

**Ruth Nettles**

090349-WS

**From:** Trina Collins [TCollins@RSBattorneys.com]  
**Sent:** Tuesday, December 08, 2009 4:41 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** jphoy@uiwater.com; keweeks@uiwater.com; pcflynn@uiwater.com; Curt Mouring; Martin Friedman; Christian W. Marcelli; Trina Collins  
**Subject:** Filing in Docket No. 090349-WS; Cypress Lake Utilities, Inc.'s Application for a Limited Proceeding Water and Wastewater Rate Increase in Polk County, Florida  
**Importance:** High  
**Attachments:** PSC Clerk 12 (4th RAI).ltr.12-08-2009.pdf

- a. Martin S. Friedman, Esq.  
Christian W. Marcelli, Esq.  
Rose, Sundstrom & Bentley, LLP  
Sanlando Center  
2180 W. State Road 434, Suite 2118  
Longwood, FL 32779  
Phone: (407) 830-6331  
Fax: (407) 830-8522  
Email: [cmarcelli@rsbattorneys.com](mailto:cmarcelli@rsbattorneys.com)
- b. Docket No. 090349-WS; Cypress Lakes Utilities, Inc.'s Application for a Limited Proceeding Water and Wastewater Rate Increase in Polk County, Florida - Filing the Utility's response to the Commission Staff's fourth data request dated November 9, 2009, correspondence requesting additional information to complete the application.
- c. Cypress Lakes Utilities, Inc.
- d. 29 Pages.
- e. Letter to Commission Clerk - 5 pages; response attachments - 24 pages.

12/8/2009

DOCUMENT NUMBER-DATE  
11825 DEC-8 8  
FPSC-COMMISSION CLERK

LAW OFFICES  
**ROSE, SUNDBSTROM & BENTLEY, LLP**  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
F. MARSHALL DETERDING  
JOHN R. JENKINS, P.A.  
KYLE L. KEMPER  
STEVEN T. MINDLIN, P.A.  
CHASITY H. O'STEEN  
WILLIAM E. SUNDBSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON  

---

ROBERT M. C. ROSE (1924-2006)

(850) 877-6555  
FAX (850) 656-4029  
www.rsbatorneys.com

REPLY TO CENTRAL FLORIDA OFFICE

December 8, 2009

CENTRAL FLORIDA OFFICE  
SANLANDO CENTER  
2180 W. STATE ROAD 434, SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
BRIDGET M. GRIMSLEY  
CHRISTIAN W. MARCELLI  
BRIAN J. STREET

E-FILING

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Docket No. 090349-WS; Cypress Lake Utilities, Inc.'s Application for a Limited Proceeding Water and Wastewater Rate Increase in Polk County, Florida  
Our File No. 30057.182

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is the response of Cypress Lake Utilities, Inc. (the "Company") to Staff's fourth data request dated November 9, 2009. Staff has requested the following information in order to complete its analysis in the above-referenced docket.

1. During the October 22, 2009 meeting between Cypress Lakes [Utilities, Inc.] and the Cypress Lakes Estates Home Owner's Association (HOA), Cypress Lakes [Utilities, Inc.] noted that certain modifications to the wastewater treatment plant were a holdover from 2000. Please provide a detailed description of these modifications as well as the costs associated with them.

**RESPONSE:** The Company believes that Staff is referring to as "holdover modifications," the following modifications:

"[E]xpanding the surge tank by removing the wall separating the surge tank and aeration tank #1; adding a static screen and washing device; modifying the PD blowers and piping for the EQ tank; construction of a new EQ tank pumping station and its associated piping; installing a EQ tank jib crane; fabrication and installation of

DOCUMENT NUMBER-DATE

11825 DEC-8 09

FPSC-COMMISSION CLERK

a new raw water splitter box, piping, support structure and walkways; new centrifugal blower and air piping modifications for the existing aeration basins; refurbishment of the existing centrifugal blowers; construction of an in-plant drainage pump station and associated controls; installation of a new emergency generator and all associated electrical component upgrades based on the above listed modifications.”

(See the Requests for Proposal attached hereto in response to Item No. 2.)

2. Please provide a copy of the request for bid proposals issued by Cypress Lakes for all major projects relating to the modification to the wastewater treatment plant, as well as copies of all the bid proposals that Cypress Lakes received.

**RESPONSE:** Please see the attached Requests for Proposal dated February 11, 2008, and the responses received by the Company.

3. Please provide a copy of the property tax bills for Cypress Lakes for 2006 through 2008.

**RESPONSE:** Please see the attached tax bills from the Polk County Tax Collector for the requested years.

4. In Cypress Lakes 2008 annual report, O&M Expenses for water have increased by approximately 52 percent since 2007. Several expense accounts seem to be driving this substantial increase. Please explain the following:

(a) Please explain why the salaries and employee pensions and benefits accounts (accounts 601, 603, and 604) have increased by a total of \$33,641 or approximately 40.12 percent since 2007, particularly in light of the fact that little, if any, growth appears to have occurred during this time period. Please also list the name, title, and a detailed description of the duties and responsibilities of any new employees, both for the Utility and any new employees with allocated salaries and benefits.

(b) Please explain why, in 2008, \$2,386 was recorded to account 610 - Purchased Water.

(c) Please explain the substantial increases for account 631 - Contractual Services - Engineering and account 659 - Contractual Services - Other. These accounts increased by a total of \$12,692 or approximately 145.8 percent. Please indicate what portion, if any, of this increase can be attributed to the ongoing maintenance projects; for all items or projects of \$400 or more, please include invoices or other support documentation.

(d) Please explain why, in 2008, the amount recorded in accounts 659 and 759 - Insurance - Other increased by \$7,569 or 319.91 percent for water and \$4,793 or 110.77 percent for wastewater. Please include support documentation for these accounts.

(e) Please explain why, in 2008, the amount recorded in accounts 675 and 775 - Miscellaneous Expenses increased by \$19,874 or 109.01 percent for water and \$25,916 or 146.31 percent for wastewater. Please include support documentation for these accounts.

