



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: November 22, 1999
TO: Division of Records and Reporting
FROM: Johnny Butts and Bob Casey, Division of Water and Wastewater
RE: Docket No. 990356-WS- Application for staff-assisted rate case in Polk County by Bieber Enterprises, Inc. d/b/a/ Breeze Hill Utilities, Inc.

The attached correspondence should be included in the official docket file:

1. One of the original documents and a copy presented to staff by Mr. Ken Wankowski at the November 16th Agenda Conference.

cc: Division of Water and Wastewater (Hoppe, Rendell, Willis, Casey, Butts)
 Division of Legal Services (Gervasi, Crossman)

JFA
 APP
 CAF
 CMU
 CTR
 EAG
 LEG
 MAS
 OPC
 PAI
 SEC
 WAW
 OTH

DOCUMENT NUMBER-DATE

14430 NOV 23 99

FPSC-RECORDS/REPORTING



ERC 143 W W \$500
H11 W \$1,000
1500.00
E (2) (3) 25-30,020

WAW

A-1

Lakefront Leisure Living

99 MAR 19 10 2 15

March 15, 1999

99-0049

State Of Florida
Public Service Commission
Mr. or Mrs. Blanca S. Bayo Director
Division of Records and Reporting
2540 Shumard Blvd.
Tallahassee, Fl. 32301-0870

990356-WS

Dear Sir or Madam;

This my application for a Staff Assisted Rate Case, For Breeze Hill Utilities I have fill this out to the very best of my knowledge, I hope its to your satisfaction.

Sincerely,

Paul E. Bieber
Breeze Hill Utilities

RECEIVED

MAR 22 1999

Florida Public Service Commission
Division of Water and Wastewater

DOCUMENT NO.
03568-99
3/18/99

152 Breeze Hill
Lake Wales, Florida 33853
Phone: (941) 696-1666

NO

II. Accounting Data

A. Outside Accountant

- 1. Name N/A
- 2. Firm _____
- 3. Address _____
- 4. Telephone (____) _____

B. Individual to contact on accounting matters:

- 1. Name PAUL E. BIEBER
- 2. Telephone (941) 696-1666

C. Location of books and records 152 BREEZE HILL, LAKE WALES, FL

D. Have you filed an Annual Report with the Commission? YES

Date last filed MAR. 28, 1998

E. Has your latest semiannual regulatory assessment fee payment been made (January 30 or July 30 whichever is applicable)? YES

F. Basic Rate Base Data (Most recent two years)

| 1. Water | 1997 | 1998 |
|--------------------------------|----------------------|----------------------|
| Cost of Plant In Service: | \$ <u>125,000.00</u> | \$ <u>126,000.00</u> |
| Less Accumulated Depreciation: | _____ | <u>4,852.00</u> |
| Less Contributed Plant: | _____ | _____ |
| Net Owner's Investment: | \$ <u>34,000.00</u> | \$ <u>74,000.00</u> |

| | | |
|--------------------------------|----------------------|----------------------|
| 2. Sewer | 1997 | 1998 |
| Cost of Plant In Service: | \$ <u>175,000.00</u> | \$ <u>175,000.00</u> |
| Less Accumulated Depreciation: | _____ | _____ |
| Less Contributed Plant: | _____ | _____ |
| Net Owner's Investment: | \$ <u>45,000.00</u> | \$ <u>45,000.00</u> |

G. Basic Income Statement (Most recent two years):

| | | |
|--|--------------------|---------------------|
| 1. Water | 1997 | 1998 |
| Revenues (By Class): | | |
| a. _____ | \$ <u>8,778.00</u> | \$ <u>14,784.00</u> |
| b. _____ | _____ | _____ |
| c. _____ | _____ | _____ |
| Total Operating Revenues: | \$ <u>8,778.00</u> | \$ <u>14,784.00</u> |
| Less Expenses: | | |
| a. Salaries & Wages - Employees | \$ <u>2,350.00</u> | \$ <u>1,752.00</u> |
| b. Salaries & Wages - Officers, Directors, & Majority Stockholders | <u>N/A</u> | <u>N/A</u> |
| c. Employee Pensions & Benefits | <u>N/A</u> | <u>N/A</u> |
| d. Purchased Water | <u>N/A</u> | <u>N/A</u> |
| e. Purchased Power | <u>1,269.00</u> | <u>2,512.00</u> |
| f. Fuel for Power Production | <u>N/A</u> | <u>N/A</u> |
| g. Chemicals | <u>428.00</u> | <u>408.00</u> |
| h. Materials & Supplies | <u>3798.00</u> | <u>2,093.00</u> |
| i. Contractual Services | <u>3,300.00</u> | <u>5,794.00</u> |
| j. Rents | <u>N/A</u> | <u>N/A</u> |
| k. Transportation Expenses | <u>700.00</u> | <u>1,400.00</u> |
| l. Insurance Expense | <u>1,000.00</u> | <u>128.00</u> |
| m. Regulatory Commission Expense | <u>395.00</u> | <u>665.00</u> |
| n. Bad Debt Expense | <u>N/A</u> | <u>N/A</u> |
| o. Miscellaneous Expense | <u>N/A</u> | <u>2,500.00</u> |
| p. Depreciation Expense | <u>N/A</u> | <u>4,852.00</u> |
| q. Property Taxes | <u>2,500.00</u> | <u>2,500.00</u> |
| r. Other Taxes | <u>N/A</u> | <u>N/A</u> |
| s. Income Taxes | <u>N/A</u> | <u>N/A</u> |
| Operating Income (Loss) | \$ <u>6,962.00</u> | \$ <u>9,155.00</u> |

| | | |
|--|--------------------|---------------------|
| 2. Sewer | 19 <u>97</u> | 19 <u>98</u> |
| Revenues (By Class): | | |
| a. _____ | \$ <u>6,384.00</u> | \$ <u>10,752.00</u> |
| b. _____ | _____ | _____ |
| c. _____ | _____ | _____ |
| Total Operating Revenues: | \$ <u>6,384.00</u> | \$ <u>10,752.00</u> |
| Less Expenses: | | |
| a. Salaries & Wages - Employees | \$ <u>2,717.00</u> | \$ <u>1,752.00</u> |
| b. Salaries & Wages - Officers, Directors, & Majority Stockholders | <u>N/A</u> | <u>N/A</u> |
| c. Employee Pensions & Benefits | <u>N/A</u> | <u>N/A</u> |
| d. Purchased Sewage Treatment | <u>N/A</u> | <u>N/A</u> |
| e. Sludge Removal Expense | <u>199.00</u> | <u>199.00</u> |
| f. Purchased Power | <u>2,348.00</u> | <u>3,603.00</u> |
| g. Fuel for Power Production | <u>N/A</u> | <u>N/A</u> |
| h. Chemicals | <u>699.00</u> | <u>1,085.00</u> |
| i. Materials & Supplies | <u>1,415.00</u> | <u>6,456.00</u> |
| j. Contractual Services | <u>1,905.00</u> | <u>6,089.00</u> |
| k. Rents | <u>N/A</u> | <u>N/A</u> |
| l. Transportation Expenses | <u>550.00</u> | <u>1,107.00</u> |
| m. Insurance Expense | <u>700.00</u> | <u>426.00</u> |
| n. Regulatory Commission Expense | <u>241.00</u> | <u>483.00</u> |
| o. Bad Debt Expense | <u>N/A</u> | <u>N/A</u> |
| p. Miscellaneous Expense | <u>N/A</u> | <u>N/A</u> |
| q. Depreciation Expense | <u>N/A</u> | <u>6,965.00</u> |
| r. Property Taxes | <u>1,000.00</u> | <u>1,000.00</u> |
| s. Other Taxes | <u>N/A</u> | <u>N/A</u> |
| t. Income Taxes | <u>N/A</u> | <u>N/A</u> |
| Operating Income (Loss) | \$ <u>5,390.00</u> | \$ <u>18,423.00</u> |

H. Outstanding Debt:

| | <u>Creditor</u> | <u>Date Borrowed</u> | <u>Balance Due</u> | <u>Interest Rate</u> | <u>Expiration Date</u> |
|----|-------------------------|----------------------|--------------------|----------------------|------------------------|
| 1. | <u>Pines Group, Inc</u> | <u>6-13-97</u> | <u>63,600.00</u> | <u>•</u> | <u>2007</u> |
| 2. | _____ | _____ | _____ | _____ | _____ |
| 3. | _____ | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ | _____ |

I. Indicate Type of Tax Return Filed:

| | |
|---------------|--|
| <u>S-CORP</u> | Form 1120 - Corporation |
| _____ | Form 1120S - Subchapter S Corporation |
| _____ | Form 1065 - Partnership |
| _____ | Form 1040 - Schedule C - Individual (Proprietorship) |

III. Engineering Data

A. Outside Engineering Consultant:

- 1. Name W.A. Reed JR. & associates Ernest A. West JR
- 2. Firm W.A. Reed JR & associates
- 3. Address 510 South Central Bostow, FL 33830
- 4. Telephone (941) 533-0783

B. Individual to contact on engineering matters:

- 1. Name PAUL E BIEBER
- 2. Telephone (941) 696-1666

C. Is the utility under citation by the Department of Environmental Regulation (DER) or county health department? If yes, explain. NO

D. List any known service deficiencies and steps taken to remedy problems. Branches leaked surface water / repaired them

E. Name of plant operator(s) and DER operator certificate number(s) held. Walter S. Sjerssen 1258

F. Is the utility serving customers outside of its certificated area? NO If yes, explain. _____

G. Wastewater:

- 1. Gallons per day capacity of treatment facilities existing 40,000
_____ under construction N/A proposed N/A
- 2. Type and make of present treatment facilities Extended aeration
Concent
- 3. Approximate average daily flow of treatment plant effluent _____
15,000
- 4. Approximate length of sewer mains:
Size (diameter) 10" _____
Linear feet 5280 _____
- 5. Number of manholes 22
- 6. Number of liftstations 1
- 7. How do you measure treatment plant effluent? yes
- 8. Is the treatment plant effluent chlorinated? yes If yes, what
is the normal dosage rate? 1 Gal Per day

9. Tap in fees - Sewer \$ 600.00
10. Service availability fees - Sewer \$ N/A
11. Note DER Treatment Plant Certificate Number and date of expiration: Number D053-244654 Expiration Date 1-2-00
12. Total gallons treated during most recent twelve months 9,315,000
13. Sewage treatment purchased during most recent twelve months N/A

H. Water

1. Gallons per day capacity of treatment facilities existing 283,000
 _____ under construction N/A proposed N/A
2. Type of treatment Chlorination
3. Approximate average daily flow of treated water 64,854
4. Source of water supply well
5. Types of chemicals used and their normal dosage rates Chlorine
11.1lb Per day
6. Number of wells in service 1 Total capacity in gallons per
 minute (gpm) 196
 Diameter/Depth 6" / unknown _____ / _____
 Motor horsepower 10 hp _____
 Pump capacity (gpm) 196 _____
7. Reservoirs and/or hydropneumatic tanks:
 Description 5 ft. diameter 20 ft long _____
 Capacity 2,500 _____
8. High service pumping:
 Motor horsepower N/A _____
 Pump capacity (gpm) N/A _____
9. How do you measure treatment plant production? flow meter
10. Approximate feet of water mains:
 Size (diameter) 6" 4" 2" _____
 Linear feet 5,000 ft 200 ft 200 ft. _____

