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February 12, 1998

980242 - 50

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center
Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: Petition of Lindrick Service Corporation for a Limited Proceeding to Implement a Two-Step Increase in Wastewater Rates

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Lindrick Service Corporation ("Lindrick") are the following documents:

- ACK _____ 1. Original and fifteen copies of Petition of Lindrick Service Corporation for a Limited Proceeding to Implement a Two-Step Increase in Wastewater Rates;
- AFA _____
- APP _____ 2. A check in the amount of \$1,750.00, as the filing fee; and
- CAF _____
- CMU _____ 3. A disk in Word Perfect 6.0 containing a copy of the document.
- CTR _____

EAG _____ Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

LEG _____
LIN _____ Thank you for your assistance with this filing.

OPC _____

RCH _____ RECEIVED & FILED

SEC _____
WAS _____ BUREAU OF RECORDS

OTH _____
JRE/rl
Enclosures

Sincerely,

John R. Ellis
John R. Ellis

Initials of person who forwarded check:
W.S.

DOCUMENT NUMBER-DATE
02201 FEB 12 1998
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Lindrick Service Corporation for a Limited Proceeding to Implement a Two-Step Increase in Wastewater Rates. _____)

Docket No. _____

Filed: February 12, 1998

**PETITION OF LINDRICK SERVICE CORPORATION
FOR A LIMITED PROCEEDING TO IMPLEMENT A TWO-STEP
INCREASE IN WASTEWATER RATES**

Lindrick Service Corporation ("Lindrick"), by its undersigned counsel and pursuant to Sections 367.081 and 367.0822, Florida Statutes, petitions the Commission to conduct a limited proceeding to implement a two-step increase in Lindrick's rates for wastewater service to its customers in Pasco County, Florida, and states:

1. Petitioner's name and address is:

Lindrick Service Corporation
4925 Cross Bayou Boulevard
New Port Richey, Florida 34656-1176

2. All notices, orders, pleadings, discovery and correspondence regarding this Petition should be provided to the following attorneys on behalf of Petitioner:

Kenneth A. Hoffman, Esq.
John R. Ellis, Esq.
Rutledge, Ecenia, Underwood, Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee, FL 32302
(850) 681-6788 (Telephone)
(850) 681-6515 (Telecopier)

3. Lindrick Service Corporation ("Lindrick") is a Class B utility regulated by the Commission. Lindrick provides water and wastewater service to approximately 5000 customers in Pasco County, Florida.

DOCUMENT NUMBER-DATE
02201 FEB 12 88
FPSC-RECORDS/REPORTING

4. Lindrick requests this limited proceeding as a result of a Notice of Violation and Orders for Corrective Action issued by the Florida Department of Environmental Protection ("DEP") to Lindrick on January 13, 1998. The DEP Notice requires Lindrick, in the best judgment of its officers, to discontinue operation of its plant as a wastewater treatment facility, to enter an agreement with the City of New Port Richey ("City") to purchase wastewater treatment service, and to convert its plant to use as a flow equalizing master pumping station.

5. Lindrick has operated a wastewater treatment plant serving residents of the Gulf Harbors community since the early 1960s. The original plant facility was constructed in the 1950s, and was taken out of service in 1972 upon completion of a larger, 500,000 gallon per day facility. A second 500,000 gallon per day facility began operation in 1982. The effluent from the plant is discharged via Cross Bayou to the Gulf of Mexico.

6. Lindrick has operated the plant under the jurisdiction of both the United States Environmental Protection Agency and the DEP. Since 1994, the plant has been subject to increasingly stringent effluent testing requirements and associated costs.¹ As a condition to the 1994 renewal of its DEP permit, Lindrick became subject to new requirements for ambient monitoring of the receiving body of water, new effluent testing limits, and increased staffing requirements for plant operation, together with a reduction to 750,000 gallons per day of the permitted capacity of the plant.

7. Lindrick has investigated the alternative courses of action available to it to comply with the DEP notice, and the costs associated with such alternatives. It has caused to be prepared

¹In its Order Acknowledging Price Index and Pass-Through Rate Adjustment, Order No. PSC-96-1563-FOF-WS in Docket No. 961356-WS, the Commission authorized a relatively minor increase in rates to allow Lindrick to recover certain costs incurred in 1994 for wastewater quality testing.

a report of its investigation, entitled "Lindrick Service Corporation, Limited Proceeding Special Report, January 28, 1998" (" Report"), which is filed herewith and submitted in support of this Petition as Exhibit 1.

8. The Report discusses three options for achieving compliance with the DEP Notice. The three alternatives are: 1) to make improvements to the existing plant so that it may be operated in compliance with DEP permit requirements for discharge of the effluent to the Gulf of Mexico; 2) to make improvements to the existing plant so that the effluent may be delivered to the Pasco County reuse system once such reuse system is operational; or 3) to send the raw influent to the City's plant for treatment, for which the City has quoted a rate of \$2.85 per thousand gallons, and to convert Lindrick's existing plant for use as a flow equalizing master pumping station. Under the third option, the effluent would be delivered to the Pasco County reuse system once the system becomes operational.