**RESPONSE:** Items 4(a) through 4(e) are outside the scope of this limited proceeding. The Company's requested increase is not attributable to the items or accounts addressed in Items 4(a)(increased salaries), 4(b)(purchased water), 4(c)(contractual services accounts), 4(d)(insurance costs) or 4(e)(miscellaneous expenses accounts). The items for which the Company is seeking recovery are limited to a short list of capital improvements and increased costs. The only items for which the Company seeks recovery in this proceeding are as follows:

- Capital improvement - Supply main upgrade in the amount of \$60,039. The Company requests recovery on the capital asset, its accumulated depreciation, as well as depreciation expense and property taxes.
- Capital improvement - WWTP modifications in the amount of \$1,049,052, discounted by \$125,000 of CIAC. The Company

requests recovery on the capital asset, its related CIAC, its accumulated depreciation and accumulated amortization of CIAC, as well as depreciation and amortization expense and property taxes.

- Capital improvement - New financial and customer care/billing system in the amount of \$170,183 (an allocation to Cypress Lakes Utilities, Inc. from WSC). This amount derived from an allocation across all of the companies owned by Utilities, Inc. on a per ERC basis. The amount allocated to Cypress Lakes Utilities, Inc. is based on ERCs for both water and wastewater service. The Company requests recovery on the capital asset, its accumulated depreciation, as well as depreciation expense and property taxes.
- Increased cost - The increase in property taxes since the last test year (2005). Property tax expense increased by \$39,771 over 2005 expense. The 2008 expense includes the tax bill of \$38,686.94, the accrual for taxes incurred but not yet paid of \$18,527.12, and an allocation of a credit balance of (\$25.73) (Please see the attached tax accrual document; See also the property tax bills attached in response to Item No. 3).
- Increased cost - The increase in sludge hauling since the last test year (2005). Sludge hauling has increased by \$30,000. The increase in sludge hauling is attributable primarily to an increase in the volume of sludge produced in addition to an increase in the unit cost of sludge hauling. The increased volume is partly due to increased plant flow and to the plant's operating constraints prior to completing the WWTP improvements.
- Flow-Through Increase - The increase in its income taxes and regulatory assessment fee associated with the resulting net taxable income and gross revenue. These increases are customary and reasonable in the course of a limited proceeding.

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
December 8, 2009  
Page 5

---

The Company will be happy to provide any data and support related to the above requested increases and adjustments, as they are within scope of this proceeding.

5. In prior Utilities, Inc. (UI) cases, UI cited customer growth and increased revenues as the justification for adding several new customer support employees, both in the state of Florida as well as positions in Northbrook, IL whose salaries were allocated to Labrador and all other UI subsidiaries. Due to the recent sale of UI systems causing a decline in revenues, please explain why no reductions to Salaries and Wages - Employees or Contractual Services - Other have been made to reflect the reduction of revenues.

**RESPONSE:** Item No. 5 is outside the scope of this proceeding. The Company is not requesting an increase in the recovery of salaries, benefits or other employee costs. The amount of salaries and wages recovered in rates is based upon the 2005 test year (See Docket No. 060257-WS) and annual index increases.

Should you or the Staff have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



CHRISTIAN W. MARCELLI  
For the Firm

CWM/tlc  
Enclosures

cc: John P. Hoy, Chief Regulatory Officer (w/enclosures) (via e-mail)  
Ms. Kirsten E. Weeks (w/enclosures) (via e-mail)  
Patrick C. Flynn, Regional Director (w/enclosures) (via e-mail)  
Mr. Curt Mouring, Division of Economic Regulation (w/enclosures) (via e-mail)

M:\1 ALTAMONTE\UTILITIES INC\CYPRESS LAKES\182) 2009 RATE CASE\PSC Clerk 12 (4th RAI).Jrr.doc



# Department of Environmental Protection

Jeb Bush  
Governor

Southwest District  
3804 Coconut Palm Drive  
Tampa, Florida 33619  
November 14, 2000

RECEIVED  
JWB  
2000  
copy provided to PF  
David B. Struhs  
Secretary

Donald Rasmussen, Vice-President  
Cypress Lakes Utilities, Inc.  
200 Weathersfield Avenue  
Altamonte Springs, Florida 32714

Polk County  
Cypress Lakes WWTP

act

Permit Modification & Revision  
Permit No: FLA013123

Dear Mr. Rasmussen:

We are in receipt of your request, application number FLA013123-004-DW2P/RO, for a substantial modification of the above-referenced domestic wastewater treatment plant and revision of the associated permit, originally issued November 9, 1998 and expiring on November 8, 2003. The conditions are hereby changed as follows:

| <u>Condition</u>     | <u>From</u> | <u>To</u>    |
|----------------------|-------------|--------------|
| Treatment Facilities | As Issued   | See * below  |
| Reuse                | As Issued   | See ** below |

### TREATMENT FACILITIES:

An existing, 0.160 mgd maximum month average daily flow (MMADF), Type II, extended aeration activated sludge domestic wastewater treatment plant consisting of: one (1) flow equalization basin of 15,045 gallons, five (5) aeration basins of 160,552 gallons total volume, two (2) clarifiers of 27,145 gallons total volume, two (2) chlorine contact chambers of 5,700 gallons, a dual media filter of 100,000 gallons, and two (2) aerobic digesters of 13,874 gallons total volume. This plant is operated to provide secondary treatment with high-level disinfection.

