	1,998,000	\$10.98	\$ 7,952.04	\$ 8.18	\$ 19.16
August, 1998	1,877,000	\$10.98	\$ 7,470.46	\$ 7.69	\$ 18.67
September, 1998	1,701,000	\$10.98	\$ 6,769.98	\$ 6.97	\$ 17.95
October, 1998	2,405,000	\$10.98	\$ 9,571.90	\$ 9.85	\$ 20.83
November, 1998	2,585,000	\$10.98	\$ 10,288.30	\$ 10.58	\$ 21.56
December, 1998	2,574,000	\$10.98	\$ 10,244.52	\$ 10.54	\$ 21.52
January, 1999	3,236,000	\$10.98	\$ 12,879.28	\$ 13.25	\$ 24.23
February, 1999	3,020,000	\$10.98	\$ 12,019.60	\$ 12.37	\$ 23.35
March, 1999	3,467,000	\$10.98	\$ 13,798.66	\$ 14.20	\$ 25.18
April, 1999	4,018,000	\$10.98	\$ 15,991.64	\$ 16.45	\$ 27.43
May, 1999	2,131,000	\$10.98	\$ 8,481.38	\$ 8.73	\$ 19.71
June, 1999	1,745,000	\$10.98	\$ 6,945.10	\$ 7.15	\$ 18.13

Totals = \$ 257.70

Average Monthly Wastewater Charge per Connection = \$21.48

EXHIBIT TLB-8

JOHNSON ENGINEERING, INC.

FORT MYERS
NAPLES
PORT CHARLOTTE

ENGINEERS, SURVEYORS AND ECOLOGISTS

July 31, 1998

2158 JOHNSON STREET
TELEPHONE (941) 334-0046
TELECOPIER (941) 334-3661
POST OFFICE BOX 1550
FORT MYERS, FLORIDA
33902-1550

EXHIBIT TLB-8

CARLE E. JOHNSON
1911-1988

A. A. "Tony" Reeves, III, Manager
North Fort Myers Utilities, Inc.
Post Office Box 2547
Fort Myers, FL 33902

Re: Buccaneer Mobile Estates

Dear Tony:

As requested, I have examined the existing wastewater treatment facility serving Buccaneer Mobile Estates as part of our engineering/design efforts for connecting this system into North Fort Myers Utilities, Inc. Prior to doing this I did contact Klaus Voss and Don Barton with Manufactured Home Communities, Inc. to get their consent.

We have been involved with the Buccaneer Mobile Estates project since its original construction back in the 1970's, including several expansions to the wastewater treatment facility and renewal of the Florida Department of Environmental Protection (FDEP) operational permit. The Buccaneer system was designed to comply with technology and regulations in effect in the 1970's. The system has been grandfathered in all these years, however, the current regulatory philosophy is to require older systems to comply with the new regulations. In Buccaneer's case, compliance would probably be initiated if the system had any operational problems or when the operating permit is renewed. The current permit will expire in November of this year.

In addition to the field examination, a review of the FDEP file was also conducted. Buccaneer has submitted an application to renew the operating permit and that review process is ongoing. Currently there are sufficiency questions that need to be answered concerning the treatment and disposal facilities, however, they do not appear to be insurmountable, although, may result in upgrades to the plant and ponds that could be costly. Also, it appears there is a proposed Consent Order to address some of the operational violations that have occurred at the facility, but a response letter dated June 18, 1998 from Manufactured Home Communities, Inc. (copy attached) indicates that FDEP has agreed to drop the Consent Order issue based upon Buccaneer connecting into the central sewer system. If Buccaneer elects not to connect, the renewed operating permit

CHAIRMAN
FORREST H. BANKS

PRESIDENT
STEVEN K. MORRISON

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JOSEPH W. EBNER
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KENTON R. KEILING
W. DAVID KEY, JR.
W. BRITT POMEROY
ANDREW D. TILTON
KEVIN M. WINTER

ASSOCIATES
CHRISTOPHER D. HAGAN
PATRICIA H. NEWTON
MARK G. WENTZEL

CONSULTANT
LESTER L. BULSON

Mr. A. A. "Tony" Reeves, III, Manager
July 29, 1998
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conditions would need to be complied with which could be costly and possibly require additional land for pond and plant expansion. Also if a central sewer system is available and connection to it viable, FDEP historically has not looked favorable upon renewing permits for on-site systems especially if they are found not in compliance.

Based upon our on-site visit and the FDEP file review, it appears the Buccaneer system has been functioning adequately during the past several years. Most of the compliance issues are related to operational issues and pending successful answering of the sufficiency questions, and constructing any required modifications to the facility, an operational permit would most likely be reissued. I believe that Buccaneer will eventually be forced (as a result of increasingly more difficult rules and regulations) to connect into the central sewer system therefore if the opportunity exists it would behoove Buccaneer to make the connection now. The construction cost to connect into the central sewer system does not appear to be unreasonable as it only consists of a force main between the master pump station and the existing North Fort Myers Utilities line within the Powell Creek right-of-way. Because of these findings I recommend that Buccaneer connect to the central sewer system at this time.

Should you have any questions, please advise.

Very truly yours,

JOHNSON ENGINEERING, INC.



Steven K. Morrison, P.E.

SKM/bmh

EXHIBIT TLB-9

FLORIDA RURAL WATER ASSOCIATION

10 Feb 98

Don Barton
Manufactured Home Communities, Inc.
Buccaneer
2210 North Tamiami Trail
North Fort Myers, Florida 33903

Dear Mr. Barton

At your request FRWA began in Inflow and Infiltration study of your Collection system. This letter is my preliminary report on actions taken to date:

a. At our request, you have provided us with six months daily monitoring reports for your wastewater treatment plant, six months rainfall data, and lift station flow reports for six months.

b. A flow check was conducted on your lift station pumps to verify flow data.

c. We began by inspecting 46 manholes in Unit one. The manhole inspection sheet numbers were assigned to the manholes as we inspected them in your collection system.

Only one (1) manhole had a deficiency that is not in need of immediate repair, it had a very slight intrusion leak, too slight to estimate flow.

We smoke tested your system known as Unit 1 but did not find any leaks, probably due to the high water table during the time of the test. When we have some dryer days, we will resume smoke testing for line leaks when the collection system is at it normal flow situation.

Respectfully,

ROGER P. KASTEL
Wastewater Circuit Rider
Florida Rural Water Association

CC: Ron Trygar