11. Note any fire flow requirements and imposing government agency N/A
12. Number of fire hydrants in service 5
13. Do you have a meter change out program? N/A
14. Meter installation or tap in fees - Water \$ 400.00
15. Service availability fees - Water \$ N/A
16. Has the existing treatment facility been approved by DER? yes
17. Total gallons pumped during most recent twelve months 23,622,000
18. Total gallons sold during most recent twelve months 23,622,000
19. Gallons unaccounted for during most recent twelve months N/A
20. Gallons purchased during most recent twelve months N/A

IV. Rate Data

A. Individual to contact on tariff matters:

1. Name Paul E. Bieber
2. Telephone Number (94) 696-1666

B. Schedule of present rates (Attach additional sheet if more space is needed):

1. Water:

- | | |
|----------------------|-------------------------|
| a. Residential Water | <u>711.00 Per month</u> |
| b. General Service | _____ |
| c. Special Contract | _____ |
| d. Other | _____ |

2. Sewer:

- | | |
|----------------------|-----------------------|
| a. Residential Sewer | <u>8.00 Per month</u> |
| b. General Service | _____ |
| c. Special Contract | _____ |
| d. Other | _____ |

C. Number of Customers (Most recent two years):

| | 1997 | 1998 |
|---------------------|------|------|
| 1. Water Metered | | |
| a. Residential | 114 | |
| b. General Service | N/A | N/A |
| c. Special Contract | | |
| d. Other - specify | | |
| 2. Water Unmetered | | |
| a. Residential | 114 | 117 |
| b. General Service | | |
| c. Special Contract | | |
| d. Other - specify | | |
| 3. Sewer | | |
| a. Residential | 114 | 117 |
| b. General Service | | |
| c. Special Contract | | |
| d. Other - specify | | |

V Affirmation

I, Paul E. Bieber the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge and belief.

Signed Paul E. Bieber
 Title President

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

COPY

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(850) 413-6199

A-2

Public Service Commission

February 16, 1999

Mr. Kenneth J. Wankowski
147 Breeze Hill
Lake Wales, Florida 33853-7300

RE: Docket No. 981192-WS - Application for grandfather certificates in Polk County by Bieber Enterprises Inc. d/b/a Breeze Hill Utilities.

Dear Mr. Wankowski:

In response to your letter dated February 10, 1999, regarding the method available to timely notify customers of a rate change, Rule 25-22.0407, Florida Administrative Code, requires a utility requesting a rate increase to place a copy of its petition at its business office for public inspection. That Rule also requires the utility to provide notice of the proposed rate increase to the customers, and provide notice of any customer meetings or hearings. Such notices must also be published in a newspaper of general circulation in the area affected by the proposed increase. A copy of Rule 25-22.0407, Florida Administrative Code, is enclosed for your convenience.

With regard to the agreement for deed, enclosed is a copy of the Agreement as you requested.

Sincerely,

Lila A. Jaber
Lila A. Jaber, Chief
Bureau of Water and Wastewater
Division of Legal Services

LAJ/ALC/dr
Enclosures

cc: Mr. Paul E. Bieber, Breeze Hill Utilities
Division of Records and Reporting
Division of Water and Wastewater (Messer, Johnson)
Division of Legal Services (Crosby)
LWANK/ALC

AGREEMENT

THIS AGREEMENT made this 13/4 day of JUNE, 1997, by and between LAKE WALK IN THE WATER VILLAGE ASSOCIATES, LTD., a Florida Limited Partnership, whose address is 3301 Ponce De Leon Blvd., Coral Gables, Florida 33134 (hereinafter referred to as "SELLER"); PAUL E. BIEBER, whose address is 8246 Rocky River Road, Harrisburg, North Carolina 28075, (hereinafter referred to as "BUYER").

WITNESSETH

WHEREAS, SELLER, desires to sell twenty one (21) developed lots know as Breeze Hill, and common area facilities, located in Polk County, Florida which BUYER desire to purchase from SELLER upon the terms and conditions set forth herein;

NOW THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) in hand paid, mutual promises hereby given and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. SELLER, agrees to sell to BUYER, and BUYER agrees to purchase from seller, TWENTY ONE (21) developed lots, water and sewer treatment plant, club house and other common area facilities, upon the terms and conditions set forth herein, the following-described real property in Polk County, Florida, (hereinafter called the "PROPERTY").

Lots 1-2 and 1-52, in WALK-IN THE WATER VILLAGE Unit 1, as shown in Plat Book 64, Page 38; Lot 2-12 in WALK-IN THE WATER VILLAGE Unit 2, as shown in Plat Book 66, Pages 4 and 5; Lots 3-1, 3-2, 3-3, 3-4, 3-16, 3-18, 3-20, 3-22, 3-33, 3-37, 3-41, 3-43, 3-44, 3-45, 3-48, 3-57, 3-58, 3-59 in WALK-IN THE WATER VILLAGE Unit 3, as shown in Plat Book 73, Page 14 of Public records of Polk County, Florida.

2. BUYER shall pay SELLER the purchase price of One Hundred Twenty Six Thousand Dollars (126,000.00) for the twenty one (21) developed lots, if purchased, closed and paid in full within the first four (4) years of this agreement.

a) BUYER shall pay to SELLER, the sum of Six Thousand Dollars (\$6,000.00) per lot, for any lot purchase on the first

through the fourth years of this agreement.

b) BUYER shall pay to SELLER, the sum of Six Thousand Five Hundred Dollars (\$6,500.00) per lot, for any lot purchase on the fourth through seven years of this agreement.

c) BUYER shall pay to SELLER, the sum of Seven Thousand Dollars (\$7,000.00) per lot, for any lot purchase on the eighth through tenth years of this agreement.

3. BUYER shall pay SELLER the purchase price of Seventy Four Thousand Dollars (\$74,000.00) for the club house, water and sewer treatment plant, and other common area facilities, (hereinafter called the "Facilities"), such amount shall be payable as follows:

a) BUYER shall pay to SELLER, the sum of Six Thousand Dollars (\$6,000.00) upon execution of this agreement, to be applied toward the purchase price of the Facilities.

b) BUYER shall pay the SELLER, the sum of Six Hundred Dollars (\$600.00) a month for the first and second year of this agreement, to be applied toward the purchase price of the Facilities.

c) BUYER shall pay to SELLER, the sum of Seven Hundred Dollars (\$700.00) a month for the third through the tenth year of this agreement, to be applied toward the purchase price of the Facilities.

4. The BUYER shall pay to SELLER the full purchase price of the lots and the Facilities at the end of the tenth year of this agreement.

5. At the end of each calendar year an accounting reconciliation shall be sent to the BUYER by the SELLER showing the amount of money paid by the BUYER, the number of lots sold in the property and the number of lots remaining. In the event that the proportional number of lots sold by the BUYER is greater than the proportional amount of money paid by the BUYER, the BUYER shall pay the additional amount of money necessary to make the proportional ratio equal.

ie. (If the total sell price is \$200,000.00, and at the end of the first year the BUYER has sold ten (10) lots, at \$6,000.00 equal \$60,000.00. Since ten (10) lots represent half of the property the BUYER shall make additional payment to pay for the half of the purchase price. At the end of that year BUYER shall have paid \$60,000.00 plus \$7,200.00 of monthly payment for a total of \$67,200.00, and additional payment of \$28,038.10 for a total of \$95,238.10 shall be made by the BUYER in order to make proportional

ratio equal.)

6. BUYER acknowledged and that he has inspected the PROPERTY and BUYER is satisfied with its condition. The PROPERTY is being sold "AS IS", with no express or implied representation or warranties by SELLER as to physical conditions, quality of construction, workmanship, or fitness in general or any particular purpose. BUYER agrees to assume any and all debts or obligations of prior operator (HOWARD KAY d/b/a WALES GROUP, INC.) if any.

7. BUYER shall keep all buildings and/or common area facilities on PROPERTY insured at his expense against loss by fire, lightning and other casualties with a company licensed to do business in the State of Florida and approved by SELLER, to an amount at least equal to the fair market value of the PROPERTY, such insurance, together with all additional insurance which are required to make payment for losses, it is agreed that such amounts shall be paid to the SELLER and applied towards the purchase price. BUYER shall deliver copies of the policies of the insurance to the SELLER.

BUYER shall during the term of this agreement, at BUYER'S cost and expense, keep in full force and effect a policy of public liability insurance, including workmen's compensation coverage and property damages insurance, with respect to all matters which arise in connection with BUYER'S operation of the PROPERTY. The limits of public liability coverage shall not be less than \$1,000,000.00 per person and \$1,000,000.00 per occurrence, and the property damages liability shall not be less than \$250,000.00 or no less than equal to the fair market value of the PROPERTY, whichever is greater. The insurance policy or policies required to be maintained by BUYER under this agreement shall name SELLER, SELLER'S designee and BUYER as insured, and shall contain a clause that the insurer will not cancel or change insurance coverage without first giving SELLER ninety (90) days prior written notice of same.

BUYER agrees to indemnify, defend and save and hold SELLER, and SELLER'S agents, successors and assigns, harmless against any and all liabilities, losses, costs and expenses (including, without limitation, any and all attorney's fees and court costs through trial and appeal) arising from or in any way connected with any acts, omissions, neglect or fault of BUYER, or any of BUYER'S agents, invitees, licensees, representative, successors or assigns, including but not limited to any death, personal injury or property damage occurring in, on or about the PROPERTY.

8. BUYER shall pay all taxes, real estate taxes, utilities, assessments and other expenses relating to the PROPERTY, including but limited to the all the real estate taxes on the developed lots and the facilities, at the earliest

possible time in order to obtain the highest possible discount offer by the State or county agency. The BUYER shall provide the SELLER proof of payment of all taxes, utilities, assessments within thirty (30) days of its due date.

9. BUYER shall be solely responsible for maintenance and repair to the PROPERTY after the date of this agreement, including but limited to the sewer treatment plant, pool, club house, roads, lots, mobile homes and other common areas; SELLER shall have no duty to maintain or repair the PROPERTY. BUYER shall keep the PROPERTY in good condition and repair at all times, at BUYER'S expense.

BUYER agrees to indemnify, defend, save and hold SELLER and SELLER'S agents, successors and assigns, harmless against any and all, claims, liabilities, losses, costs and expenses (including, without limitation, any and all attorney's fees and court costs through trial and appeal) arising from or in any way connected with any part of the maintenance of the PROPERTY and/or Maintenance Fee Agreement with the owners of lots in Walk-in-the-Water Villages, Units One, Two and Three.

10. If BUYER fails to make a payment on time or fails to perform any part of this agreement, or otherwise default on this agreement, then SELLER shall have the following remedies in addition to any other remedies allowed by law, all of which may be pursued at the same time or separately or in the alternative:

- a) SELLER shall have the right to retain all payments made by BUYER;
- b) SELLER shall have the right to re-enter and take possession of the PROPERTY without being liable to any action thereof.
- c) SELLER shall have the right to terminate this agreement so that it is no longer required to convey the PROPERTY to BUYER;
- d) SELLER shall have the right to sue BUYER for damages;
- e) BUYER shall pay to SELLER all the monies paid by the lots owners under the Maintenance Fee Agreement, recorded in Book 3753, Pages 0935 through 0944 of the Public Records of Polk County, Florida, at the time of BUYER default and all future amounts due under such Maintenance Fee Agreement by the lots owners shall be paid directly to the SELLER;
- f) SELLER shall be entitled to recover all expenses

incurred including reasonable attorneys' fees, in all jurisdictions and at all levels, including appeals, in connection with any litigation or collection arising out of this agreement.