9. DEP has advised Lindrick that the first option is unacceptable. Implementation of the second or third option will require improvements to Lindrick's wastewater collection system, as stated below. Pasco County objects to the implementation of the second option due to the excessive chloride levels associated with the treatment of effluent by Lindrick, the expected adverse impact on the County's reuse system from such effluent, and the fact that effluent with lower chloride levels may be secured for reuse by Pasco County if the effluent is treated by the City's system. Lindrick maintains that the third option is the most prudent and cost-effective alternative.

10. Lindrick's wastewater collection system utilizes clay tile which was installed approximately 40 years ago, when the Gulf Harbors community was developed on property dredged and filled in the Gulf of Mexico. Under high tide conditions the collection system is submerged in

salt water, which has infiltrated the collection system and has caused chloride levels in the effluent to be in excess of the limits acceptable for delivery to Pasco County's reuse system.

11. The City's wastewater treatment plant discharges effluent to the Gulf of Mexico and will deliver effluent to Pasco County's reuse system in the future. Lindrick expects that the City will require Lindrick to reduce the chloride levels in the untreated influent to be sent to the City's plant under the proposed agreement for wastewater treatment service (Report, Exhibit B, page 3). If Lindrick were to continue to operate its wastewater treatment plant and send the effluent to Pasco County's reuse system (Option 2), it will be required to perform improvements to its collection system to reduce chloride levels. Alternatively, if Lindrick purchases wastewater treatment service from the City (Option 3), it will still be required to perform improvements to its plant and collection system to reduce chloride levels.

12. Exhibit A to the Report is a cost estimate from H₂O Utility Services for the improvements to Lindrick's wastewater collection system needed to reduce chloride levels, and for the improvements required to convert the plant to use as a flow equalizing master pumping station to send influent to the City for treatment. The engineer's estimated cost for these proposed improvements is \$2,179,874.

13. In addition to the engineer's estimated cost reflected on Exhibit A, Schedule No. 9 of the Report lists Lindrick's estimated costs for contingencies, permitting and construction management. Schedule No. 7 lists Lindrick's estimated income taxes associated with the collection system improvements. Schedule No. 8 lists Lindrick's annual depreciation expense on the collection system improvements. Schedule No. 10 then provides a calculation applying a rate of return of

9.76% to the net additional investment in the collection system improvements - - a total return of \$253,703 on net additional investment of \$2,599,413.

14. Exhibit B to the Report provides copies of correspondence with the City of New Port Richey concerning the City's quoted rate for bulk wastewater treatment service of \$2.85 per thousand gallons. Schedule No. 5 of the Report calculates an estimated annual cost of \$476,811 for wastewater treatment at the \$2.85 rate, based upon Lindrick's records of gallons treated for the twelve months ended December 31, 1997.

15. Exhibits C, D and E to the Report state the estimated additional chemical costs, estimated reduction in engineering expense, and estimated reductions in contract services, assuming purchased wastewater treatment service from the City and conversion of Lindrick's plant accordingly, and Schedule No. 6 estimates resulting changes in taxes other than income.

16. Schedule No. 4 of the Report combines the above estimates to provide an estimate of the annual change in operation and maintenance expenses, resulting in an increase of \$344,246 over the amount of those expenses for the year ended December 31, 1996. Lindrick requests an emergency increase in its wastewater rates for 1998, in an amount sufficient to recover the estimated \$344,246 increase in its operation and maintenance expenses.

17. Schedule No. 4 of the Report then adds an estimate of \$30,000 for legal and accounting expenses for this proceeding, amortized over four years, to the estimated increase in operation and maintenance expenses above, resulting in a total operation and maintenance expenses increase of \$351, 746.

18. Schedule No. 2 of the Report provides a calculation of the additional revenue requirements and proposed increase to existing rates, for the purchase of wastewater treatment

service from the City and the proposed improvements to Lindrick's wastewater collection system. The increase sought by this Petition is divided into two categories, as stated in Schedule No. 2: (a) an emergency percentage increase in revenue of 47.13%; and (b) a total percentage increase in revenue of 130.12%. Schedule No. 3 reflects these percentage increases in present and proposed monthly rates, per category of service. Revised tariff sheets for the emergency increase and final total increase in Lindrick's wastewater rates, in the proposed amounts, are attached to this Petition as Exhibits 2 and 3, respectively.

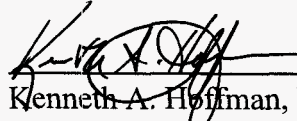
19. Lindrick requests that the Commission consider these matters in a limited proceeding and grant: (a) the requested emergency increase in rates so that Lindrick may expedite its purchase of wastewater treatment service from the City; and (b) the requested second step final increase in rates to allow Lindrick to recover prudently incurred costs needed to complete the above-described improvements to its collection system, to conclude its proposed agreement with the City, and to resolve the issues raised by the DEP Notice in an expeditious manner.

WHEREFORE, Petitioner requests that this Commission:

1. Grant an emergency increase in its wastewater treatment rates of 47.13%;
2. Grant a final total increase in its wastewater treatment rates of 130.12%, upon completion of improvements to Lindrick's wastewater collection system;
3. Allow Petitioner to recover through such rates its legal, accounting, administrative and other reasonable, prudently incurred expenses and costs incurred in this proceeding; and

4. Order such further relief as the Commission deems just and appropriate.

Respectfully submitted,



Kenneth A. Hoffman, Esq.

