



January 8, 2014

VIA E-FILING

FILED JAN 08, 2014  
DOCUMENT NO. 00114-14  
FPSC - COMMISSION CLERK

Carlotta S. Stauffer, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RE: Docket No. 130212-WS; Application for an Increase in Water and Wastewater Rates in Polk County by Cypress Lakes Utilities, Inc.  
Our File No.: 30057.212

Dear Ms. Stauffer:

The following are Cypress Lakes Utilities, Inc.'s responses to the Staff's Second Data Requests dated December 23, 2013:

1) In conjunction with the supply main upgrade, work was performed by TBE group in the amount of \$23,660 with a completion date of 1/1/2008. Was this amount expensed or capitalized and included in plant? If this amount was included in plant, please provide support documentation of this entry.

**Response:** Regarding TBE Group invoice number 53391 dated 12/20/2007 (attached), the \$23,660 amount was neither expensed or capitalized as far as the filing is concerned. This is because the original posting of the \$23,660 amount was **reversed in error** (see attached "general ledger entry") on 12/30/2007. However, further investigation confirmed that the invoice was, in fact, correctly posted to Cypress Lakes Utilities reflecting work completed to date. This amount, less accumulated depreciation, should be capitalized to the water treatment account. Attached please find a proposal by TBE Group to provide engineering design, permitting, and construction services regarding piping modifications made to the Cypress Lakes Water Treatment Plant. The work described under Task I and Item 1 under Task II in the proposal were completed by TBE Group in December 2007. The remaining items were completed in April 2008. Please make the appropriate adjustment for ratemaking purposes.

2) The following questions relate to Salaries and Wages expense for employees, officers, and directors.

a) Please provide a specific breakdown of each position, including employees, officers, and/or directors, by job title/description and compensation for each year since the last rate case.

b) Has any increase in salaries and wages expense been offset by a reduction in overtime?

c) Has the Utility previously commissioned an organization or management study to justify any changes in labor? If so, please provide the study.

d) Has the Utility previously commissioned an operational audit or does it plan to in the near future?

e) According to MFR Schedule B-7, Line 1, 1.5 full time equivalent positions were added and allocated across all Pasco and Pinellas water customers in 2009 resulting in an increase in allocated salary and benefits expense. Please provide an explanation and work papers detailing how the allocation increased for the Utility.

f) Please provide a specific description of the duties and responsibilities of any officers and/or directors that have started receiving compensation since the last rate case.

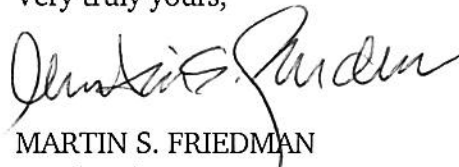
g) Please provide time sheets for the cross connection technician hired to comply with FDEP regulations. Additionally, please provide any information regarding allocation of this salary between Cypress Lakes and other Utilities, Inc. of Florida systems.

h) Please provide time sheets, as well as a breakdown by county of total meters read, by the meter readers. Please provide a breakdown of salaries/wages, as well as employment dates, for the meter readers and the contract meter readers that were previously employed.

**Response.** Since the Staff has not generally requested this type of information in the past, it is taking Cypress Lakes Utilities longer than it had anticipated to compile this type of detailed salary information. However, it hopes to have the information within a week and will supplement this response at that time.

If you or the Staff have any questions, please feel free to contact me.

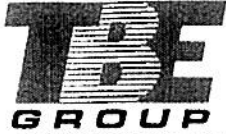
Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/der

cc: Jason Barrett (via e-mail)  
Patrick Flynn (via e-mail)  
Frank Seidman (via e-mail)



Batch 12493

Doc 19554

Utilities Inc  
Attention: Accounts Payable  
2335 Sanders Road  
Northbrook, IL. 60062

Invoice #: 53391  
Project: 0002500301  
Invoice Group: \*\*  
Invoice Date: 12/20/2007

Project Name : WW Cypress Lakes WTP Permit Mods  
For Professional Services Rendered through: 12/20/2007

Contract Number: Purchase Order 11-OP, Business Unit 248100  
Purchaser: Tony Wierzbicki, Cypress Lakes Utilities, Inc.