11. BUYER shall assume full responsibility for charging and collecting maintenance fees under the Maintenance Fee Agreement, recorded in Book 3753, Pages 0935 through 0944 of the Public Records of Polk County, Florida and any other fee agreement or arrangement with the owners of lots in Walk-in-the Water Villages, units One, Two, and Three. The providing of maintenance and the charging and collection of maintenances fees shall be a matter strictly between BUYER and the owners of lots in Walk-in-the-Water Villages, units One, Two, Three. BUYER agrees to abide by any and all maintenance agreement with the lot owners. BUYER agrees to pay to the SELLER in addition to the purchase price in paragraph 2 and 3 of this agreement the amount of \$13,060.23 which the SELLER has lent to the HOWARD KAY d/b/a WALES GROUP, INC. to pay the 1996 Ad Valorem taxes of the PROPERTY.

12. This agreement cannot be assigned by BUYER without prior written approval of SELLER which approval can be denied with or without cause by SELLER.

13. This agreement contains the complete, exclusive and entire agreement between SELLER and BUYER regarding the PROPERTY, and supersedes any and all prior oral written agreements between the parties regarding such matters. This agreement may be modified only by an agreement in writing signed by both parties.

14. This agreement shall be binding upon and inure to the benefit of the heirs, legal representatives and successors of the parties, and the assigns of SELLER and the permitted assigns of BUYER, and shall be construed and enforced in accordance with the laws of the State of Florida. Venue for any litigation which may arise in connection with this agreement shall be Dade County, Florida.

15. If any lawsuit is brought in connection with this agreement, the losing party shall pay all reasonable attorney's fees and court costs, through trial and on appeal, incurred by the prevailing party in such claim, defenses, counterclaim or cross-claim of any such action or proceeding.

IN WITNESS WHEREOF, the parties hereto have signed this agreement on the dated stated on the first page of this agreement.



Signed, sealed and delivered in the presence of:

LAKE WALK IN THE WATER VILLAGE ASSOCIATES, LTD., a Florida Limited Partnership by its General Partner PINES GROUP, INC. "SELLER"

[Handwritten signature]

By: *[Handwritten signature]*
Dr. Ricardo Pines, Pres.

[Handwritten signature]
Witness *[Handwritten signature]*

PAUL E. BIEBER "BUYER"

[Handwritten signature]

[Handwritten signature]

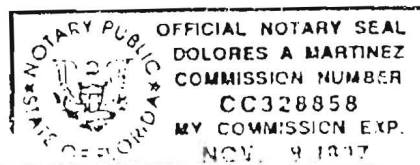
Witness

STATE OF FLORIDA
COUNTY OF DADE

BEFORE ME, personally appeared Dr. Ricardo Pines, President of Pines Group, Inc., General Partner of Lake Walk in the Water Village Associates, Ltd., to me well known, and known to me to be the person described in and who executed the foregoing instrument, and who after being first duly sworn, acknowledged to and before me that he executed said instrument for the proposes therein expressed.

WITNESS my hand and official seal this 13th day of June, 1997, in the aforesaid County and State.

[Handwritten signature]
NOTARY PUBLIC
State of Florida at Large
My Commission Expires:

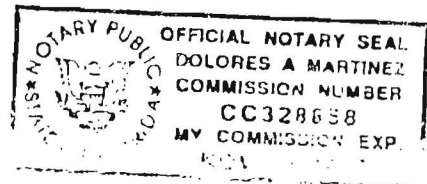


STATE OF FLORIDA
COUNTY OF Wade

BEFORE ME, personally appeared Paul E. Bieber, to me well known, and known to me to be the person described in and who executed the foregoing instrument, and who after being first duly sworn, acknowledged to and before me that he executed said instrument for the proposes therein expressed.

WITNESS my hand and official seal this 13th day of June, 1997, in the aforesaid County and State.

Dolores A. Martinez
NOTARY PUBLIC
State of Florida at Large
My Commission Expires:



AGREEMENT


THIS AGREEMENT made this 13th days of JUNE, 1997, by and between PAUL E. BIEBER and GUSTAVO A. PINES, ESQ. Escrow agent.

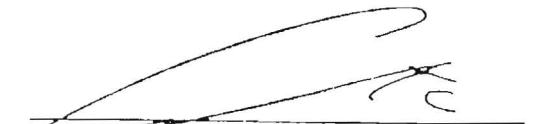
WHEREAS, the agreement was executed on 13th day of June, 1997 and the Assignment of Maintenance Fee Agreement needs to be executed;

WHEREAS, the agreement and the monies will be held in the escrow by Gustavo A. Pines, Esq.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the parties agree as follows:

1. Gustavo A. Pines, Esq. will hold the agreement and the sum of \$6,000.00 in escrow until Mr. Paul E. Bieber delivers the Assignment of Maintenance Fee Agreement executed by Mr. Howard Kay and Breeze Hill Homeowners association.


Paul E. Bieber


Gustavo A. Pines, Esq.

Subject: Description/Listing of FACILITIES
Ref: Par. 3, Page 2, of "Agreement"

In addition to the CLUBHOUSE and WATER & SEWER TREATMENT PLANT, the other common area facilities include, but may not be limited to:

- a. Swimming Pool
- b. Jacuzzi
- c. Picnic Area
- d. Horse Shoe Area
- e. Shuffleboard Area
- f. Marine Area, including the Pier
- g. Boat/RV Storage Area
- h. All other areas within Tracts A, B, C, D, E, & F as described in the plat of **WALK IN THE WATER VILLAGE**, a subdivision of a part of fractional section 32, Township 30 S, Range 29 E, Polk County Florida

A-3

Dear Breeze Hill Resident:

December 29, 1995

When I came to Breeze Hill over three years ago, I saw a community that was one of the nicest places I had seen in central Florida and had the potential to become even nicer. While my original partners have since left, I am still here because I believe in Breeze Hill. I have tried my best to not only maintain the level of maintenance but to make whatever improvements the maintenance fees would allow. This often required spending more than what was covered by the maintenance fees being received.

I have not increased the maintenance fees since I have been here, although the need to do so has existed from the beginning. I believe the last increase was at least 5 years ago. There are several improvements Breeze Hill sorely needs, but the present fees don't allow me to make them. I would be willing to make these improvements NOW if the residents would agree to an increase which would allow me to recoup the expenses over the following years. These increases which would greatly improve Breeze Hill are as follows:

1. A Security Gate barrier arm with control key pad for the entrance and exit which would keep out people who don't belong in Breeze Hill. This would greatly increase the safety of all Breeze Hill residents.
2. A NEW SHINGLE ROOF for the clubhouse to replace the cedar shingles which are deteriorating and difficult to maintain. This would eliminate the leaks we have incurred.
3. Replacing the carpet inside the clubhouse with NEW CARPETING. The old carpet is in bad condition and cannot be repaired. Under the existing agreement, I am not even responsible for maintaining the clubhouse carpet.
4. Replacing the wood for the railings and benches around the pool area and replacing all the bad boards around the pool deck.
5. Providing NEW POOL FURNITURE including new lounges, chairs and tables, all badly needed.
6. A NEW HEATER for the jacuzzi so it may be enjoyed without interruption.
7. Emptying the jacuzzi, cleaning and repainting it.
8. Replacing the old leaking water tank with a NEW WATER TANK which will eliminate shut downs while we repair leaks to the old tank.
9. Landscaping the island entrance with NEW PLANTS and FLOWERS to create a nice appearance.

While these improvements would cost about \$30,000, I am only proposing an increase of

\$10 per month (from \$60 to \$70) beginning February 1, 1996, and a yearly increase thereafter of only \$2 which is less than 3% per year (less than the cost of living).

This would take me over 2 years to recoup the expenses for the improvements and would equate to an increase of only \$2 per year since I took over Breeze Hill. If I had increased the maintenance fee only \$2 per month for the last three years and the next two years, the resulting fee would be the same \$70 per month even without these \$30,000 worth of major improvements!

If you agree to a maintenance fee increase to \$70 per month beginning February 1, 1996 and a yearly increase of \$2 per month each year thereafter in return for all the improvements listed above, to be made IMMEDIATELY, please indicate by the signature of all the legal owners of your property. If you have any questions or suggestions please feel free to contact me ASAP.

Very truly, *Michael King*

I (WE) agree to pay the above stated increase in maintenance fees in return for the above stated improvements. _____ (indicate by check mark)

I (WE) do not agree with the above _____

Comments: _____

LOT # _____ (sign) _____
(print) _____

RECEIVED (sign) _____
(print) _____

JAN 08 1996

POLK COUNTY
UTILITIES DEPARTMENT

B-1



330 W. Church St.
P.O. Box 2019
Bartow, FL 33831

Administration (941) 534-6741
Customer Service (941) 534-6039, 534-6040
Operations/Maintenance (941) 534-7351

Utilities Division

Board of County Commissioners

January 10, 1996

Lake Walk In The Water Assoc. Ltd.
152 Breeze Hill
Lake Wales, Florida 33853
Attn: Ricardo Pines, Owner

Re: Lake Walk In The Water/Breeze Hill Water & Sewer Franchise

Dear Mr. Pines:

It has recently been brought to the County's attention that Mr. Howard Kay, Park Manager of the Breeze Hill development, distributed the attached notice to the homeowners. The notice requests approval to increase the park maintenance fee to cover, amongst other items, the cost of replacing a water tank. Specifically, item #8 of the notice states as follows:

8. "Replacing the old leaking water tank with a NEW WATER TANK which will eliminate shut downs while we repair leaks to the old tank."

The Polk County Water and Sewer franchise ordinance, as well as the Lake Walk in the Water franchise agreement, require the Polk County Utilities Commission approval in a public hearing for any increase in water and sewer rates. Therefore, regardless of approval by the residents of the park (evidenced by signed notices returned marked with "agree"), the water and sewer rates can not be altered in any manner. Again, only the Utilities Commission in a public hearing can raise the rates.

If you have any questions, please do not hesitate to call me. Thank you for your attention to this matter.