John R. Ellis, Esq.

Rutledge, Ecenia, Underwood, Purnell & Hoffman, P.A.

P. O. Box 551

Tallahassee, FL 32302


(850) 681-6788 (Telephone)

(850) 681-6515 (Telecopier)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by hand delivery to the following this 12th day of February, 1998:

Lila Jaber, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Room 370
Tallahassee, Florida 32399-0850



Kenneth A. Hoffman, Esq.

LINDRICK SERVICE CORPORATION

LIMITED PROCEEDING

SPECIAL REPORT

JANUARY 28, 1998



Lindrick Service Corporation
Limited Proceeding to Recognize Purchased Wastewater Costs and
Collection System Improvements

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Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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January 28, 1998

Officers and Directors
Lindrick Service Corporation

In accordance with your request, we have prepared the accompanying Special Report of Lindrick Service Corporation, consisting of the Schedules and Exhibits set forth in the preceding Index. This Report is intended solely for use as part of a Limited Proceeding application for utility rate increases, to be filed with the Florida Public Service Commission, relating to recovery of purchased wastewater costs and collection system improvements.

Because this Special Report was not audited by us, we do not express an opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

Lindrick Service Corporation
Limited Proceeding to Recognize Purchased Wastewater Costs and
Collection System Improvements

Executive Summary

Lindrick Service Corporation (LSC) was incorporated in the early 1960's as a private utility with the original wastewater treatment plant serving only the Gulf Harbors community. Since its inception, LSC has striven to provide cost effective and environmentally responsible utility service to the rate paying residents of its community. As the community grew into the Gulf Landings and Sea Forest areas, the original plant became outmoded and outgrown. So, in 1972, a new 500,000 gallon per day contact stabilization wastewater treatment plant ("North Plant") was constructed north of the North Channel, across from City of New Port Richey plant to serve the needs of the growing community. The original plant (south of North Channel) was abandoned and the original collection system was extended to the new plant location. As development continued through the years, a second 500,000 gpd plant (a sister to the North Plant) was constructed adjacent to the North Plant. This "South Plant" began operation in 1982. LSC has successfully operated this combined Class C plant, discharging treated effluent to a tributary of Cross Bayou under the jurisdiction of, and in compliance with, U.S. Environmental Protection Agency (EPA) and Florida Department of Environmental Protection (DEP) permits for a number of years.

With the NFDES permit renewal in 1994, the EPA imposed increasingly stringent biomonitoring requirements on LSC. Toxicity testing of effluent was increased from 48-hour acute type testing, which monitors survival only of the test organisms (under 1988-93 permit), to 7-day WET (whole effluent toxicity) testing under the 1994 permit (measures survival, growth, and fecundity of test organisms). LSC's early results for this test were mixed (passing as well as failing results) and the sudden eagerness of EPA to take punitive action (rather than work with LSC to solve problems) both surprised and baffled LSC. Faced with a pending DEP permit renewal, LSC had no choice but to accept the conditions of DEP Administrative Order AO-95-010 and enter into a Toxicity Reduction Evaluation (TRE) Study. Consultants D, S & N, Inc. were employed to perform the necessary study, which revealed that the effluent toxicity experienced by the plant was caused by in-plant sources, induced by high hydraulic peaks and the practice of chemical dosing based on rates of peak flow. Installation of automated controls to more closely monitor and respond to changes in flow has been recommended to LSC as a result of the TRE report.

As the results of the TRE Study were becoming known, LSC's DEP permit was in the renewal process. The enforcement authority for surface water discharge which had been with the EPA would be transferred to DEP with this permit renewal and, therefore, this permit incorporated the same types of effluent biomonitoring tests as the EPA permit. In addition, new requirements for ambient monitoring of the receiving body of water, new effluent testing limits and increased staffing requirements for plant operation, among other restrictions, were added to the previous permit parameters. After a lengthy period of negotiation with DEP which included reducing the permitted capacity of the plant from its previous 1.0 MGD to .75 MGD (million gallons per day), LSC was on the verge of accepting the new permit when, at the eleventh hour, further changes to the permit text were mandated by DEP, reducing allowable effluent Total Nitrogen (TN) and Copper (Cu) limits to unattainable levels. (Effluent Copper level to be 500 times lower than drinking water standards.)

Again, after meeting with DEP representatives, LSC agreed to the last minute DEP changes because LSC had been assured that other utilities were meeting the same limits and that if LSC was unable to meet the limits, it would be given reasonable time to seek an alternative.

Various operational improvements, including increased staffing, reduction of wastewater collection line infiltration and upgraded testing procedures have been implemented at the plant. The results have been several successful (PASSING) chronic toxicity tests. (A series of six passing bi-monthly WET tests is required to verify elimination of toxicity.) Installation of automated controls, however, has been deferred, with DEP approval, pending final decision on the future of the plant. As always, LSC has taken the long view, preferring not to spend customers dollars on equipment which may be abandoned in the near future.

Recognizing the operational limitations of its 25-year-old treatment plant, LSC continued to seek a fiscally responsible method of meeting the new permit parameters (akin to asking a '47 Plymouth to drive 125 mph). Several options were explored in an effort to find the solution most acceptable to the pocketbooks of LSC customers and environmental goals of the authorities having jurisdiction. Each approach is technically feasible but must be considered within the context of long- and short-term cost, benefit and risk to Lindrick customers.