\* After construction/modification 0.175 mgd annual average daily flow (AADF), Type II, Extended Aeration domestic wastewater treatment facility consisting of three (3) parallel treatment trains. A flow equalization basin with a volume of 48,000 gallons feeds all three treatment trains and includes a manual bar screen and flow splitter box. Treatment Train 1 consists of one (1) aeration basin with a total aeration volume of 79,100 gallons, one (1) clarifier with a total volume of 18,000 gallons and a surface area of 240 ft<sup>2</sup>, and one (1) gravity sand filter with a surface area of 50 ft<sup>2</sup>. Treatment Train 2 consists of one (1) aeration basin with a total aeration volume of 79,100 gallons, one (1) clarifier with a total volume of 18,000 gallons and a surface area of 240 ft<sup>2</sup>, and one (1) gravity sand filter with a surface area of 50 ft<sup>2</sup>. Treatment Train 3 consists of three (3) aeration basins with a total aeration volume of 92,000 gallons, one (1) clarifier with a total volume of 10,150 gallons and a surface area of 228 ft<sup>2</sup>, and one (1)

FILE  
Cypress Lake  
aeration permit  
index

"More Protection, Less Process"

Printed on recycled paper.

gravity sand filter with a surface area of 40 ft<sup>2</sup>. Effluent from the treatment trains is commingled at a junction box and redistributed to two (2) chlorine contact chambers with a total volume of 5,000 gallons. The facility has two (2) sludge holding tanks with a total volume of 17,000 gallons. This facility is designed to provide secondary treatment with high level disinfection using chlorine gas.

**\*\*REUSE:**

**Land Application:** an existing 0.175 mgd AADF permitted capacity slow-rate public access (R001) irrigation system consisting of delivery of high-level disinfected reclaimed water to three (3) off-site unlined holding ponds with a capacity of 2.0 million gallons each, and subsequent application to the 137-acre Cypress Lakes Golf Course. The facility has a lined holding pond with a total volume of 175,000 gallons for effluent not meeting reuse standards. Land application system R001 is located approximately at Latitude 28° 10' 46" N, Longitude 82° 59' 32" W.

By this plant modification and permit revision you are authorized to perform the work and modify the plant in accordance with drawings, plans, documents or specifications submitted to and retained on file at the FDEP Southwest District Office. These are hereby incorporated by reference and made a part hereof. A Notification of Completion of Construction, DEP Form 62-620.910(12), is required prior to placing the modifications into operation.

This permit revision, FLA013123-004-DW2P/RO, authorizing the aforementioned changes must be attached to your original permit (FLA013123) and, together with any other preceding revision(s), becomes a part of that Permit. All future correspondence should reference the permit number FLA013123.

Sincerely,



Timothy J. Parker, P.E.  
Water Facilities Administrator  
Southwest District  
3804 Coconut Palm Drive  
Tampa, FL 33619-1352

TJP/jsg

cc: David A. Webber, P.E., PBS&J  
Michele Duggan, FDEP  
Steve Thompson, FDEP

Note: Sidebars indicate changes.

Reference Program Guidance Memo DOM-97-01





FLORIDA DEPARTMENT OF  
ENVIRONMENTAL PROTECTION  
Southwest District Office  
13051 North Telecom Parkway  
Temple Terrace, Florida 33637-0926

Charlie Crist  
Governor

Jeff Kottkamp  
Lt. Governor

Michael W. Sole  
Secretary

**STATE OF FLORIDA  
DOMESTIC WASTEWATER FACILITY PERMIT**

**PERMITTEE:**

Cypress Lakes Utilities, Inc.

**PERMIT NUMBER:**

FLA013123

**PA FILE NUMBER:**

FLA013123-009-DW2P/NR

**ISSUANCE DATE:**

April 30, 2009

**EXPIRATION DATE:**

April 29, 2019

**RESPONSIBLE AUTHORITY:**

Mr. Patrick C. Flynn  
Regional Director  
200 Weathersfield Avenue  
Altamonte Springs, FL 32714  
[pcflyn@uiswater.com](mailto:pcflyn@uiswater.com)  
(407) 869-1919

**FACILITY:**

Cypress Lakes WWTF  
10,000 North US Highway 98  
Lakeland, FL 33809  
Polk County  
Latitude: 28° 10' 51" N Longitude: 81° 59' 42" W

This permit is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and applicable rules of the Florida Administrative Code (F.A.C.). The above named permittee is hereby authorized to construct and operate the facilities shown on the application and other documents attached hereto or on file with the Department and made a part hereof and specifically described as follows:

**TREATMENT FACILITIES:**

Operation of a 0.190 million gallon per day (MGD) Three-Month Average Daily Flow (3MADF), Type II, extended aeration domestic wastewater treatment facility consisting of: one equalization basin of 28,400 gallons total volume, one grit chamber of 15,000 gallon capacity equipped with a static screen, washing and dewatering, a flow splitter box. There are three treatment trains, train 1 consists of one aeration tank of 79,100 gallons and one clarifier of 18,000 gallons and 240 square feet of surface area, train 2 consists of one aeration tank of 79,100 gallons and one clarifier of 18,000 gallons and 240 square feet of surface area, and train 3 consists of two aeration tanks of 71,600 gallons total volume and one clarifier of 10,150 gallons and 228 square feet of surface area. Flows from each train are combined and directed to three gravity sand filters, two of 50 square feet surface area and one of 40 square feet surface area, providing 140 square feet of total surface area, then to two chlorine contact chambers of 5,000 gallons total volume (each of 2,500 gallons volume). Flow to train 3 is isolated from the headworks components including the equalization basin, grit chamber, and flow splitter. There are two aerobic sludge holding tanks of 17,200 gallons total volume. Disinfection is achieved by using sodium hypochlorite solution. This plant is operated to provide secondary treatment with high-level disinfection.

FACILITY: Cypress Lakes WWTF  
PERMITTEE: Cypress Lakes Utilities, Inc.

PERMIT NUMBER: FLA013123

**REUSE:**

**Land Application:** An existing 0.190 MGD annual average daily flow (AADF) permitted capacity Part III slow-rate public access system (R-001). R-001 consisting 137 acres at the Cypress Lakes Golf Course and 3 unlined wet weather storage ponds of 6.0 MG total volume, providing 31.6 days of storage. Reject waters will be directed to a lined reject pond of 0.230 MG and will be pumped back to the head works for further treatment. Land application system R-001 is located approximately at Latitude: 28° 10' 51" N, Longitude: 81° 59' 42" W.