Sincerely,

Paula M. Zwack
Fiscal & Franchise Manager

.cc Don Crawford, Utilities Director
Mark Carpanini, County Attorney

B-2

PUBLIC DRINKING WATER SYSTEM INSPECTION FORM
DOH - POLK COUNTY HEALTH DEPARTMENT
 2090 EAST CLOWER STREET, BARTOW, FL 33830 PHONE (941)533-3398

30

TYPE
 CS
 NCS
 NTNC

PURPOSE
 INSPECTION
 RE-INSPECTION
 COMPLAINT

COMPLIANCE RESULTS
 () C
 () O
 () F

| DATA INPUT | |
|------------|-------|
| DATE | _____ |
| INITIALS | _____ |

System: Breez hill MHP PWS ID NO: 3532355
 Mail Addr: 152 Breez hill Location: Lakewood
 City: Lakewood City: _____
 State, Zip: Fl. 33853 Phone No: (941) 696-1666
 Contact: Paul Bieber Operator: Leo Mason

| WELL DATA | SYSTEM DATA |
|--|--|
| <input checked="" type="checkbox"/> 1. Well size <u>6"</u> Casing Type <u>B-steel</u> Height Above Grade <u>41</u> <input checked="" type="checkbox"/> 2. Hazard Setbacks <u>200</u> <input checked="" type="checkbox"/> 3. Well vent/Cap/Seal/Check Valve <input checked="" type="checkbox"/> 4. 6' x 6' x 4" Surface Protection <input checked="" type="checkbox"/> 5. Raw Water Sample Tap <input checked="" type="checkbox"/> 6. Pump Type <u>Vertical</u> H.P. <u>10HP</u> <u>v.s. mhp</u> | <input checked="" type="checkbox"/> 14. Storage Size/Type <u>4000 H/B</u> <input checked="" type="checkbox"/> 15. Gauge, PSI <u>40</u> <input checked="" type="checkbox"/> 16. Sight Glass <input checked="" type="checkbox"/> 17. Dist. Pipe Size & Type <u>2"</u> <input checked="" type="checkbox"/> 18. Flow Measuring Device: Flowmeter <input checked="" type="checkbox"/> Elapsed Hour Meter <input type="checkbox"/> <input checked="" type="checkbox"/> 19. Backflow Protection/Cross Connections <input checked="" type="checkbox"/> 20. Protection From Tampering <input checked="" type="checkbox"/> 21. Other _____ |
| CHLORINATION DATA | FILE DATA |
| <input checked="" type="checkbox"/> 7. Chlorine Test Kit, DPD <input checked="" type="checkbox"/> 8. Gas <u>Hypo</u> <input checked="" type="checkbox"/> 9. Chlorinator, Capacity/Make <u>Adverse Chlor</u> <input checked="" type="checkbox"/> 10. Chlorine Residual <u>0</u> <input checked="" type="checkbox"/> 11. Injection Point <input checked="" type="checkbox"/> 12. Gas, Flow Rate _____ <input checked="" type="checkbox"/> 13. Scales/Door/Fan/Light/Ammonia/Breathing Apparatus/Chain/Wrench/Alarm/Auto <u>✓</u> Switch-over/Ventilation | 22. Last Inspection Date _____ 23. Repeat Violations _____ 24. Monthly Operation Reports/No. Visits _____ 25. Certified Operator/Class _____ 26. Chemical Analyses: MCL Violation <input type="checkbox"/> Delinquent Monitoring <input type="checkbox"/> 27. Bacteriologicals: MCL Violation <input type="checkbox"/> Delinquent Monitoring <input type="checkbox"/> 28. Number of Service Connections _____ 29. Population Served _____ |

B-3

Items checked with an (X) indicate that a violation exists. See comments below for details.

COMMENTS: Tank is rusty needs replacing (30 days)
leak at the Gate Valve.
need min 2 ppm chlorine correct & log
notify the Dept.

Inspected by: Mr. J. J. [Signature] Date 1-26-98 Phone 533-3398 Ext. 134
 Received by: [Signature] Title: _____

Date: 1-26-98

MEMO TO FILE

Office Visit Field Consultation Telephone Call

| | |
|---|------------------|
| System/ Business Name: <i>CSI Breeze Hill MHP</i> | |
| Type: <i>Community</i> | PWS ID#/ Permit# |
| Contact Person: <i>Lee Messer</i> | |
| From: <i>MARK</i> | |
| Details of Discussion: <i>Mr Messer called on 01-26-98, he said the chlorine has been restored on the system the reading is 0.2ppm at the club house. He discussed the Tank situation would like to pump the Tank if possible.</i> | |
| | |
| | |
| | |
| | |
| | |

Signature: *[Handwritten Signature]*

RECEIVED

FEB 05 1998

ENVIRONMENTAL
ENGINEERING



Lakefront Leisure Living

Feb, 4, 1998

Polk County Health Dept.
2090 East Clower St.
Bartow, Fl. 33830

Dear Mr. Fallah

I`am writing You in regards to the Water Tank at Breeze Hill, Lake Wales We have repaired all of the leaks and painted the tank and we are awaiting the welder to come repair the legs on the tank and this will make the tank safe as possible.

B-4

I`am also waiting on the Florida Public Service Commission to grant me some kind of way to recover the \$10,500.00 that it is going to cost replace the tank, which I do not have the funds at this time.

I would like to have a nine(9) to twelve(12) months extension from the thirty(30) days that you have given me to replace the tank, keep in mind that I`am doing everything possible to keep this system up and running.

This extension would give me the chance to get some more bids on the cost of building the tank and also how long it's going to take to build and replace the tank.

Thank You.

Paul E. Bieber
D/B/A Breeze Hill
152 Breeze Hill
Lake Wales, Fl. 33853

ATTACHMENT "B"

152 Breeze Hill
Lake Wales, Florida 33853
Phone: (941) 696-1666

Demographics - Residents - Breeze Hill - Phase One

| Unit # | Household | | Full Yr 12 Month | Part Yr 6 Mo/Less | Irrigation | | |
|--------|-----------------------------------|--------|---------------------|----------------------|------------|----|-------------|
| | Single | Couple | | | Yes | No | |
| 101 | X | | X | | Yes | | Shaw |
| 102 | | X | | X | | No | Noyes |
| 103 | | X | | X | | No | Dawson |
| 104 | | X | X | | Yes | | Tanner |
| 105 | X | | X | | | No | Yost |
| 106 | | X | | X | | No | Magley |
| 107 | X | | X | | Yes | | Parrish |
| 108 | X | | X | | Yes | | Vorce |
| 109 | X | | X | | | No | Bell |
| -110 | (Property Vacant-Owner/Care Home) | | | | | No | Conte |
| 111 | X | | X | | | No | Lutz |
| 112 | X | | | X | | No | Alborn |
| 113 | X | | | X | | No | Flinner |
| 114 | | X | | X | Yes | | Haynes |
| 115 | (Property Vacant-Owner/Care Home) | | | | | No | Campbell |
| 116 | X | | X | | Yes | | Reese |
| 117 | | X | | X | Yes | | Rafferty |
| 118 | | X | | X | Yes | | Amos |
| 119 | | X | | X | | No | Hinkle |
| -120 | | X | | X | Yes | | Warner |
| 121 | | X | | X | Yes | | Sheveland |
| 122 | | X | | X | | No | Jones |
| 123 | | X | | X | Yes | | Myers |
| 124 | X | | X | | Yes | | Reilly |
| 125 | | X | X | | Yes | | Bradford |
| 126 | | X | X | | Yes | | Nayrocker |
| 127 | | X | | X | | No | Coyle |
| 128 | | X | X | | Yes | | Stanford |
| 129 | | X | X | | | No | Musloe |
| -130 | X | | X | | | No | Thompson |
| 131 | | X | | X | | No | Vukich |
| 132 | X | | | X | | No | Heater |
| 133 | | X | | X | Yes | | Sherman |
| 134 | | X | X | | Yes | | Heath |
| 135 | | X | X | | Yes | | Glenn |
| 136 | | X | X | | Yes | | Woltz |
| 137 | | X | | X | | No | Lavoie |
| 138 | | X | X | | | No | Stewart |
| 139 | | X | | X | Yes | | Barger |
| -140 | | X | | X | | No | Akstulewicz |
| 141 | | X | X | | | No | Froedge |
| 142 | | X | X | | | No | Harrison |
| 143 | | X | X | | | No | Rogers |
| 144 | X | | | X | | No | Parson |
| 145 | X | | | X | | No | Sheppard |
| 146 | X | | | X | | No | Zarse |
| 147 | | X | | X | Yes | | Wankowski |

C-1

| | | | | | | | | |
|--|---|---|---|--|---|-----|----|---------------|
| 148 | | X | | | X | Yes | | Klotz |
| 149 | | X | | | X | | No | Henderson |
| -150 | X | | X | | | | No | Bisgrove, Sr. |
| 151 | X | | X | | | Yes | | Holland |
| 152 | | X | X | | | Yes | | Bieber |
| SUB-TOTALS: 17 33 24 26 24 28 (50) | | | | | | | | |

Demographics - Residents - Breeze Hill - Phase Two

| Unit # | Household | | Full Yr 12 Month | Part Yr 6 Mo/Less | Irrigation | | | |
|--|-----------|--------|---------------------|----------------------|------------|----|--------------|--|
| | Single | Couple | | | Yes | No | | |
| 201 | | X | | X | | No | Hodges | |
| 202 | | X | X | | Yes | | Dunlap | |
| 203 | | X | X | | | No | Zimmerman | |
| 204 | | X | X | | | No | Canady | |
| 205 | | X | X | | Yes | | Oberg | |
| 206 | X | | X | | Yes | | Rand | |
| 207 | | X | | X | Yes | | Reynolds | |
| 210 | | X | X | | Yes | | Robison | |
| 211 | X | | X | | | No | Czerwinski | |
| -212 | | X | X | | | No | Hubbard/Neal | |
| 213 | | X | | X | Yes(Well) | | Faught | |
| 214 | | X | X | | Yes(Well) | | D'Alesandro | |
| 215 | | X | X | | | No | Waldman | |
| 216 | | X | | X | Yes | | Hilt | |
| 217 | | X | | X | Yes | | Flowers | |
| 218 | | X | X | | Yes | | Schoemann | |
| 219 | | X | X | | Yes | | Senior | |
| 220 | | X | X | | | No | Marsh | |
| 221 | | X | | X | | No | Huggins | |
| -222 | | X | | X | Yes | | Roller | |
| 223 | X | | X | | Yes | | Hare | |
| TOTALS: 3 18 14 7 11 8 (21) | | | | | | | | |