The **FIRST** option would be to improve the existing plant so that all new permit parameters could be met. An engineering analysis and report on same was prepared. This had the highest initial cost of the three options and left Lindrick's customers unprotected (at risk) from the uncertainties of future regulatory changes (additional significant changes could be required with each subsequent permit renewal). In addition, and of greater importance, this solution was **not** acceptable to DEP.

A **SECOND** alternative would be to eliminate surface water discharge from the plant by sending the plant effluent to the Pasco County reuse system. With this alternative, the LSC plant would remain on-line and significant improvements, including the addition of an R/O (reverse osmosis) system, would be required to achieve Class I reliability and control effluent chloride levels accurately. These improvements would be required as a condition of the contract with Pasco County for accepting effluent into the reuse system. This approach was analyzed and found to be somewhat less costly initially than the first option, however, 24-hour per day operation is still required. The utility customers exposure (risk) to the uncertainties of future regulatory changes was also reduced but not eliminated. Although not preferred by DEP, this approach could be used should LSC be unable to perfect a contract with the City of New Port Richey (as noted below).

A **THIRD** and final option, preferred by DEP, is for LSC to take its plant off line, ceasing surface water discharge, and send the raw influent to the City of New Port Richey (NPR) for treatment. Again, various improvements to the collection system and plant will be required in order to implement this approach, however, it promises to be the least costly of the alternatives, provided a workable contract with the City of New Port Richey can be developed with DEP's help. This includes allowing the City to take our influent "**AS IS**" giving LSC time to reduce chlorides, so as not to increase the City's chlorides by more than 50 mg/l. In addition, it has the advantage of virtually eliminating most of the direct risk of future financial exposure for LSC customers, as a result of changing regulations. If a contract with the City cannot be perfected within limits noted, then our rate increase will need to be modified as required by the second option.

Given the long-term financial certainty and immunity from direct regulatory changes derived by LSC customers as a result of sending influent to NPR for treatment, this option is preferred by LSC as well as DEP. Key actions/improvements which will be conditions of LSC tie-in to the City plant include a reduction of influent chloride levels pursuant to the limitations of the City reuse system noted above, and the addition of a master pumping station to equalize flows from the LSC service area to the City plant.

Influent chloride problems are inherent for LSC given the location of its service area and age of the system. The Gulf Harbors and Sea Forest communities were created over 40 years ago by dredging and filling in the Gulf of Mexico. The clay tile wastewater collection system which was installed at that time is literally submerged in salt water under high tide conditions and infiltration of some salt water into the system through these aging pipes is unavoidable. The Pasco County reuse system limits the chloride level of the water entering the system (reuse water is primarily used for irrigation and excess chlorides are detrimental to plant life). In order to meet the required chloride level so that LSC influent treated by the City can be accepted into County reuse system, it will be necessary for LSC to improve its collection system to further reduce chloride levels. Previous improvements have resulted in a reduction in influent chlorides, however, the aging clay pipes are a limiting factor which need to be dealt with to achieve additional significant improvement. As outlined in the Engineering report, large sections of the collection system must be relined or repaired to accomplish this reduction in infiltration. In the meantime, the DEP has stated that it will allow, on a temporary basis, the City to take the existing influent, giving LSC the time needed to reduce chlorides to an acceptable level.

In addition, to equalize and deliver influent flows from the LSC service area to the City plant, a flow equalizing master pumping station must be added to Lindrick's collection system. The pumping station will accept and store influent during peak flow periods and pump it to the City plant in a controlled manner, increasing the efficiency and treatment efficacy of the City plant. The master pumping station will be situated at the current treatment plant site and will utilize portions of the existing tanks, pumps, and blowers to store, circulate, and aerate the raw sewage. Additional odor control at the plant, and especially at lift stations, will become vital to successful operation of the utility and various chemical feed systems designed to reduce odor (i.e., with WWTP eliminated) will need to be added to the overall collection system.

As in the past, LSC has done all that is has been asked to do by the authorities having jurisdiction in an effort to achieve environmental compliance while remaining fiscally responsible to our customer base. Having analyzed the alternatives available given the ever tightening regulatory control exerted by DEP, LSC believes the presented solution will achieve the operational goals of the regulatory authority while remaining faithful to the long-term financial interests of our community (customer base).

LSC is requesting rate increases in two phases in this Limited Proceeding. The first is an emergency increase to enable an immediate tie-in with NPR for treatment of raw wastewater influent on an "AS IS" basis.

The second phase rate increase would be effective upon completion of the collection system improvements.

Lindrick Service Corporation is negotiating with NPR to finalize a bulk wastewater agreement, which will be furnished to the Commission as soon as it is available.