**IN ACCORDANCE WITH:** The limitations, monitoring requirements and other conditions set forth in Pages 1 through 19 of this permit.



February 11, 2008

Mr. Robert Lightsey  
Florida Environmental Construction, Inc.  
P.O. Box 305  
Howey-in-the-Hills, Florida 34737

**Re: Request for Proposal – Cypress Lakes WWTP Modifications**

Dear Mr. Lightsey:

Cypress Lakes Utilities Inc. is soliciting proposals to perform modifications to the wastewater treatment plant within the Cypress Lakes Development along US 98, north of Lakeland, Florida. The wastewater plant needs to be modified in order to accommodate additional growth within the service territory. A set of approved plans have been included for your reference and bidding purposes.

The WWTP major modifications consist of: expanding the surge tank by removing the wall separating the surge tank and aeration tank #1; adding a static screen and washing device; modifying the PD blowers and piping for the EQ tank; construction of a new EQ tank pumping station and its associated piping; installing a EQ tank jib crane; fabrication and installation of a new raw water splitter box, piping, support structure and walkways; new centrifugal blower and air piping modifications for the existing aeration basins; refurbishment of the existing centrifugal blowers; construction of an in-plant drainage pump station and associated controls; installation of a new emergency generator and all associated electrical component upgrades based on the above listed modifications.

The submitted proposal should include all costs associated with the completion of this project, including but not limited to all of the items listed on the attached bid form. Your bid should also include a construction schedule outlining these major components and their completion timetable.

Each interested bidder should plan a site visit of the wastewater plant to fully understand the concept and site conditions. Site visits must be coordinated through this office prior to bid submission date. The FDEP permit has been applied for and currently, Cypress Lakes Utilities, Inc. is responding to the RAI issued. No major issues were discovered by FDEP therefore we do not anticipate any major design issues associated with this project.

If you are interested in this project, please submit a proposal no later than March 10, 2008. Feel free to contact me at 407-869-1919, ext. 242 if you need additional information.

a Utilities, Inc. company Cypress Lakes Utilities, Inc.

---

200 Weathersfield Ave. • Altamonte Springs, FL 32714-4027 • P:407-869-1919 • F:407-869-6961 • [www.uiwater.com](http://www.uiwater.com)

February 11, 2008  
Page 2

Very truly yours,  
CYPRESS LAKES UTILITIES, INC.

Tony Wierzbicki  
Project Manager

Enclosures: 24" x 36" plan set  
Specifications  
Bid Form



February 11, 2008

Mr. Ken Howard  
Ken's Bush Hog Service  
1700 Eaton Drive  
Clearwater, FL 33756

**Re: Request for Proposal – Cypress Lakes WWTP Modifications**

Dear Mr. Howard:

Cypress Lakes Utilities Inc. is soliciting proposals to perform modifications to the wastewater treatment plant within the Cypress Lakes Development along US 98, north of Lakeland, Florida. The wastewater plant needs to be modified in order to accommodate additional growth within the service territory. A set of approved plans have been included for your reference and bidding purposes.

The WWTP major modifications consist of: expanding the surge tank by removing the wall separating the surge tank and aeration tank #1; adding a static screen and washing device; modifying the PD blowers and piping for the EQ tank; construction of a new EQ tank pumping station and its associated piping; installing a EQ tank jib crane; fabrication and installation of a new raw water splitter box, piping, support structure and walkways; new centrifugal blower and air piping modifications for the existing aeration basins; refurbishment of the existing centrifugal blowers; construction of an in-plant drainage pump station and associated controls; installation of a new emergency generator and all associated electrical component upgrades based on the above listed modifications.

The submitted proposal should include all costs associated with the completion of this project, including but not limited to all of the items listed on the attached bid form. Your bid should also include a construction schedule outlining these major components and their completion timetable.

Each interested bidder should plan a site visit of the wastewater plant to fully understand the concept and site conditions. Site visits must be coordinated through this office prior to bid submission date. The FDEP permit has been applied for and currently, Cypress Lakes Utilities, Inc. is responding to the RAI issued. No major issues were discovered by FDEP therefore we do not anticipate any major design issues associated with this project.

If you are interested in this project, please submit a proposal no later than March 10, 2008. Feel free to contact me at 407-869-1919, ext. 242 if you need additional information.

a Utilities, Inc. company Cypress Lakes Utilities, Inc.

---

200 Weathersfield Ave. • Altamonte Springs, FL 32714-4027 • P:407-869-1919 • F:407-869-6961 • [www.uiwater.com](http://www.uiwater.com)

February 11, 2008  
Page 2

Very truly yours,  
CYPRESS LAKES UTILITIES, INC.

Tony Wierzbicki  
Project Manager

Enclosures: 24" x 36" plan set (previously provided)  
Specifications (previously provided)  
Bid Form



February 11, 2008

Mr. Earl Griner  
Siemens Water Technologies Corporation  
1828 Metcalf Avenue  
Thomasville, Georgia 31792

**Re: Request for Proposal – Cypress Lakes WWTP Modifications**

Dear Mr. Griner:

Cypress Lakes Utilities Inc. is soliciting proposals to perform modifications to the wastewater treatment plant within the Cypress Lakes Development along US 98, north of Lakeland, Florida. The wastewater plant needs to be modified in order to accommodate additional growth within the service territory. A set of approved plans have been included for your reference and bidding purposes.

The WWTP major modifications consist of: expanding the surge tank by removing the wall separating the surge tank and aeration tank #1; adding a static screen and washing device; modifying the PD blowers and piping for the EQ tank; construction of a new EQ tank pumping station and its associated piping; installing a EQ tank jib crane; fabrication and installation of a new raw water splitter box, piping, support structure and walkways; new centrifugal blower and air piping modifications for the existing aeration basins; refurbishment of the existing centrifugal blowers; construction of an in-plant drainage pump station and associated controls; installation of a new emergency generator and all associated electrical component upgrades based on the above listed modifications.

The submitted proposal should include all costs associated with the completion of this project, including but not limited to all of the items listed on the attached bid form. You bid should also include a construction schedule outlining these major components and their completion timetable.