Demographics - Residents - Breeze Hill - Phase Three

| Unit # | Household | | Full Yr 12 Month | Part Yr 6 Mo/Less | Irrigation | | |
|--------|------------|--------|---------------------|----------------------|------------|----|---------|
| | Single | Couple | | | Yes | No | |
| 301 | Vacant Lot | | | | | | |
| 302 | Vacant Lot | | | | | | |
| 303 | Vacant Lot | | | | | | |
| 304 | Vacant Lot | | | | | | |
| 305 | X | | X | | Yes | | Stanfil |
| 306 | | X | | X | Yes | | Hodges |
| 307 | | X | | X | Yes | | Howell |
| 308 | | X | | X | Yes | | Lutz |
| 309 | | X | X | | Yes | | Daniels |

| | | | | | | | |
|-------------|---------------------------------------|----|----|----|-----|-----|---------------------------|
| -310 | X | | X | | Yes | | Young |
| 311 | X | | X | | Yes | | Rust |
| 312 | X | | X | | Yes | | Paul |
| 313 | | X | | X | | No | Platt |
| 314 | Vacant Lot (Spurgeon Baptist College) | | | | | | |
| 315 | | X | X | | Yes | | Rhone |
| 316 | | X | | X | Yes | | Griffin |
| 317 | X | | X | | | No | Jordan |
| 318 | Vacant Lot | | | | | | |
| 319 | X | | X | | | No | Carson |
| -320 | Vacant Lot | | | | | | |
| 321 | | X | X | | Yes | | Kirby |
| 322 | Vacant Lot | | | | | | |
| 323 | | X | X | | | No | Montooth |
| 324 | | X | | X | | No | Stratton |
| 325 | | X | X | | Yes | | Davis |
| 326 | | X | | X | Yes | | Syphrit |
| 327 | | X | X | | Yes | | Brown |
| 328 | | X | | X | | No | Schilg |
| 329 | | X | | X | Yes | | Bardo |
| -330 | | X | X | | | No | Bushong |
| 331 | | X | X | | | No | Hole |
| 332 | | X | X | | Yes | | Chase/Atwood |
| 333 | Model | | | | | | |
| 334 | | X | X | | Yes | | Stavola |
| 335 | | X | X | | Yes | | Brown |
| 336 & 337 | | X | X | | Yes | | Rounds |
| 338 | | X | X | | Yes | *** | Francisco |
| 339 | | X | X | | Yes | *** | Lacey |
| -340 | | X | X | | | No | Alborn |
| 341 | | X | | X | Yes | | Piquignot |
| 342 | | X | | X | | No | Milhofer |
| 343 | Vacant Lot | | | | | | |
| 344 | Vacant Lot | | | | | | |
| 345 | Vacant Lot | | | | | | |
| 346 | | X | X | | Yes | | Jeffery |
| 347 | | X | X | | Yes | | Peck |
| 348 | Vacant Lot | | | | | | |
| 349 | | X | | X | | No | Suppes |
| -350 | | X | X | | Yes | | Roach |
| 351 | | X | X | | Yes | | Williams |
| 352 | | X | | X | Yes | | Baker |
| 353 | | X | X | | Yes | | Beebe |
| 354 | X | | | X | Yes | | Tracey |
| 355 | | X | X | | Yes | | Parrish |
| 356 | | X | X | | | No | Cummings |
| 357 | Vacant Lot | | | | | | |
| 358 | | X | X | | | No | Weber |
| 359 | Vacant Lot | | | | | | |
| SUB-TOTALS: | 7 | 36 | 29 | 14 | 30 | 13 | *** = Now Have Wells (43) |
| GRAND TOT: | 27 | 87 | 67 | 47 | 63 | 49 | (114) |

Phil - This is the report that Floyd offered to people - my notes - attached are pretty meaningless unless you sat in on our three meetings - (2 with Bieber) - I'm repaid to Bieber using money for his property - we would have been a pool committee not to have explored that facet.

To: Floyd Welton, President Breeze Hill Homeowners Association

From: Rate Increase Review Committee

J. R.

On November 11, 1997, and again on November 14th., J.R. Brown, C. Tanner and Bill Reynolds met with Paul Bieber, the owner of Breeze Hill, to discuss the proposed rate increase in maintenance fees.

Mr. Bieber openly shared his expenses for operating the Park for the past several months on an average basis, for the sake of brevity we will only deal with summarized numbers in this report. Mr. Bieber also pointed out that there are residents who are in arrears as far back as August, for a combined total of \$1419.00. He further pointed out that there are 5 people they will pay only sewer and water and will not pay for maintenance. There are three lot owners refusing to pay the maintenance fees. He also shared information for November 1997 that there are 22 people who have not paid. It was the general consensus of the committee that this is not only unjust for the owner, but it puts all paying residents in the position of subsidizing others!

SUMMARIZED EXPENSES:

| | |
|---------------------------------|------------------|
| *Operating expenses monthly | \$5005.00 |
| Operating Capitol Reserve @ 15% | <u>750.00</u> |
| Total expenses: | <u>\$5755.00</u> |

CURRENT AVERAGE RECEIPTS, MONTH: \$4558.00

CURRENT MONTHLY LOSS: \$1197.00

At present, 99 of 115 lot owners are paying their maintenance fee. Under the new plan, Mr. Bieber feels he can get that figure up to 109, and will continue to take steps to pursue those who refuse to pay. Mr. Bieber stated that the maintenance of his lots is carried as a separate account and is not part of the figures submitted to the committee.

D-1

If the new rate is approved, it will gross the owner \$6104.00 monthly for a surplus of \$349.00 per month. The owner has promised that under this plan, he will assume the debt to Mr. Pines and pay it at the rate of \$500.00 per month. This figure was not included in the expenses presented to the committee. The owner will actually net \$151.00 less than asked for.

Lie!
←
See
"AGREEMENT"
For Debt

**This includes \$1120.00 for administrative fees for the Biebers. To date they have not been reimbursed for the administration and management of the Park.*

It was the unanimous decision of the committee, that the rate increase as proposed be accepted by the Board and submitted to the members for approval by vote.

By signature below the committee members approved this increase, on November 14, 1997:

J.R. Brown

William Reynolds

Charles Tanner

Line
124
750 = 1110

115755 = met

x 49 6000 - 1000

110. Long receipt - 45.80

1 109 6000 - 6000.00
53

6000.00 = 115755

~~1 2.19.00~~
~~115755~~

35.47.⁰⁰
20.00
10.41.⁰⁰
1.42.⁰⁰

5.
Page 19

Les people - page 19

Water
Answer

105 page 19
1320.⁰⁰
income - 1995 -
675.00
100.

1995
1996
1997
1998
1999
2000
2001
2002
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STATE OF FLORIDA



Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



TIMOTHY DEVLIN, DIRECTOR
AUDITING & FINANCIAL ANALYSIS
(850) 413-6480

Public Service Commission

June 3, 1999

Mr. Paul E. Bieber
Breeze Hill Utilities
152 Breeze Hill
Lake Wales, FL 33853-7300

**Re: Docket No. 990356-WS; Breeze Hill Utilities
Audit Report; Staff-assisted Rate Case**

Mr. Bieber:

The enclosed audit report is forwarded for your review. If you desire to file a response to the audit, please file one with the Division of Records and Reporting so it may be forwarded for consideration by the staff analysts in their review of the audit.

Sincerely,

Denise N. Vandiver
Bureau Chief - Auditing Services

E-1

DNV/sp

cc: Division of Records and Reporting
Division of Auditing and Financial Analysis (Devlin/Causseaux/File Folder)
Division of Water and Wastewater (Butts)
Orlando District Office (Winston)
Division of Legal Services

Office of Public Counsel
Research and Regulatory Review (Harvey)

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0865

An Affirmative Action/Equal Opportunity Employer

PSC Website: www.scrLnet/psc

Internet E-mail: contact@psc.state.fl.us



FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF AUDITING AND FINANCIAL ANALYSIS
BUREAU OF AUDITING SERVICES*

Orlando District Office

**BIEBER ENTERPRISES, INCORPORATED
D/B/A BREEZE HILL UTILITIES**


STAFF-ASSISTED RATE CASE

PERIOD ENDED DECEMBER 31, 1998

**DOCKET NO. 990356-WS
AUDIT CONTROL NO. 99-109-3-1**



Jeffery A. Small, Audit Manager



Charleston J. Winston, District Audit Supervisor

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**DIVISION OF AUDITING AND FINANCIAL ANALYSIS
AUDITOR'S REPORT**

MAY 28, 1999

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to audit the accompanying schedule for Net Operating Income for the 12-month period ended December 31, 1998. This schedule was prepared by staff as part of the utility's application for a Staff-Assisted Rate Case in Docket No. 990356-WS. Schedules for Rate Base and Capital Structure were not prepared for the utility because of the lack of adequate supporting documentation. There is no confidential information associated with this audit.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

In our opinion the utility's books and records are not maintained in conformity with the accounting practices prescribed by the Florida Public Service Commission. The attached findings discuss all differences and other matters which were noted during our examination.

SUMMARY OF SIGNIFICANT FINDINGS

The utility does not maintain its books and records as required by the Uniform System of Accounts and Commission rules.

Utility-plant-in-service (UPIS) and accumulated depreciation of UPIS for the water and wastewater systems could not be established because of inadequate supporting documentation.

Contributions-in-aid-of-construction (CIAC) and accumulated amortization of CIAC balances for water and wastewater systems could not be established because of inadequate supporting documentation.

The utility's revenues from water and wastewater operations are \$14,784 and \$10,752, respectively, for the 12-month period ended December 31, 1998.

The utility's operations and maintenance expenses for water and wastewater operations are \$19,388 and \$27,100 and the utility's working capital balances for water and wastewater operations are \$2,424 and \$3,387, respectively, for the 12-month period ended December 31, 1998.

The utility's taxes other than income for water and wastewater operations are \$722 and \$704, respectively, for the 12-month period ended December 31, 1998.

The utility's capital structure could not be established because of inadequate supporting documentation.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining the utility's books and records since its last rate proceeding before the Polk County Commission for the period ended August 16, 1983, which we believe are sufficient to base our opinion. Our more important audit procedures are summarized below. The following definitions apply when used in this report.

Scanned - The documents or accounts were read quickly looking for obvious errors.

Verified - The items were tested for accuracy, and substantiating documentation was examined.

Assembled - Presented in Commission-required format financial information that was provided to audit staff and is the representation of utility management.

RATE BASE: Scanned and verified 100 percent of utility-provided documents used to identify water and wastewater additions to utility-plant-in-service (UPIS) and accumulated depreciation for the period ended December 31, 1998. Identified and established the original cost for the land that is occupied by the water and wastewater systems.

NET OPERATING INCOME: Scanned and verified 100 percent of utility-provided documents used to assemble water and wastewater account balances for utility revenues, operations and maintenance expenses, and taxes other than income for the 12-month period ended December 31, 1998. Recomputed utility billing records to verify the existing rates charged by the utility.

CAPITAL STRUCTURE: Scanned and verified 100 percent of utility-provided documents used as components of its capital structure for the period ended December 31, 1998.

OTHER: Audited the utility's 1998 Regulatory Assessment Fee returns filed with the Commission.

Audit Exception No. 1

Subject: Noncompliance with the NARUC Uniform System of Accounts

Statement of Facts: Bieber Enterprises, Inc. serves as the corporate entity for Breeze Hill Utilities and Breeze Hill Mobile Home Community.

Utility records consist of one check register and one customer billing register which are used for all transactions involving Bieber Enterprises, Inc. The records are maintained on a cash basis for income tax purposes.

Rule 25-30.115 (1), F.A.C., requires all water and wastewater utilities to maintain their accounts and records in conformity with the NARUC Uniform System of Accounts (USoA).

NARUC, Class C, Accounting Instruction 2. A, requires all water and wastewater utilities to maintain their accounts on an accrual basis.

Opinion/Recommendation: The utility does not maintain its books per the Commission rules cited above.

Bieber Enterprises, Inc.'s accounting system does not reconcile to the USoA because of multiple differences in accounting methods and treatments between income tax basis and the USoA basis of accounting for utility operations.

At the end of fieldwork for this engagement, audit staff met with Mr. Paul Bieber and his outside accountant concerning the utility's books and records. They have indicated a willingness to establish a new accounting system based on the USoA and Commission rules.

The Commission should require the utility to conform to the USoA and Commission rules cited above and give the utility sufficient time to implement its new accounting system. At the end of such time the Commission staff should initiate an investigation of the utility's books and records to assess the utility's compliance with the Commission's final order from this rate proceeding.