Lindrick Service Corporation
 Additional Revenue Requirements & Proposed Increase to Existing Rates for
 City of New Port Richey Purchased Wastewater & Collection System Improvements

| Line No. | Component | Reference Schedule No. | Increase in Cost |
|----------|---|------------------------|---------------------|
| 1 | A. <u>Emergency increase</u> | | |
| 2 | Operation & Maintenance expense | 4 | \$ 344,246 |
| 3 | Taxes other than income | 6 | <u>(1,488)</u> |
| 4 | Additional operating expenses | | 342,758 |
| 5 | Divide by Regulatory Assessment Fees (RAF) expansion factor | | <u>0.955</u> |
| 6 | Total emergency increase revenue requirement | | <u>\$ 358,909</u> |
| 7 | Divide by annualized revenue | 11 | <u>\$ 761,544</u> |
| 8 | Percentage increase in revenue | | <u>47.13 %</u> |
| 9 | B. <u>Final increase</u> | | |
| 10 | Operation & Maintenance expense | 4 | \$ 351,746 |
| 11 | Depreciation | 8 | 215,431 |
| 12 | Taxes other than income | 6 | 55,286 |
| 13 | Income taxes | 7 | 91,898 |
| 14 | Additional operating expense | | 714,361 |
| 15 | Required rate of return | 10 | <u>253,703</u> |
| 16 | Total additional expense and rate of return before RAFs | | 968,064 |
| 17 | Divide by RAF expansion factor | | <u>0.955</u> |
| 18 | Total revenue increase | | <u>\$ 1,013,680</u> |
| 19 | Divide by annualized revenue | 11 | <u>\$ 779,021</u> |
| 20 | Percentage increase in revenue | | <u>130.12 %</u> |

Lindrick Service Corporation
Schedule of Present & Proposed Wastewater Rates

| Line No. | | Monthly | |
|----------|---|---------------|----------------|
| | | Present Rates | Proposed Rates |
| 1 | A. <u>Emergency Rates (47.13% increase)</u> | | |
| 2 | <u>Residential</u> | | |
| 3 | Base facility charges (all meter sizes) | \$ 10.51 | \$ 15.46 |
| 4 | Gallorage charge per 1,000 gallons (10M monthly max.) | 2.10 | 3.09 |
| 5 | <u>General Service</u> | | |
| 6 | Base facility charges: | | |
| 7 | 5/8" x 3/4" | 10.51 | 15.46 |
| 8 | 1" | 26.29 | 38.68 |
| 9 | 1 1/2" | 52.52 | 77.27 |
| 10 | 2" | 84.14 | 123.80 |
| 11 | 3" | 168.28 | 247.59 |
| 12 | 4" | 262.93 | 386.85 |
| 13 | 6" | 525.83 | 773.65 |
| 14 | 8" (Compound) | 840.94 | 1,237.28 |
| 15 | 8" (Turbine) | 946.15 | 1,392.07 |
| 16 | Gallorage charge per 1,000 gallons | 2.10 | 3.09 |
| 17 | B. <u>Final Rates (130.12% increase)</u> | | |
| 18 | <u>Residential</u> | | |
| 19 | Base facility charges (all meter sizes) | 10.51 | 24.19 |
| 20 | Gallorage charge per 1,000 gallons (10M monthly max.) | 2.10 | 4.83 |
| 21 | <u>General Service</u> | | |
| 22 | Base facility charges: | | |
| 23 | 5/8" x 3/4" | 10.51 | 24.19 |
| 24 | 1" | 26.29 | 60.50 |
| 25 | 1 1/2" | 52.52 | 120.86 |
| 26 | 2" | 84.14 | 193.62 |
| 27 | 3" | 168.28 | 387.25 |
| 28 | 4" | 262.93 | 605.05 |
| 29 | 6" | 525.83 | 1,210.04 |
| 30 | 8" (Compound) | 840.94 | 1,935.17 |
| 31 | 8" (Turbine) | 946.15 | 2,177.28 |
| 32 | Gallorage charge per 1,000 gallons | 2.10 | 4.83 |

Lindrick Service Corporation
 Estimated Change in Operation & Maintenance Expenses
 City of New Port Richey Bulk Wastewater Treatment
 Year Ended December 31, 1996

| Line No. | | |
|----------|---|--------------------|
| 1 | I. <u>Emergency Increase</u> | |
| 2 | A. <u>Salaries & Wages - Employees</u> | |
| 3 | Remove salary of plant operator (J. Straight) | <u>\$ (18,720)</u> |
| 4 | B. <u>Salaries & Wages - Officers</u> | |
| 5 | Remove officer's salary allocated to treatment plant operation | <u>\$ (11,577)</u> |
| 6 | C. <u>Employee Pension & Benefits</u> | |
| 7 | Remove plant operators medical & life insurance @ \$333/month | <u>\$ (3,996)</u> |
| 8 | D. <u>Purchased Wastewater Treatment</u> | |
| 9 | Annualized cost of purchased wastewater treatment from City of New Port Richey | |
| 10 | (Schedule No. 5) (Exhibit B) | <u>\$ 476,811</u> |
| 11 | E. <u>Sludge Removal</u> | |
| 12 | Remove 1995 sludge removal expense | <u>\$ (62,900)</u> |
| 13 | F. <u>Purchased Power</u> | |
| 14 | Remove treatment plant purchased power | <u>\$ (26,778)</u> |
| 15 | G. <u>Chemicals</u> | |
| 16 | Total chemicals expense for collection system per Engineer's estimate (Exhibit C) | \$ 16,584 |
| 17 | Less: Actual 1996 chemicals cost | <u>(8,117)</u> |
| 18 | Total increase in chemicals cost | <u>\$ 8,467</u> |
| 19 | H. <u>Contract Services - Engineering</u> | |
| 20 | Reduce engineering expense related to operation of the treatment & disposal plant (Exhibit D) | <u>\$ (10,582)</u> |
| 21 | I. <u>Contract Services - Other</u> | |
| 22 | Remove outside services related to operation & maintenance of treatment plant | |
| 23 | (Exhibit E) | <u>\$ (5,235)</u> |
| 24 | J. <u>Insurance - Workmans Comp.</u> | |
| 25 | Remove workmans comp. insurance (J. Straight) | <u>\$ (1,244)</u> |
| 26 | Total increase in Operation & Maintenance expense | <u>\$ 344,246</u> |
| 27 | II. <u>Final Increase</u> | |
| 28 | Total O&M increase per above | <u>\$ 344,246</u> |
| 29 | Add: | |
| 30 | Estimated legal & accounting expense for this proceeding | |
| 31 | (\$18,000 accounting; \$12,000 legal) | <u>30,000</u> |
| 32 | Annual amortization over 4 years | <u>7,500</u> |
| 33 | Total O&M increase - final rates | <u>\$ 351,746</u> |