Each interested bidder should plan a site visit of the wastewater plant to fully understand the concept and site conditions. Site visits must be coordinated through this office prior to bid submission date. The FDEP permit has been applied for and currently, Cypress Lakes Utilities, Inc. is responding to the RAI issued. No major issues were discovered by FDEP therefore we do not anticipate any major design issues associated with this project.

If you are interested in this project, please submit a proposal no later than March 10, 2008. Feel free to contact me at 407-869-1919, ext. 242 if you need additional information.

a Utilities, Inc. company Cypress Lakes Utilities, Inc.

---

200 Weathersfield Ave. • Altamonte Springs, FL 32714-4027 • P:407-869-1919 • F:407-869-6961 • [www.uiwater.com](http://www.uiwater.com)

February 11, 2008  
Page 2

Very truly yours,  
CYPRESS LAKES UTILITIES, INC.

Tony Wierzbicki  
Project Manager

Enclosures: 24" x 36" plan set  
Specifications  
Bid Form



**Cypress Lakes WWTP Modifications Bid Form**

| <b><u>Item</u></b> | <b><u>Qty</u></b> | <b><u>Description</u></b>   | <b><u>U/M</u></b> | <b><u>Unit Price</u></b> | <b><u>Total Cost</u></b> |
|--------------------|-------------------|---|-------------------|--------------------------|--------------------------|
| 1                  | 1                 | <b>Mobilization</b>   | LS                |                          | \$0                      |
| 2                  | 1                 | <b>Demolition</b>   | LS                |                          | \$0                      |
| 3                  | 1                 | <b>Miscellaneous Sitework</b>   | LS                |                          | \$0                      |
| 4                  | 1                 | <b>EQ Basin Renovation and Ballast Wall</b>   | LS                |                          | \$0                      |
| 5                  | 1                 | <b>Static Screen and Screening Washing and Dewatering Facility</b>  | LS                |                          | \$0                      |
| 6                  | 1                 | <b>EQ PD Blowers and Air Piping Modifications</b>   | LS                |                          | \$0                      |
| 7                  | 1                 | <b>EQ Pumping Station, Control Panel and Instrumentation and Discharge Force Main</b>                                 | LS                |                          | \$0                      |
| 8                  | 1                 | <b>Jib Crane and Electric Chain Hoist for EQ Pumping Station</b>  | EA                |                          | \$0                      |
| 9                  | 1                 | <b>Raw Wastewater Splitter Box (Stainless Steel), Structure and Stairways, and Raw Wastewater Distribution Piping</b> | LS                |                          | \$0                      |
| 10                 | 1                 | <b>New Centrifugal Blower #3 and Air Piping Modifications for Aeration Basins #1, #2, and #3</b>                      | LS                |                          | \$0                      |
| 11                 | 1                 | <b>Refurbishment of Centrifugal Blowers #1 and #2 for Aeration Basin #1, #2, and #3</b>                               | LS                |                          | \$0                      |
| 12                 | 1                 | <b>In-Plant Drainage Pumping Station and Control Panel</b>  | LS                |                          | \$0                      |

**Cypress Lakes WWTP Modifications Bid Form**

| <u>Item</u> | <u>Qty</u> | <u>Description</u>                                 | <u>U/M</u> | <u>Unit Price</u> | <u>Total Cost</u> |
|-------------|------------|--|------------|-------------------|-------------------|
| 13          | 1          | Emergency Diesel Generator                         | EA         |                   | \$0               |
| 14          | 1          | New Electrical Service and Electrical Improvements | LS         |                   | \$0               |
| 15          | 1          | Miscellaneous (General Requirements, Painting)     | LS         |                   | \$0               |
|             |            |  |            |                   |                   |
|             |            |  |            | <b>Total</b>      |                   |

**Cypress Lakes WWTP Modifications**

**Contractor**

**Design Services**

FEC

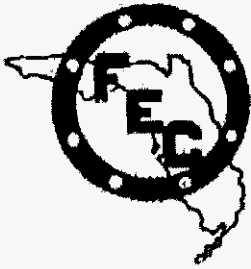
\$1,477,895

Siemans

No Bid

KBH

\$895,000



March 10, 2008

Mr. Tony Wierzbicki  
Cypress Lakes Utilities, Inc.  
200 Weathersfield Ave.  
Altamonte Springs, FL 32714

Dear Mr. Wierzbicki:

Attached please find our bid for the Cypress Lakes WWTP Modifications project. The attached bid is exactly as specified in the plans and specs; however I do see where the project could be done for a substantially lesser cost with some value engineering and still give you the end result you are looking for.

If you are interested in discussing this further please feel free to contact me.

Thank you for the opportunity to bid this project and I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'RL' followed by a stylized flourish.

Robert Lightsey  
Florida Environmental Construction, Inc.

FLORIDA ENVIRONMENTAL CONSTRUCTION, INC.  
PO BOX 305  
HOWEY IN THE HILLS, FL 34737  
PH: (352) 241-4756 ; FAX: (352) 241-9716