Audit Exception No. 2

Subject: Utility-Plant-In-Service (UPIS) and Associated Accumulated Depreciation of UPIS

Statement of Facts: Bieber Enterprise Inc.'s records do not specifically identify UPIS and its associated accumulated depreciation balances for water and wastewater operations.

Opinion/Recommendation: The utility's UPIS and associated accumulated depreciation for the period ended December 31, 1998, are not properly recorded per the USoA and the Commission rules cited previously in this report.

Bieber Enterprises, Inc. purchased the mobile home community and all utility assets on June 13, 1997. The seller did not provide the buyer with any historical records to support utility plant assets.

Polk County Commission established rate base for the utility as of August 16, 1983. However, no records or reports concerning the rate case proceeding could be located by the end of audit fieldwork.

The Commission should establish water and wastewater UPIS using an alternative method such as an Original Cost Study.

The utility was able to provide sufficient historical records and supporting source documentation for audit staff to prepare schedules that identify specific additions to UPIS and its associated accumulated depreciation to water and wastewater operations for the six-year period ending December 31, 1998.

Audit staff has determined the following from the above information:

- 1) Additions to water and wastewater UPIS that can be verified total \$11,308 and \$6,414, respectively, for the period ended December 31, 1998.
- 2) Additions to water and wastewater accumulated depreciation for the UPIS additions identified above total (\$982) and (\$328), respectively, for the period ended December 31, 1998.

See the attached schedule for details.

Depreciation expense associated with the water and wastewater UPIS additions identified above total \$554 and \$256, respectively, for the 12-month period ended December 31, 1998.

**Schedule for
Audit Exception No. 2**

**Utility-Plant-in-Service -Water Plant Additions
Period Ended December 31, 1998**

| <u>Acc No.</u> | <u>Account Description</u> | <u>Plant</u> | <u>Acc/Dep (1)</u> |
|----------------|----------------------------------|--------------|--------------------|
| 304.00 | Structures & Improvements | \$4,714.11 | (\$252.54) |
| 309.00 | Supply Mains | 769.12 | (40.45) |
| 310.00 | Power Generation Equipment | 634.94 | (18.67) |
| 311.00 | Pumping Equipment | 3,102.27 | (476.48) |
| 320.00 | Water Treatment Equipment | 1,028.39 | (90.74) |
| 340.00 | Office Furniture & Equipment | 204.96 | (18.03) |
| 341.00 | Transportation Equipment | 760.00 | (81.67) |
| 343.00 | Tools, Shop and Garage Equipment | <u>94.28</u> | <u>(3.14)</u> |
| | Totals | \$11,308.07 | (\$981.72) |

**Utility-Plant-in-Service -Wastewater Plant Additions
Period Ended December 31, 1998**

| <u>Acc No.</u> | <u>Account Description</u> | <u>Plant</u> | <u>Acc/Dep (1)</u> |
|----------------|----------------------------------|--------------|--------------------|
| 354.00 | Structures & Improvements | \$1,216.51 | (\$67.58) |
| 360.00 | Collection Sewers - Forced | 1,841.34 | (81.22) |
| 380.00 | Treatment & Disposal | 2,296.73 | (76.56) |
| 340.00 | Office Furniture & Equipment | 204.96 | (18.03) |
| 341.00 | Transportation Equipment | 760.00 | (81.67) |
| 343.00 | Tools, Shop and Garage Equipment | <u>94.27</u> | <u>(3.14)</u> |
| | Totals | \$6,413.81 | (\$328.20) |

(1) Accumulated depreciation balances are calculated using Rule 25.30.140 (2)(a), F.A.C.

Audit Exception No. 3

Subject: Utility Land and Land Rights

Statement of Facts: Per NARUC USoA Water and Wastewater Utilities, Definition No. 9, "*Original Cost, as applied to utility plant, means the cost of such property to the person first devoting it to public service.*"

On May 27, 1976, George Hunt, Inc., sole owner of the subject property, sold to Pensacola Investments, N.V. 50 percent interest in the subject property for a calculated cost of \$300,000. (Documentary stamps of \$900 divided by a tax rate \$0.30 per \$100 of sales price.)

The above real estate transaction established a fair market value of \$600,000 for the subject property which encompasses approximately 108.6 acres. (\$300,000 divided by 50 percent interest purchased.) This equates to an original cost of \$5,525 per acre. (\$600,000 divided by 108.6 acres.)

On May 27, 1976, through a series of recorded transactions George Hunt, Inc. and Pensacola Investments, N.V. created and established a partnership agreement among themselves and Lake Walk-In-The-Water Village Association. (Polk County Clerk - Original Record Book 1694, Pages 1045, 1048, and 1051)

On September 28, 1976, the above parties received approval from Polk County for "Lake-Walk-In-The-Water-Village Unit One," a platted subdivision recorded in Plat Book 64, Page 39 of Polk County records.

The water plant and wastewater plant sites are located within the boundaries of the above-mentioned plat.

Opinion/Recommendation: Audit staff used the date of September 27, 1976, as the date that the property was devoted to public service as required by the USoA referenced above. Land value for rate base purposes is calculated as indicated below.

| | | | | |
|--------------------------|---|-----------------------------------|---|-----------------|
| Water plant site | : | Area of 0.473 acres times \$5,525 | = | <u>\$ 2,613</u> |
| W/water plant site | : | Area of 0.436 acres times \$5,525 | = | \$ 2,409 |
| Percolation pond site | : | Area of 2.587 acres times \$5,525 | = | <u>14,293</u> |
| Total W/water land value | | | = | <u>\$16,702</u> |

Audit Exception No. 4

Subject: Contributions-In-Aid-of-Construction (CIAC) and Associated Accumulated Amortization of CIAC

Statement of Facts: In 1983, the developers of the mobile home community petitioned the Polk County Commission for a franchise to operate the existing water and wastewater system at Breeze Hill.

Within the scope of the above-mentioned proceeding, the Polk County Utilities Division's report to the Commissioners made the following determination about the utility's current rate structure.

" There are no connection fees and the cost of the system is amortized into the sales price of the lot."

On August 16, 1983, the developer's petition was granted, and the county established the existing service area. Additionally, the franchise agreement established residential connection fees of \$400 per unit for water and \$600 per unit for wastewater. Furthermore, it required that connection fees be considered as contributed assets for the purpose of any future rate base calculations.

Order No. PSC-98-1550-WS, issued on November 23, 1998, granted Bieber Enterprises, Inc. a Grandfather Certificate and incorporated the rate base and rate structure established by the Polk County Commission for Breeze Hill Utilities.

Opinion/Recommendation: The utility's CIAC and associated accumulated amortization of CIAC for the period ended December 31, 1998, are not properly recorded per the USoA and the Commission rules cited previously in this report.

Bieber Enterprises, Inc. purchased the mobile home community and all utility assets in June 13, 1997. The seller did not provide the buyer with any historical records to support CIAC or associated CIAC amortization.

Audit staff could not verify the accuracy of the statement by Polk County Utilities Division referenced above. However, the above methodology is consistent with industry practice among developers of Florida residential communities in the 1970s and 1980s.

Audit staff could not establish water and wastewater CIAC or amortization of CIAC because of inadequate utility records. However, Polk County Commission records cited above determined that all expenditures for utility assets prior to August 1983 were recovered or recoverable from the developer's sale of mobile home lots. This would make all utility assets installed prior to the above date 100 percent contributed.

The Commission should establish water and wastewater CIAC or amortization of CIAC for the utility using an alternative method such as an Original Cost Study.

Audit Exception No. 5

Subject: Revenues

Statement of Facts: Bieber Enterprises, Inc., d/b/a Breeze Hill Utilities reported revenues of \$14,538 and \$11,088 for water and wastewater operations, respectively, on its 1998 FPSC Regulatory Assessment Fee returns.

The utility's tariff currently authorizes flat rates of \$11.00 per month for water and \$8.00 per month for wastewater services for a total rate of \$19.00 per residential connection.

Opinion/Recommendation: Mr. Paul Bieber, owner of Bieber Enterprises, Inc., stated that he calculated the above revenue amounts based on an average customer base of 112 units adjusted for known individual customer variances.

The utility provided audit staff with access to its billing registers and other utility records to recalculate its revenues for the 12-month period ended December 31, 1998.

Audit staff has calculated actual utility revenues of \$14,784 and \$10,752 for its water and wastewater operations for the 12-month period ended December 31, 1998.

The utility's revenues are misstated by the following amounts.

| | <u>Water Revenues</u> | <u>W/Water Revenues</u> | <u>Total Revenues</u> |
|------------------|-----------------------|-------------------------|-----------------------|
| Per audit | \$14,784 | \$10,752 | \$25,536 |
| Per utility | <u>14,538</u> | <u>11,088</u> | <u>25,626</u> |
| Audit adjustment | \$246 | (\$336) | (\$90) |

Audit Exception No. 6

Subject: Operating and Maintenance Expenses

Statement of Facts: Bieber Enterprises Inc.'s records do not completely separate or specifically identify the operations and maintenance (O&M) expenses for Breeze Hill Utilities. Additionally, there is no distinction between its water and wastewater operations.

Opinion/Recommendation: The utility's O&M expenses for the 12-month period ended December 31, 1998, are not properly recorded per the USoA and the Commission rules cited previously in this report.

The utility provided auditor with access to all invoices, canceled checks, and other utility records to assemble its operations and maintenance expenses for the 12-month period ended December 31, 1998. The auditor reviewed these documents to identify direct expenses and to determine an appropriate allocation methodology for each of the indirect or shared expenses

Audit staff has calculated utility O&M expenses of \$19,388 and \$27,100 for water and wastewater operations for the 12-month period ended December 31, 1998.

Additionally, per Rule 25-30.433 (4), F.A.C., the utility's working capital balance for rate base purposes was calculated as one-eighth of the above O&M expenses which amounts to \$2,424 and \$3,388 for water and wastewater operations.

See attached schedule for details and subaccount balances.

**Schedule for
Audit Exception No. 6**

**Operation and Maintenance Expenses
12-Month Period Ended 12/31/98**

| <u>Acc No.</u> | <u>Account Description</u> | <u>Total Water Expense</u> | <u>Total W/Water Expense</u> |
|----------------|-------------------------------------|--------------------------------|----------------------------------|
| 601/701 | Salaries & Wages - Employees | \$9,360.00 | \$9,360.00 |
| 711 | Sludge Hauling | -NA- | 309.38 |
| 615/715 | Purchased Power | 2,591.76 | 4,219.92 |
| 618/718 | Chemicals | 408.00 | 1,203.96 |
| 620/720 | Materials & Supplies | 901.23 | 2,706.43 |
| 630/730 | Contractual Services - Billing | 0.00 | 0.00 |
| 631/731 | Contractual Services - Professional | 717.50 | 542.50 |
| 635/735 | Contractual Services - Testing | 467.00 | 1,184.68 |
| 636/736 | Contractual Services - Other | 4,154.75 | 6,641.62 |
| 640/740 | Rents | 93.54 | 26.58 |
| 650/750 | Transportation Expense | 182.75 | 182.75 |
| 655/755 | Insurance Expense | 324.00 | 535.00 |
| 665/765 | Regulatory Commission Expense | 187.50 | 187.50 |
| 675/775 | Miscellaneous Expense | <u>0.00</u> | <u>0.00</u> |
| | Total Expenses | \$19,388.03 | \$27,100.32 |

Audit Exception No. 7

Subject: Taxes Other Than Income

Statement of Facts: Bieber Enterprises, Inc. taxes other than income (TOTI) for the 12-month period ended December 31, 1998, were undeterminable using the utility's existing records.