Phase Name	Ordered UOM	Phase Fee	Previous Amount	Amount Remaining	Current Amount	% of Complete	Total Fee Earned
WTP Engineering	1 EA	23,660.00	0.00	0.00	23,660.00	100.00	23,660.00
	<b>Total Fee:</b>	23,660.00					
Total Fee Earned To Date							23,660.00
Less Previous Billings							0.00
<b>Amount Due this Invoice</b>							<b>23,660.00</b>

RECEIVED  
DEC 27 2007

**Statement**

Previously Billed	0.00	Contract Amount	23,660.00
Total This Invoice	23,660.00	Billed To Date	23,660.00
Fee Earned To Date	23,660.00	Contract Balance	0.00
Paid To Date	0.00		

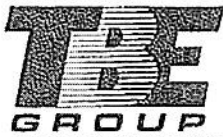
REMIT PAYMENTS TO: P.O. Box 850001, Orlando, FL 32885-0150

380 Park Place Blvd, Suite 300 - Clearwater, Florida 33759

T: 727.531.3505 • T: 800.861.8314 • F: 727.539.1294 • www.tbegroup.com

Cypress Lakes  
 General Ledger  
 December 2007

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>L</u>	<u>M</u>
1	248	248	2710		Post Due To Account 881	AE	881	12/25/2003	23,660.00		23,660.00	AA	P
2	248	248	2710		Post Due To Account 19554	AE	19554	12/30/2003		(23,660.00)	(23,660.00)	AA	P
3	248	248	4527		TBE GROUP, INC.	OV	881	12/25/2003		(23,660.00)	(23,660.00)	AA	P
4	248	248	4527		TBE GROUP, INC.	PV	19554	12/30/2003	23,660.00		23,660.00	AA	P



November 29, 2007

Via Email  
*Hard Copy to Follow*

Mr. Tony Wierzbicki  
Construction Manager  
Utilities, Inc. of Florida  
200 Weathersfield Avenue  
Altamonte Springs, Florida 32714

RE: Cypress Lakes Water Treatment Facility Modifications  
Proposal for Professional Engineering Services

Dear Mr. Wierzbicki:

In accordance with your request, TBE is pleased to present this proposal to conduct professional engineering services for the modifications of the water treatment facility at Cypress Lakes development. Our proposal is based on the recommendation in the Cypress Lakes Water Quality Evaluation conducted by TBE in September 2007 to modify the on site yard piping. This proposal includes design and completion of contract documents (plans and specifications); preparation of a permit application for the Florida Department of Environmental Protection (FDEP); and project certifications services.

#### **Background and Purpose**

Utilities, Inc. of Florida owns and operates a water treatment facility at Cypress Lakes in Lakeland, Florida. Residents have cited odor problems within their homes from the potable water. The development experiences significant summer-season population decreases and winter-season increases. An existing water treatment system consists of two on-site groundwater production wells, chlorination system, and distribution system.

TBE Group, Inc evaluated the water quality problems and listed recommendations for improvements in the evaluation report in September 2007. Task 1 of this report recommended modifying the on site piping so the water from both production wells is manifolded together. Disinfection would take place at a single location after the water from well #1 and #2 are blended.

#### **Scope of Work**

TBE will perform the following scope of work:

##### **Task I – Survey and Design Phase Engineering Services**

1. Prepare construction plans with review and approval by owner at 100% completion. A preliminary list of construction drawings is included below:
  - a. General Notes
  - b. Site plan

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- c. Yard piping
  - d. Chemical feed plan
  - e. Civil details
2. Engineer shall make 100% and Final submittals. The Engineer shall receive a list and/or a consolidated set of marked up plans with the Owner's comments or suggestions.