**Cypress Lakes WWTP Modifications Bid Form**

PAGE 03/04

| Item | Qty | Description  | U/M | Unit Price    | Total Cost    |
|------|-----|--|-----|---------------|---------------|
| 1    | 1   | Mobilization   | LS  | \$ 11,765.00  | \$ 11,765.00  |
| 2    | 1   | Demolition   | LS  | \$ 1,175.00   | \$ 1,175.00   |
| 3    | 1   | Miscellaneous Sitework   | LS  | \$ 17,650.00  | \$ 17,650.00  |
| 4    | 1   | EQ Basin Renovation and Ballast Wall   | LS  | \$ 189,525.00 | \$ 189,525.00 |
| 5    | 1   | Static Screen and Screening Washing and Dewatering Facility  | LS  | \$ 143,615.00 | \$ 143,615.00 |
| 6    | 1   | EQ PD Blowers and Air Piping Modifications   | LS  | \$ 56,585.00  | \$ 56,585.00  |
| 7    | 1   | EQ Pumping Station, Control Panel and Instrumentation and Discharge Force Main                                 | LS  | \$ 87,860.00  | \$ 87,860.00  |
| 8    | 1   | Jib Crane and Electric Chain Hoist for EQ Pumping Station  | EA  | \$ 14,210.00  | \$ 14,210.00  |
| 9    | 1   | Raw Wastewater Splitter Box (Stainless Steel), Structure and Stairways, and Raw Wastewater Distribution Piping | LS  | \$ 168,890.00 | \$ 168,890.00 |
| 10   | 1   | New Centrifugal Blower #3 and Air Piping Modifications for Aeration Basins #1, #2, and #3                      | LS  | \$ 125,500.00 | \$ 125,500.00 |
| 11   | 1   | Refurbishment of Centrifugal Blowers #1 and #2 for Aeration Basin #1, #2 and #3                                | LS  | \$ 114,040.00 | \$ 114,040.00 |
| 12   | 1   | In-Plant Drainage Pumping Station and Control Panel  | LS  | \$ 56,865.00  | \$ 56,865.00  |

03/18/2008 15:08 0000000000

**Cypress Lakes WWTP Modifications Bid Form**

| <u>Item</u> | <u>Qty</u> | <u>Description</u>                                 | <u>U/M</u> | <u>Unit Price</u> | <u>Total Cost</u> |
|-------------|------------|--|------------|-------------------|-------------------|
| 13          | 1          | Emergency Diesel Generator                         | EA         | \$ 98,005.00      | \$ 98,005.00      |
| 14          | 1          | New Electrical Service and Electrical Improvements | LS         | \$ 333,385.00     | \$ 333,385.00     |
| 15          | 1          | Miscellaneous (General Requirements, Painting)     | LS         | \$ 58,825.00      | \$ 58,825.00      |
|             |            |  |            | Total             | \$ 1,477,895.00   |

**KBHS, Inc. Utility Maintenance**

Ken's Bush Hog Service

1700 Eaton Drive  
Clearwater, Florida 33756  
(860) 777-5751 (John)  
(727) 643-9593 (Ken)

(727) 585-3938 (fax)

E-mail: [j.wittenzellner@floridautility.com](mailto:j.wittenzellner@floridautility.com)

|                            |                                    |
|----------------------------|------------------------------------|
| <b>To:</b> Tony Wierzbicki | <b>From:</b> Ken Howard            |
| <b>Fax:</b> 407-869-6961   | <b>Pages (including cover):</b> 03 |
| <b>Re:</b> Proposal        | <b>Date:</b> 4/28/08               |

**A** ttached is our proposal for Cypress Lakes WWTP Modifications.

Tony,

Attached please find an updated proposal for the project previously bid and known as "Cypress Lakes WWTP Modifications". The attached pricing was revised to reflect a number of elevated expenses and costs such as; fuel costs (to and from the site) and other pricing increases received on major components of this project.

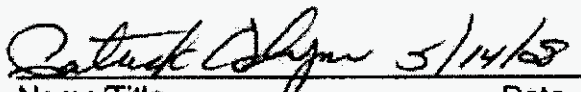
It is my understanding that the completion of this project is time sensitive and must be completed as soon as possible. Also attached, please find our schedule for completion of this project. The revised pricing will be honored through May 15, 2008.

Thank you for the opportunity to provide services to you.

Sincerely,

Kenneth Howard  
General Manager

Accepted by:

  
Name/Title: Patrick O'Ryan Date: 5/14/08  
REGIONAL DIRECTOR

**Cypress Lakes WWTP Modifications Bid Form**

| <b>Item</b> | <b>Qty</b> | <b>Description</b>   | <b>U/M</b> | <b>Unit Price</b> | <b>Total Cost</b> |
|-------------|------------|--|------------|-------------------|-------------------|
| 1           | 1          | Mobilization   | LS         | 10,000.00         | \$10,000          |
| 2           | 1          | Demolition   | LS         | 10,000.00         | \$10,000          |
| 3           | 1          | Miscellaneous Sitework   | LS         | 40,000.00         | \$40,000          |
| 4           | 1          | EQ Basin Renovation and Ballast Wall   | LS         | 50,000.00         | \$50,000          |
| 5           | 1          | Static Screen and Screening Washing and Dewatering Facility  | LS         | 115,000.00        | \$115,000         |
| 6           | 1          | EQ PD Blowers and Air Piping Modifications   | LS         | 40,000.00         | \$40,000          |
| 7           | 1          | EQ Pumping Station, Control Panel and Instrumentation and Discharge Force Main                                 | LS         | 85,000.00         | \$85,000          |
| 8           | 1          | Jib Crane and Electric Chain Hoist for EQ Pumping Station  | EA         | 5,000.00          | \$5,000           |
| 9           | 1          | Raw Wastewater Splitter Box (Stainless Steel), Structure and Stairways, and Raw Wastewater Distribution Piping | LS         | 150,000.00        | \$150,000         |
| 10          | 1          | New Centrifugal Blower #3 and Air Piping Modifications for Aeration Basins #1, #2, and #3                      | LS         | 100,000.00        | \$100,000         |
| 11          | 1          | Refurbishment of Centrifugal Blowers #1 and #2 for Aeration Basin #1, #2, and #3                               | LS         | 0.00<br>Removed   | \$0               |
| 12          | 1          | In-Plant Drainage Pumping Station and Control Panel  | LS         | 20,000.00         | \$20,000          |



**Cypress Lakes WWTP Modifications Bid Form**

| <b><u>Item</u></b> | <b><u>Qty</u></b> | <b><u>Description</u></b>                          | <b><u>U/M</u></b> | <b><u>Unit Price</u></b> | <b><u>Total Cost</u></b> |
|--------------------|-------------------|--|-------------------|--------------------------|--------------------------|
| 13                 | 1                 | Emergency Diesel Generator                         | EA                | 80,000.00                | \$80,000                 |
| 14                 | 1                 | New Electrical Service and Electrical Improvements | LS                | 70,000.00                | \$70,000                 |
| 15                 | 1                 | Miscellaneous (General Requirements, Painting)     | LS                | 90,000.00                | \$90,000                 |
|                    |                   |  |                   |                          |                          |
|                    |                   |  |                   | <b>Total</b>             | <b>\$865,000</b>         |