The utility is required to pay annual tax assessments to the following governmental entities during the course of its operations.

Polk County

- + Real Estate property tax on utility property based on an assessed value

State of Florida

- + Corporation filing fee to the Department of State
- + Regulatory Assessment Fee (RAF) to the Florida Public Service Commission

Opinion: The utility's TOTI for the 12-month period ended December 31, 1998, were not properly recorded per the USoA and the Commission rules cited previously in this report.

The utility provided audit staff with access to all invoices and canceled checks and other utility records to assemble its TOTI for the 12-month period ended December 31, 1998.

Using the information provided above, audit staff has determined that the utility's TOTI amounts are \$722 and \$704, respectively, for water and wastewater operations for the 12-month period ended December 31, 1998. See details illustrated below.

| <u>Governmental Authority</u> | <u>Assessment</u> | <u>Total Water Amount</u> | <u>Total W/Water Amount</u> |
|-------------------------------|------------------------|---------------------------|-----------------------------|
| Polk County | Property tax | \$30.70 | \$168.01 |
| Dept. of State | Corporation Filing Fee | 37.50 | 37.50 |
| FPSC | RAF | <u>654.21</u> | <u>498.98</u> |
| | Totals | \$722.41 | \$704.49 |

Audit Exception No. 8

Subject: Capital Structure

Statement of Facts: Bieber Enterprises Inc.'s records do not completely separate, specifically identify or allocate a capital structure for Breeze Hill Utilities.

Opinion/Recommendation: The utility's capital structure is not properly stated per the USoA and the Commission rules cited previously in this report.

Bieber Enterprises, Inc.'s capital structure consists of the following two components. This capital structure supports both the utility operations and the non-utility operations.

- 1) Long-term debt - The outstanding principal due on an obligation that was created when the "Agreement for Deed" was executed between the buyer, Bieber Enterprises, Inc., and the seller, Lake-Walk-In-The-Water Village Associates, LTD.
- 2) Common equity - The owner's equity interest in continuing operations consists of the following accounts:
 - a) Common stock
 - b) Retained earnings from continuing operations
 - c) Additional Paid in Capital - Owner investments of cash to meet current obligations

The following elements of the utility's capital structure were determined by audit staff.

| <u>Elements of Capital Structure</u> | <u>At 12/31/98</u> | <u>Avg. at 12/31/98</u> |
|--------------------------------------|--------------------|-------------------------|
| Common Stock | \$200 | \$200 |
| Paid in Capital | \$21,775 | \$14,175 |
| Long-term Debt | \$60,730 | \$64,365 |
| Retained Earnings | "To be determined" | |

The combined operations retained earnings balance cannot be established until a rate base has been determined.

Audit Disclosure No. 1

Subject: Pro Forma UPIS Additions

Statement of Facts: Prior Commission Order No. PSC-98-1550-FOF-WS required the utility to install customer meters before its next rate proceeding.

On January 2, 1998, the utility was issued a safety violation by the Polk County Health Department and ordered to replace the existing 3,500-gallon hydro-pneumatic tank. The utility repaired the tank and employed the engineering firm of W.A. Read, Jr. & Associates to certify the safety of the hydro-pneumatic tank and that the repairs were completed. On February 6, 1998 and August 24, 1998, the utility was required to make additional repairs to the hydro-pneumatic tank.

Subject to verification by Commission staff engineer, the utility has been told that in the near future Department of Environmental Protection (DEP) will require the utility to install an automatic switch-over gas chlorinator at its water plant.

In February 1995, the 10hp motor that operates the water pump supplying water to the utility system was struck by lightning. All efforts to locate a replacement 10hp motor that would attach to the existing plant equipment were unsuccessful. The original motor was shipped out to be rebuilt for reinstallation at a cost of \$1,302.

The wastewater treatment plant is served by three blowers.

Opinion/Recommendation: The utility has submitted the following documentation and requests consideration as pro forma plant additions for consideration in this rate proceeding.

Water Meters:

The utility has been unable to install the customer meters because of the lack of cash flow from operations. It has submitted two bids from independent contractors to install water meters at all of the existing developed lots in the community as well as for the clubhouse and pool. See proposals for specific details.

| | |
|-----------------------------|----------|
| A.D. Baynard Plumbing, Inc. | \$26,075 |
| A-OK Plumbing Service, Inc. | \$28,400 |

Hydro-pneumatic Water Storage Tank:

The utility now feels that it is time to replace the hydro-pneumatic tank. It has submitted a bid from an independent contractor to purchase and install a 5,000-gallon epoxy lined hydro-pneumatic tank. See the proposal for specific details that could significantly increase this estimate.

| | |
|----------------------------|----------|
| Dunham Well Drilling, Inc. | \$14,600 |
|----------------------------|----------|

Audit Disclosure No. 1, continued

Automatic Gas Switch-over Chlorinator

The utility has secured the following estimate from an independent supplier for this equipment.

A&D Water Systems, Inc. \$ 2,227

10hp Motor for Well Pump

The utility would like to have a standby motor on hand should this or a similar situation develop in the future. It has submitted an estimate from an independent supplier to purchase a standby 10hp motor.

Central Electric Motor Service, Inc. \$ 912

Blower for Wastewater Plant

The utility states that only two of the three blowers are currently in operation at this time. It has submitted an estimate from an independent supplier to purchase a replacement blower for the wastewater plant.

Barney's Pump's, Inc. \$ 952

Auditor forwards this information to the analyst and engineer in this rate proceeding for their consideration.

Audit Disclosure No. 2

Subject: Pro Forma Water Operations and Maintenance Expenses

Statement of Facts: The utility anticipates several major changes to its recurring operations and maintenance expenses in the near future.

Opinion/Recommendation: The utility has submitted the following documentation as pro forma operations and maintenance expenses.

Salary and Wages

The utility owner has stated that he intends to hire the current plant operator full time and scale back his involvement in the day-to-day operations. The owner has submitted an estimate of the new salary expenses.

| | |
|--|-----------|
| Combined utility salary for Paul and Leigh | \$ 35,890 |
|--|-----------|

DEP Permit

The utility's current operating permit with DEP expires at the end of 1999. The owner estimates that when he renews the permit he will incur the following cost.

| | |
|------------------|----------|
| DEP Permit fee | \$ 1,000 |
| Engineering fees | \$ 2,000 |

Billing Services

With the installation of water meters, the owner has submitted two proposals from independent contractors to provide billing and collection services. The meter reading will be done by a utility employee.

| | |
|-----------------------------------|----------|
| Kohl & Company, CPAs | |
| Capitalized set up cost | \$ 700 |
| Recurring billing and collections | \$ 3,666 |
| Rainbow Bookkeeping Service | |
| Recurring billing and collections | \$ 8,604 |

DEP Notification Requirements

The utility submitted a letter from DEP indicating a future change in customer notification requirements. The cost of this change could not be determined by end of audit fieldwork.

Auditor forwards this information to the analyst and engineer in this rate proceeding for their consideration.

EXHIBIT I

**BIEBER ENTERPRISES
D/B/A/ BREEZE HILL UTILITIES
DOCKET NO. 990356-WS
WATER NET OPERATING INCOME
TWELVE-MONTH PERIOD ENDED 12/31/98**

| (a) | (b) | (c) | (d) | (e) |
|-------------------------------|-------------------------------|--------------------|-------------|--------------------------|
| DESCRIPTION | PER UTILITY 12/31/98(1) | AUDIT EXCEPTION | REFER TO(2) | PER AUDIT 12/31/98 |
| OPERATING REVENUES | \$0 | \$14,784 | E-5 | \$14,784 |
| OPERATING EXPENSES: | | | | |
| O&M EXPENSE | \$0 | \$19,388 | E-6 | \$19,388 |
| DEPRECIATION EXPENSE (3) | \$0 | \$554 | E-2 | \$554 |
| CIAC AMORTIZATION (4) | \$0 | \$0 | E-4 | \$0 |
| TAXES OTHER THAN INCOME | \$0 | \$722 | E-7 | \$722 |
| TOTAL OPERATING EXPENSE | \$0 | \$20,664 | | \$20,664 |
| NET OPERATING INCOME(LOSS) | \$0 | (\$5,880) | | (\$5,880) |

REQUIRED FOOTNOTES:

- (1) Utility balance set to zero. See Audit Exception No. 1.
- (2) Audit adjustments do not include audit disclosures.
- (3) No company records were available to establish depreciation expense, audit adjustments only represent verifiable additions.
- (4) No company records were available to establish CIAC amortization expense.

EXHIBIT II

**BIEBER ENTERPRISES
D/B/A/ BREEZE HILL UTILITIES
DOCKET NO. 990356-WS
WASTEWATER NET OPERATING INCOME
TWELVE-MONTH PERIOD ENDED 12/31/98**

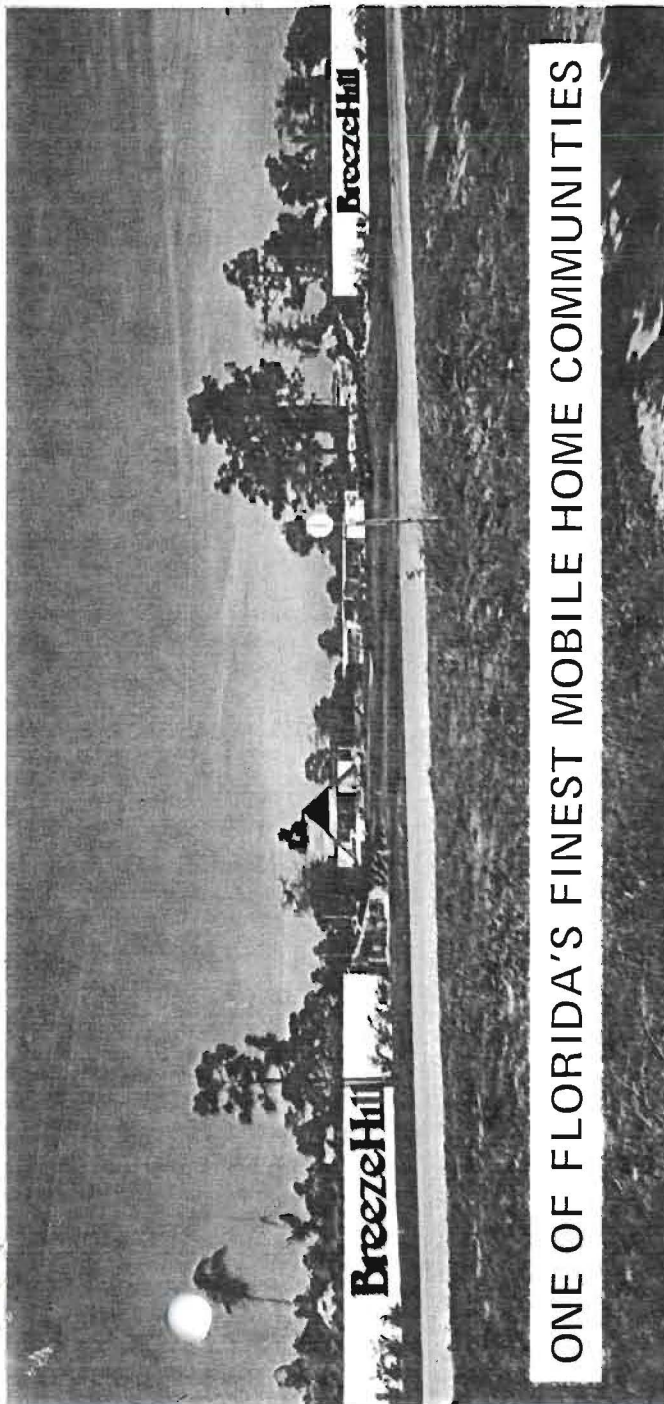
| (a) DESCRIPTION | (b) PER UTILITY 12/31/98(1) | (c) AUDIT EXCEPTION | (d) REFER TO(2) | (e) PER AUDIT 12/31/98 |
|-------------------------------|--------------------------------------|---------------------------|--------------------|---------------------------------|
| OPERATING REVENUES | \$0 | \$10,752 | E-5 | \$10,752 |
| OPERATING EXPENSES: | | | | |
| O&M EXPENSE | \$0 | \$27,100 | E-6 | \$27,100 |
| DEPRECIATION EXPENSE (3) | \$0 | \$256 | E-2 | \$256 |
| CIAC AMORTIZATION (4) | \$0 | \$0 | E-4 | \$0 |
| TAXES OTHER THAN INCOME | \$0 | \$704 | E-7 | \$704 |
| TOTAL OPERATING EXPENSE | \$0 | \$28,060 | | \$28,060 |
| NET OPERATING INCOME(LOSS) | \$0 | (\$17,308) | | (\$17,308) |