Lindrick Service Corporation
 Schedule of Purchased Wastewater Treatment Costs and
 Gallons Treated & Sold
 Twelve Months Ended December 31, 1997

| Line No. | | Gallons Treated (000) | Gallons Sold (000) |
|-------------|--|-----------------------------|--------------------------|
| 1 | January | 14,166 | 16,131 |
| 2 | February | 12,878 | 18,664 |
| 3 | March | 15,163 | 18,286 |
| 4 | April | 13,895 | 21,133 |
| 5 | May | 13,506 | 17,452 |
| 6 | June | 12,152 | 20,605 |
| 7 | July | 13,850 | 15,450 |
| 8 | August | 13,102 | 17,215 |
| 9 | September | 12,065 | 21,466 |
| 10 | October | 13,538 | 17,608 |
| 11 | November | 14,257 | 14,113 |
| 12 | December | 18,730 | 14,153 |
| 13 | Total | 167,302 | <u>212,276</u> |
| 14 | City of New Port Richey Bulk Rate (1) | <u>\$ 2.85</u> | |
| 15 | Total | <u>\$ 476,811</u> | |
| 16 | Note (1): The Utility is in the process of negotiating a bulk service agreement. | | |
| 17 | See preliminary correspondence included as Exhibit B. | | |

Lindrick Service Corporation
 Estimated Change in Taxes Other than Income
 City of New Port Richey Bulk Wastewater Treatment

| Line No. | | |
|-------------|--|-------------------|
| 1 | I. <u>Emergency Increase</u> | |
| 2 | A. <u>Payroll taxes</u> | |
| 3 | 1. Reduction in salary | \$ (18,720) |
| 4 | FICA tax rate | 7.65 % |
| 5 | Reduction in FICA taxes | <u>(1,432)</u> |
| 6 | 2. Federal unemployment | |
| 7 | First \$7,000 in wages | \$ (7,000) |
| 8 | Net tax rate | <u>0.008</u> |
| 9 | | <u>(56)</u> |
| 10 | Total reduction in payroll taxes | <u>\$ (1,488)</u> |
| 11 | II. <u>Final Increase</u> | |
| 12 | A. <u>Payroll taxes</u> | |
| 13 | Reduction per above | <u>\$ (1,488)</u> |
| 14 | B. <u>Property taxes</u> | |
| 15 | Total cost of collection system improvements | 2,814,844 |
| 16 | Accumulated depreciation | <u>(215,431)</u> |
| 17 | Net taxable value | 2,599,413 |
| 18 | Pasco County millage rate | <u>0.021841</u> |
| 19 | Increase in property taxes | <u>56,774</u> |
| 20 | Total taxes other than income | <u>\$ 55,286</u> |

Lindrick Service Corporation
Estimated Income Taxes Associated with Collection System Improvements

| <u>Line No.</u> | | |
|-----------------|---|------------------|
| 1 | Total estimated cost of improvements | \$ 2,814,844 |
| 2 | Less: Accumulated depreciation | <u>(215,431)</u> |
| 3 | Net additional investment | 2,599,413 |
| 4 | Weighted cost of equity per Order No. PSC-97-1501-FOF-WS, issued 11/25/97 | <u>0.0586</u> |
| 5 | Regulatory net income | 152,326 |
| 6 | State & Federal income tax expansion factor | <u>1.6033</u> |
| 7 | Pre-tax regulatory income | 244,224 |
| 8 | Net income per above | <u>(152,326)</u> |
| 9 | Provision for income taxes | <u>\$ 91,898</u> |

Lindrick Service Corporation
Annual Depreciation Expense on Wastewater Collection System Improvements

| Line No. | NARUC Account No. | Description | Estimated Cost (3) | Depreciation Rate (1) | Annual Depreciation Expense |
|----------|-------------------|-----------------------------|---------------------|-----------------------|-----------------------------|
| 1 | 361 | Collection sewers - gravity | \$ 1,977,044 | 8.33 % | \$ 164,688 |
| 2 | 361 | Manholes | 331,736 | 8.33 | 27,634 |
| 3 | 370 | Receiving wells | 225,513 | 3.33 (2) | 7,510 |
| 4 | 371 | Pumping equipment | <u>280,551</u> | 5.56 (2) | <u>15,599</u> |
| 5 | | Total | <u>\$ 2,814,844</u> | | <u>\$ 215,431</u> |

6 Notes: (1) The sections of the collection system scheduled for improvement were originally
7 constructed in the late 1950's and 1960's and range in age of approximately 35 to 40 years.
8 Thus, they are at the end of their useful lives. In addition, most sections were constructed of
9 vitreous clay pipe. As shown in Exhibit A, the improvements will consist of slip-lining the most
10 deteriorated sections of pipe and grouting and sealing other sections.