**JOE G. TEDDER**  
POLK COUNTY TAX COLLECTOR

**NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS**

| ACCOUNT NUMBER       | ESCROW CD | ASSESSED VALUE | EXEMPTIONS | TAXABLE VALUE | MILLAGE CODE |
|----------------------|-----------|----------------|------------|---------------|--------------|
| 000000-000032-007014 |           | 2,579,670      | 25,000     | 2,554,670     | 600000       |

32109 1 MB 0.369  
CYPRESS LAKES UTILITIES  
INC  
2335 SANDERS RD  
NORTHBROOK IL 60062-6108

32109

100 US HIGHWAY 98 N  
LAKELAND  
232634000000012020



PLEASE PAY IN U.S. FUNDS TO JOE G. TEDDER, TAX COLLECTOR • P.O. BOX 1189, 430 E. MAIN ST., • BARTOW, FL 33831-1189 • (863) 534-4721

| AD VALOREM TAXES                  |              |                  |                  |              |
|-----------------------------------|--------------|------------------|------------------|--------------|
| TAXING AUTHORITY                  | MILLAGE RATE | EXEMPTION AMOUNT | TAXABLE VALUE    | TAXES LEVIED |
| C100 POLK COUNTY                  |              |                  |                  |              |
| GENERAL REVENUE FUND              | 5.6665       | 25,000           | 2,554,670        | 14,476.04    |
| ENV LAND AQUIST FUND              | .0600        | 25,000           | 2,554,670        | 153.28       |
| ENV LAND DEBT SERV                | .0600        | 25,000           | 2,554,670        | 153.28       |
| LAND MGMT TRUST FUND              | .0800        | 25,000           | 2,554,670        | 204.37       |
| TRANSPORTATION/ROADS              | 1.0000       | 25,000           | 2,554,670        | 2,554.67     |
| CPCL POLK COUNTY LIBRARY          | .2109        | 25,000           | 2,554,670        | 538.78       |
| CPCP POLK COUNTY PARKS MSTU       | .4219        | 25,000           | 2,554,670        | 1,077.82     |
| S200 POLK COUNTY SCHOOL BOARD     |              |                  |                  |              |
| GENERAL FUND                      | 5.8840       | 25,000           | 2,554,670        | 15,031.68    |
| LOCAL CAPITAL IMP.                | 1.7500       | 25,000           | 2,554,670        | 4,470.67     |
| W HB HILLSBORO RIVER BASIN        | .2547        | 25,000           | 2,554,670        | 650.67       |
| W SW SOUTHWEST FLORIDA WATER MGMT | .3866        | 25,000           | 2,554,670        | 987.64       |
| TOTAL MILLAGE                     |              | 15.7746          | AD VALOREM TAXES | 40,298.90    |

3009017  
248102.7545

ENTERED  
NOV 18 2008

RETAIN THIS PORTION FOR YOUR RECORDS

| NON-AD VALOREM ASSESSMENTS |      |        |
|----------------------------|------|--------|
| LEVYING AUTHORITY          | RATE | AMOUNT |
| Batch <u>41136</u>         |      |        |
| Doc <u>113959</u>          |      |        |

| NON-AD VALOREM ASSESSMENTS     |             | PAY ONLY ONE AMOUNT |             | See reverse side for important information. |
|--------------------------------|-------------|---------------------|-------------|---|
| COMBINED TAXES AND ASSESSMENTS | 40,298.90   |                     |             |   |
| If Paid By                     | Nov 30 2008 | Dec 31 2008         | Jan 31 2009 | Feb 28 2009                                 |
| Please Pay                     | 38,686.94   | 39,089.93           | 39,492.92   | 39,895.91                                   |
|                                |             |                     |             | Mar 31 2009                                 |
|                                |             |                     |             | 40,298.90                                   |

← IF PAID BY

| ACCOUNT NUMBER       | ESCROW CD | ASSESSED VALUE | EXEMPTIONS | TAXABLE VALUE | MILLAGE CODE |
|----------------------|-----------|----------------|------------|---------------|--------------|
| 000000-000032-007014 |           | 2,514,645      |            | 2,514,645     | 600000       |

34372 1 MB 0.360  
CYPRESS LAKES UTILITIES  
INC  
2335 SANDERS RD  
NORTHBROOK IL 60062-6108

34372

10000 US HIGHWAY 98 N  
LAKELAND  
232634000000012020



045112

PLEASE PAY IN U.S. FUNDS TO JOE G. TEDDER, TAX COLLECTOR • P.O. BOX 1189, 430 E. MAIN ST., • BARTOW, FL 33831-1189 • (863) 534-4721

| AD VALOREM TAXES                  |              |                  |                |                         |
|-----------------------------------|--------------|------------------|----------------|-------------------------|
| TAXING AUTHORITY                  | MILLAGE RATE | EXEMPTION AMOUNT | TAXABLE VALUE  | TAXES LEVIED            |
| C100 POLK COUNTY                  |              |                  |                |                         |
| GENERAL REVENUE FUND              | 5.6665       |                  | 2,514,645      | 14,249.23               |
| ENV LAND AQUIST FUND              | .0600        |                  | 2,514,645      | 150.88                  |
| LAND MGMT TRUST FUND              | .1400        |                  | 2,514,645      | 352.05                  |
| TRANSPORTATION/ROADS              | 1.0000       |                  | 2,514,645      | 2,514.65                |
| CPCL POLK COUNTY LIBRARY          | .2109        |                  | 2,514,645      | 530.34                  |
| CPCP POLK COUNTY PARKS MSTU       | .4219        |                  | 2,514,645      | 1,060.93                |
| S200 POLK COUNTY SCHOOL BOARD     |              |                  |                |                         |
| GENERAL FUND                      | 5.5120       |                  | 2,514,645      | 13,860.72               |
| LOCAL CAPITAL IMP.                | 2.0000       |                  | 2,514,645      | 5,029.29                |
| W HB HILLSBORO RIVER BASIN        | .2547        |                  | 2,514,645      | 640.48                  |
| W SW SOUTHWEST FLORIDA WATER MGMT | .3866        |                  | 2,514,645      | 972.16                  |
| <b>TOTAL MILLAGE</b>              |              |                  | <b>15.6526</b> | <b>AD VALOREM TAXES</b> |
|                                   |              |                  |                | <b>39,360.73</b>        |