REQUIRED FOOTNOTES:

- (1) Utility balance set to zero. See Audit Exception No. 1.
- (2) Audit adjustments do not include audit disclosures.
- (3) No company records were available to establish depreciation expense, audit adjustments only represent verifiable additions.
- (4) No company records were available to establish CIAC amortization expense

Breeze Hill

Route 1, Box 293-C, Lake Wales, Florida 33853



COME BACK QUIET !

Where the land rolls gently to the shore of a 30 sq. mile lake of crystal clear fresh water. Quiet but only 9 miles from modern hospital, churches, and shopping in beautiful Lake Wales.

Launch your boat from our paved boat ramp, or fish from the 200 ft. pier.

Picnic in the water front park under mossy oaks or enjoy a swim in the heated pool.

A beautiful recreation building for you to enjoy, a sun deck for relaxing, and lighted professional shuffleboard courts.

Ecology approved drainage system.



Slightly over 4 mobile homes per acre.
Homestead exemption advantages.

Build equity instead of paying rent.

Water and sewer systems are state approved, controlled by Home Owners Association. Fees are the first 5 yrs. thereafter controlled by Home Association.

Paved and lighted streets, Security patrol, Free Regular garbage collection.

Invest in a community that can only appreciate a broad selection of top quality mobile homes on beautiful lots. Financing available if desired.



Breeze Hill

Just 9 miles east of Lake Wales. From Lake Wales go East on State Road 60 — 6 miles to Walk in the Water Road then 3 miles South to Breeze Hill.

Road Mileage From BREEZE HILL

| | |
|-------------------|-----|
| Lake Wales | 9 |
| Cypress Gardens | 27 |
| Walt Disney World | 49 |
| Orlando | 70 |
| Tampa | 72 |
| Cape Kennedy | 125 |
| Melbourne | 128 |
| West Palm Beach | 146 |
| Ft. Lauderdale | 182 |
| Miami | 199 |

Breeze Hill

Route 1, Box 293-C
Lake Wales, Florida 33853
Ph: 813-696-1662

Gentlemen:
Please send me full details of Breeze Hill.

Name _____

Address _____

City _____

State & Zip _____

Phone _____

Return this information card for full details. Better still, give us a call and let's arrange a visit to Breeze Hill.



Senior Citizen

REPORT NO. 899
SEPTEMBER, 1981

Our 24th Year of Publication

EDITORIAL OFFICE
2820 - 1st AVENUE NORTH
ST. PETERSBURG, FL 33713

BREEZE HILL MOBILE HOME SUBDIVISION IN LAKE WALES OFFERS LOT OWNERSHIP, FIRST CLASS RECREATIONAL FACILITIES, GREAT FISHING, BOATING... SUBURBAN YET CLOSE-IN LIVING AT VERY REALISTIC COST... VISITATION PROGRAM IN EFFECT FOR OUR READERS

ON FAMOUS LAKE WALK-IN-WATER... IN CENTRAL FLORIDA NEAR ORLANDO, LAKELAND, WINTER HAVEN... PICNIC AREA, BOAT LAUNCH. NEW MOBILE HOMES AND LOTS AT THE BEST PRICE WE'VE SEEN IN A LONG TIME

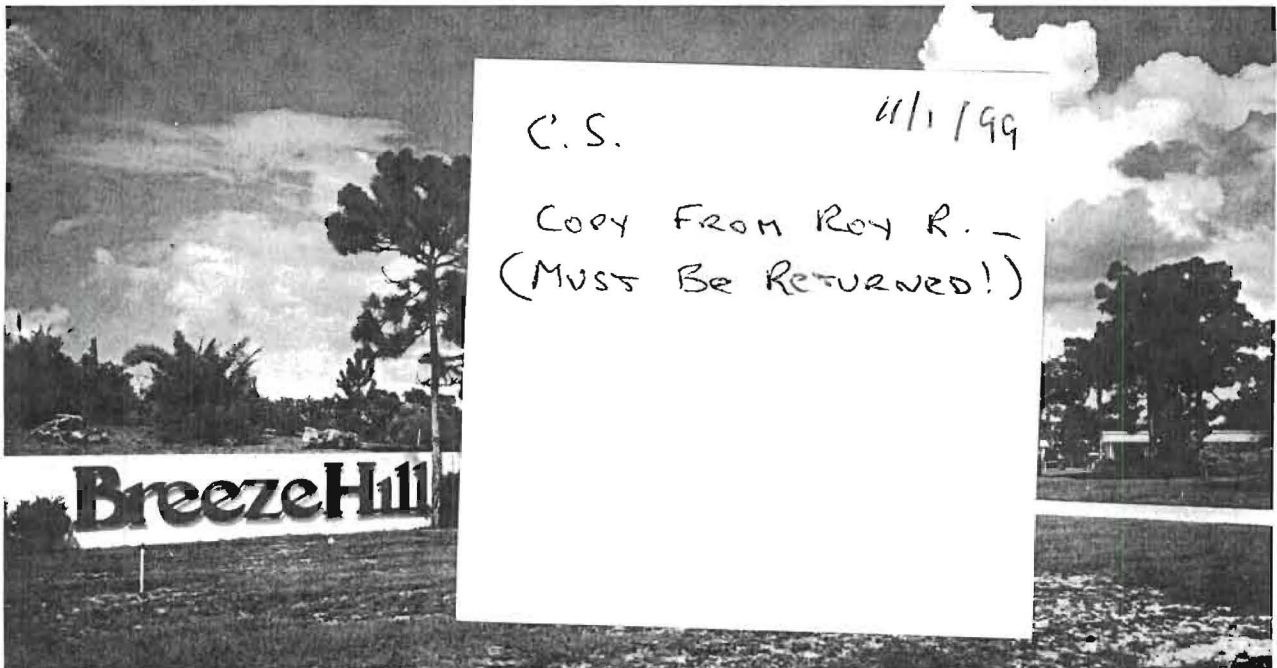
ART BECKERMAN, Editor
Sunshine State Senior Citizen

This special report... number 899 in our current series... is one that's going to get a lot of our readers busy on the telephone and in the mail... we know that because we've been getting requests all year for just the type of mobile home subdivision...

where you own mobile home and the lot... that we are going to tell you about!

Because we have over ten thousand readers living up north, and because we receive letters every day asking for specific kinds of mobile home living... we can pretty well make a chart of those requests. When we do, we find a strong group whose wants can be capsulized as follows:

BREEZE HILL WELCOMES YOU TO LAKESIDE MOBILE HOME LIVING



200 FOOT FISHING PIER, BOAT SLIPS, PICNIC AREA,



You can purchase your lot now and put a mobile home on it now . . . or you can wait as long as one year after you purchase the lot to put your mobile home on it . . . very important!

If you want to purchase the lot only . . . as we write this in September, 1981 . . . you can buy an interior lot for \$5,750 . . . a lot in the newest section for \$6,200 . . . or a corner lot for \$6,500 . . . if you've been looking at all, you know this is thousands of dollars less than what you've been seeing . . . no question about it!

Monthly fees at Breeze Hill are very modest, too . . . \$25, paid to the Breeze Hill Mobile Home Owners Association . . . this provides you with water, sewage disposal, garbage and trash pickup, maintenance of the common areas and use of all recreational facilities. You're individually billed for electricity and telephone, naturally.

Remember, this is an owner's mobile home subdivision . . . when all the lots are sold, you and your fellow residents will own everything . . . the Club House, pool, etc., plus all the common areas . . . you'll elect your own officers and run your own mobile home community . . . you'll be in charge of your own destiny.

Recreational facilities include a really beautiful wood Club House

on the lake with a big swimming pool and deck area, a 200 foot fishing pier, picnic area, boat launch, Jacuzzi Therapeutic Pool, shuffles . . . boat slips are available for small craft . . . and of course, the lake itself with its myriad of pleasures.

Quality mobile homes are being offered for sale at Breeze Hill . . . 14' wide and 24' wide. The homes are, unfurnished but include . . . carpeting, draperies, kitchen appliances, central air and heat, a screened porch, carport, utility room, driveway, decorative foundation, planter . . . and the big lot.

As you read this, in September, 1981 . . . a brand new 14' x 60' . . . big home . . . can be purchased as we described it . . . including the lot . . . for \$24,900! (Financing available)

You may like a 24' x 36' . . . a double wide . . . and like the 14' wide with 2 bedrooms . . . with all the features we listed before . . . including the lot . . . for \$29,900! (Financing available)

Well, it's clear that prices are really realistic at Breeze Hill . . . and you should investigate further.

On my last visit, I spoke to Dave Long, the easy going sales manager at Breeze Hill . . . we took a trip in the big

Courtesy Van that takes residents to shopping and as we were driving along, Dave told me about the new Visitation Program at Breeze Hill.

Our regular readers know that your editor is highly in favor of Visitation Programs . . . the ones that allow you to stay in a mobile home right on the property for a couple of days and a night . . . so you can see what mobile home living is like . . . so you can meet the folks who already live at the community you're investigating . . . and so you can make a wise decision.

Dave informed me that our readers can fill out a coupon or write a card or letter or call collect and make arrangements to come to visit Breeze Hill by appointment . . . and will be given a Guest Mobile Home to stay in . . . free of charge. Call 813-696-2915 for details.

Remember, you pay your own way down, you provide your own food and beverage . . . and you must make reservations ahead of time . . . it's first come, first served.

Well, that's the story on Breeze Hill . . . but there's lots more to be told . . . get in touch with Dave Long and let him help you find out about this economically sensible mobile home community.