11 The Utility's consulting engineer believes that although the improvements will extend the
12 useful life of the collection system, they cannot reasonably be expected to restore the system
13 to new condition and service life. As a result, the engineer believes that the useful life of the
14 improvements will be no more than 10 to 12 years. For purposes of this proceeding, a 12-year
15 useful life has been used.

16 (2) PSC guideline depreciable lives have been used for receiving wells and pumping
17 equipment.

18 (3) See Schedule No. 9 and Exhibit A for detail of the estimated cost of collection system
19 improvements.

...drick Service Corporation
 Engineer's Estimated Cost of Wastewater Collection System Improvements
 For Chloride Reduction Program

| Line No. | NARUC Account No. | Description | Engineer's Estimated Cost (1) | Engineering, Contingencies & Permitting (2) | Construction Management | Total Estimated Cost |
|----------|-------------------|---|-------------------------------|---|-------------------------|----------------------|
| 1 | 361.2 | Collection sewers - gravity | | | | |
| 2 | | Pressure clean, vacuum, televise | | | | |
| 3 | | & slipline or grout collection system | \$ 1,531,062 | \$ 382,766 | \$ 63,216 | \$ 1,977,044 |
| 4 | 361.2 | Manholes - Pressure clean, vacuum, seal | | | | |
| 5 | | & epoxy coat | 256,900 | 64,225 | 10,611 | 331,736 |
| 6 | 370.2 | Receiving wells - Pressure clean, vacuum | | | | |
| 7 | | & reline lift station wet wells; repair & | | | | |
| 8 | | rehab lift stations #1 through #16 | 174,650 | 43,663 | 7,200 | 225,513 |
| 9 | 371.2 | Pumping equipment - Convert existing | | | | |
| 10 | | wastewater treatment plant to master | | | | |
| 11 | | pump station & flow equalization | | | | |
| 12 | | facility | 217,262 | 54,316 | 8,973 | 280,551 |
| 13 | | Total engineer's estimate of costs | <u>\$ 2,179,874</u> | <u>\$ 544,970</u> | <u>\$ 90,000</u> | <u>\$ 2,814,844</u> |

Notes: (1) See Exhibit A for engineer's estimate of costs.

(2) Engineering and contingencies are based on 15% and 10% of engineer's estimated cost, respectively; permitting costs of \$2,500 are included only in pumping equipment for conversion of existing plant to a master lift station and flow equalization facility. Construction management of \$90,000 over the anticipated 18 months construction period has been allocated based on the proportional engineer's estimate of costs for each plant account to total estimated costs.

Lindrick Service Corporation
Required Rate of Return on Collection System Improvements
City of New Port Richey Bulk Wastewater Treatment

| <u>Line No.</u> | | |
|---------------------|---|-------------------|
| 1 | Estimated cost of collection system improvements (Schedule No. 9) | \$ 2,814,844 |
| 2 | Less: One year's depreciation (Schedule No. 8) | <u>(215,431)</u> |
| 3 | Net additional investment | 2,599,413 |
| 4 | Rate of return (1) | <u>9.76 %</u> |
| 5 | Additional rate of return required | <u>\$ 253,703</u> |
| 6 | Note (1): Current authorized rate of return established in Order No. PSC-97-1501-FOF-WS, issued | |
| 7 | November 25, 1997. | |

Lindrick Service Corporation
 Schedule of Annualized Wastewater Revenue
 Twelve Months Ended December 31, 1997 & June 30, 1999