RETAIN THIS PORTION FOR YOUR RECORDS

| NON-AD VALOREM ASSESSMENTS       |      |        |
|----------------------------------|------|--------|
| LEVING AUTHORITY                 | RATE | AMOUNT |
| <p>(T672010)</p> <p>11/30/07</p> |      |        |
| NON-AD VALOREM ASSESSMENTS       |      |        |

| COMBINED TAXES AND ASSESSMENTS | 39,360.73   | PAY ONLY ONE AMOUNT | See reverse side for important information. |
|--------------------------------|-------------|---------------------|---|
| If Paid By                     | Nov 30 2007 | Dec 31 2007         | Jan 31 2008                                 |
| Please Pay                     | 37,786.30   | 38,179.91           | 38,573.52                                   |
|                                |             | Feb 29 2008         | Mar 31 2008                                 |
|                                |             | 38,967.12           | 39,360.73                                   |

← IF PAID B

**JOE G. TEDDER**  
POLK COUNTY TAX COLLECTOR

**NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS**

| ACCOUNT NUMBER       | ESCROW CD | ASSESSED VALUE | EXEMPTIONS | TAXABLE VALUE | MILLAGE CODE |
|----------------------|-----------|----------------|------------|---------------|--------------|
| 000000-000032-007014 |           | 1,280,107      |            | 1,280,107     | 600000       |

29820 1 MB 0.326  
CYPRESS LAKES UTILITIES  
INC  
2335 SANDERS RD  
NORTHBROOK IL 60062-6108

29820  
US HIGHWAY 98 N  
LAKELAND  
232634000000012020

019578

PLEASE PAY IN U.S. FUNDS TO JOE G. TEDDER, TAX COLLECTOR • P.O. BOX 1189, 430 E. MAIN ST., • BARTOW, FL 33831-1189 • (863) 534-4721

| AD VALOREM TAXES                  |              |                  |                  |              |
|-----------------------------------|--------------|------------------|------------------|--------------|
| TAXING AUTHORITY                  | MILLAGE RATE | EXEMPTION AMOUNT | TAXABLE VALUE    | TAXES LEVIED |
| C100 POLK COUNTY                  |              |                  |                  |              |
| GENERAL REVENUE FUND              | 7.1330       |                  | 1,280,107        | 9,131.00     |
| ENV LAND AQUIST FUND              | .0600        |                  | 1,280,107        | 76.81        |
| LAND MGMT TRUST FUND              | .1400        |                  | 1,280,107        | 179.22       |
| TRANSPORTATION/ROADS              | 1.0000       |                  | 1,280,107        | 1,280.11     |
| CPCL POLK COUNTY LIBRARY          | .2500        |                  | 1,280,107        | 320.03       |
| CPCP POLK COUNTY PARKS MSTU       | .5000        |                  | 1,280,107        | 640.05       |
| S200 POLK COUNTY SCHOOL BOARD     |              |                  |                  |              |
| GENERAL FUND                      | 5.7700       |                  | 1,280,107        | 7,386.22     |
| LOCAL CAPITAL IMP.                | 2.0000       |                  | 1,280,107        | 2,560.21     |
| W HB HILLSBORO RIVER BASIN        | .2850        |                  | 1,280,107        | 364.83       |
| W SW SOUTHWEST FLORIDA WATER MGMT | .4220        |                  | 1,280,107        | 540.21       |
| TOTAL MILLAGE                     |              |                  | 17.5600          |              |
|                                   |              |                  | AD VALOREM TAXES | 22,478.69    |

RETAIN THIS PORTION FOR YOUR RECORDS

| NON-AD VALOREM ASSESSMENTS |      |                            |
|----------------------------|------|----------------------------|
| LEVYING AUTHORITY          | RATE | AMOUNT                     |
| T672010                    |      |                            |
|                            |      | 21579.54                   |
|                            |      | NON-AD VALOREM ASSESSMENTS |

| COMBINED TAXES AND ASSESSMENTS | 22,478.69   | PAY ONLY ONE AMOUNT |             |             |             | See reverse side for important information. |
|--------------------------------|-------------|---------------------|-------------|-------------|-------------|---|
| If Paid By                     | Nov 30 2006 | Dec 31 2006         | Jan 31 2007 | Feb 28 2007 | Mar 31 2007 |   |
| Please Pay                     | 21,579.54   | 21,904.23           | 22,029.12   | 22,253.90   | 22,478.69   | ◀ IF PAID BY                                |

Tax Accrual

FILE: STANDARD ENTRIES

| <u>CO #</u> | <u>Sub #</u> | <u>COMPANY</u> | <u>EXPENSE<br/>PRIOR<br/>YEAR</u> | <u>DIVIDED<br/>BY<br/>1.00</u> |
|-------------|--------------|----------------|-----------------------------------|--------------------------------|
| 72          | 0672         | CYPRESS LAKES  | 51,712.54                         | 51,712.54                      |

TAXES OTHER (721-00)

| TIMES     | INPUT         | ADJUSTMENT<br>FOR SPECIAL<br>ITEMS | 4081100<br>2361100<br>JOURNAL<br>ENTRY | CY ><br>PY |
|-----------|---------------|------------------------------------|--|------------|
| 108.00%   | T/B<br>721-00 |                                    |  |            |
| 55,850.00 | 74,377.12     |                                    | (18,527.12)                            | -33.2%     |