**Task II – Permit Application and Certification**

1. The Engineer will prepare and submit, on behalf of the Owner, permit applications to the FDEP. The Contractor shall submit plans to the County's building department for review and approval. The Owner shall pay for all permitting fees.
2. The Engineer shall witness disinfection of new lines and shall prepare a permit certification upon receipt of accurate "as-builts" from the Contractor
3. Prepare record drawings based on contractor mark-ups. Provide four (4) sets hard copy (11" x 17" size) and one electronic file of record drawings to Owner.

**Utilities, Inc. Responsibilities**

1. Provide a designated project manager to be the primary point of contact for TBE who has authority to make day-to-day decisions for Utilities, Inc.
2. Executions of the FDEP permit application.

**Staff Assignments**

David O'Connor, PE	Project Manager/Engineer	727/431-1543
Diana Koontz, PE	Project Engineer	352/754-4551
Dorian Modjeski, PE	QA/QC	727/431-1542

**Deliverables**

All correspondence will be sent to Mr. Tony Wierzbicki. Major Deliverables are outlined below with the number of sets to be submitted.

100% Contract Documents and Drawings (11" x 17") – 4 sets

FDEP Permit Application – 2 sets

Final Contract Documents and Drawings (11" x 17") – 4 sets

Permit Certification and Record Drawings – (11" x 17") 4 sets hard copy & one electronic copy

Mr. Tony Wierzbicki  
November 29, 2007  
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**Schedule**

TBE will provide 100% Contract Documents, and permit application within 21 days after receipt of notice to proceed. TBE will provide Final Contract Documents within 30 days after receipt of comments on 100% submittal. TBE will provide Certification to FDEP and Record Drawings within 30 days of receipt of accurate "As-Builts" from the Contractor.

**Fee**

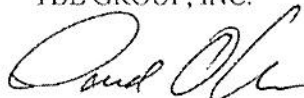
TBE will perform the proposed scope of work on a lump sum basis as outlined below:

Task I - Design Phase Engineering Services + <i>Permitting</i>	<i>\$23,660</i>	<del>\$19,580</del>
Task II - <del>Permit Application</del> and Certification	<i>2,200</i>	<del>\$6,280</del>
<b>Total</b>	<i>\$25,860</i>	\$25,860

We look forward to working with you on this project. Your signature below will serve as authorization for TBE to proceed. If you have any questions or need additional information, please call.

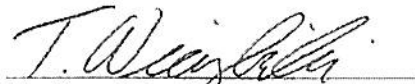
Sincerely,

TBE GROUP, INC.



David O'Connor, PE  
Senior Project Manager

Accepted by:



Mr. Tony Wierzbicki  
Construction Manager  
Utilities, Inc. of Florida

DOC:hs

cc: Dorian Modjeski, PE - TBE  
Diana Koontz, PE - TBE

R43500

Cypress Lakes Utilities Inc  
Purchase Order Print

12/3/2007

Page - 1

Order Number 11 000 OP  
Branch/Plant 248100

Shipped From TBE GROUP, INC.  
380 PARK PLACE BLVD  
SUITE 300  
CLERWATER FL 33759

Ship To Cypress Lakes Utilities Inc  
10000 US Hwy 98 N  
Bldg 1  
Lakeland FL 33809

Ordered 12/3/2007 Freight  
Requested 12/3/2007 Order Taken By  
Delivery  
Currency Code USD Exchange Rate  
Base Currency USD

Line	Rev	Description /Supplier Item	Ordered	UOM	Unit Price	PU UM	Extended Price	Request Date	Order No	Ty
1.000	0	REPAIR WTR MAIN ENGINEERING ENGINEERING WTR WORK IN PROCESS WTR-00105-1667	1	EA	23,660.0000	EA	23,660.00	12/3/2007		
Total Order							23,660.00			
Sales Tax							Total Order			

Term NET 5 Tax Rate .00 23,660.00