| Line No. | | No. of Bills | Gallons Sold (000) | Current Rate (1) | Annualized Revenue |
|----------|---|---------------|--------------------|------------------|--------------------|
| 1 | <u>1997</u> | | | | |
| 2 | <u>Residential</u> | | | | |
| 3 | Base facility charges: | | | | |
| 4 | All meter sizes | 25,953 | | \$ 10.51 | \$ 272,766 |
| 5 | Gallons sold (10M max.) | | 172,404 | 2.10 | 362,048 |
| 6 | | | | | <u>634,814</u> |
| 7 | <u>Multi-family</u> | | | | |
| 8 | Base facility charges: | | | | |
| 9 | 1 1/2" | 60 | | 52.52 | 3,151 |
| 10 | 2" | 12 | | 84.14 | 1,010 |
| 11 | 4" | 100 | | 262.93 | 26,293 |
| 12 | 6" | 12 | | 525.83 | 6,310 |
| 13 | Gallons sold | | 37,815 | 2.10 | 79,412 |
| 14 | | | | | <u>116,176</u> |
| 15 | <u>General Service</u> | | | | |
| 16 | Base facility charges: | | | | |
| 17 | 5/8" x 3/4" | 111 | | 10.51 | 1,167 |
| 18 | 1" | 24 | | 26.29 | 631 |
| 19 | 1 1/2" | 36 | | 52.52 | 1,891 |
| 20 | 3" | 12 | | 168.28 | 2,019 |
| 21 | 4" | 2 | | 262.93 | 526 |
| 22 | Gallons sold | | 2,057 | 2.10 | 4,320 |
| 23 | | | | | <u>10,554</u> |
| 24 | Total annualized revenue | <u>26,322</u> | <u>212,276</u> | | <u>\$ 761,544</u> |
| 25 | <u>1999</u> | | | | |
| 26 | Total 1997 annualized revenue per above | | | | <u>\$ 761,544</u> |
| 27 | Annual percentage growth in ERCs | | | | 1.53 % |
| 28 | Construction period for collection system improvements factor (18 mos.) | | | | <u>1.5000</u> |
| 29 | Revenue projection factor | | | | <u>1.02295</u> |
| 30 | Projected revenue when collection system improvements are complete | | | | <u>\$ 779,021</u> |
| 31 | Note (1): Per indexed rate adjustment effective 12/13/97. | | | | |

EXHIBIT A

ENGINEER'S COST ESTIMATE FOR

COLLECTION SYSTEM IMPROVEMENT



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

MASTER LIFT STATION AND ODOR CONTROL SYSTEM

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|--|----------|-------|-------------|---------------------|
| 1) Triplex Pump Station Package 3-25 HP Pumps, rail-out system and controls | 1 | each | \$46,668.00 | \$46,668.00 |
| 2) Valving and pipe manifold - 8" Ductile Iron | 1 | each | \$18,094.00 | \$18,094.00 |
| 3) Labor to Install valving and pipe manifold | 1 | each | \$17,500.00 | \$17,500.00 |
| 4) 50 KW Auxiliary Power Generator w/Automatic Transfer Switch, Fuel Storage Tank, and Enclosure | 1 | each | \$20,500.00 | \$20,500.00 |
| 5) Autodialer | 1 | each | \$2,500.00 | \$2,500.00 |
| 6) Plant modifications to allow utilization of plant as flow equalization basin | 1 | each | \$22,000.00 | \$22,000.00 |
| 7) Connection to existing force main | 1 | each | \$7,500.00 | \$7,500.00 |
| 8) 8" Magnetic flow meter | 1 | each | \$13,500.00 | \$13,500.00 |
| 9) Plant abandonment, dewatering and grit removal | 1 | each | \$24,000.00 | \$24,000.00 |
| 10) Odor control systems for lift stations #1, #4, and #13 | 3 | each | \$15,000.00 | \$45,000.00 |
| TOTAL FOR ALL PROPOSED IMPROVEMENTS | | | | \$217,262.00 |



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS FOR CHLORIDE REDUCTION PROGRAM

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|---|----------|-------|------------|--------------|
| Collection System #1 | | | | |
| 1) Pressure clean, vacuum, televise and slipline 8" Vitrified Clay Pipe (VCP) | 3,000 | I.f. | \$47.80 | \$143,400.00 |
| 2) Pressure clean, vacuum, televise, test and grout with chemical grout - 8" Vitrified Clay Pipe (VCP) | 10,128 | I.f. | \$7.26 | \$73,529.28 |
| 3) Pressure clean, vacuum, and televise 8" Polyvinyl Chloride Pipe (PVC) | 1,131 | I.f. | \$3.03 | \$3,426.93 |
| 4) Pressure clean, vacuum, and line manholes | 12 | each | \$2,500.00 | \$30,000.00 |
| 5) Pressure clean, vacuum, and seal manholes with hydraulic cement or grout and apply coal tar epoxy coating. | 32 | each | \$600.00 | \$19,200.00 |
| Collection System #2 - East Section | | | | |
| 6) Pressure clean, vacuum, televise and slipline 10" Vitrified Clay Pipe (VCP) | 1,200 | I.f. | \$53.85 | \$64,620.00 |
| 7) Pressure clean, vacuum, televise, test and grout 10" Vitrified Clay Pipe (VCP) | 1,199 | I.f. | \$9.68 | \$11,606.32 |
| 8) Pressure clean, vacuum, televise and slipline 8" Vitrified Clay Pipe (VCP) | 1,200 | I.f. | \$47.80 | \$57,360.00 |
| 9) Pressure clean, vacuum, televise, test and grout with chemical grout - 8" Vitrified Clay Pipe (VCP) | 3,929 | I.f. | \$7.26 | \$28,524.54 |
| 10) Pressure clean, vacuum, and line manholes | 9 | each | \$2,500.00 | \$22,500.00 |



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS FOR CHLORIDE REDUCTION PROGRAM

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|--|----------|-------|------------|--------------|
| 11) Pressure clean, vacuum, and seal manholes with hydraulic cement or grout and apply coal tar epoxy coating. | 16 | each | \$600.00 | \$9,600.00 |
| 12) Pressure clean, vacuum, and line lift station wet well | 1 | each | \$4,500.00 | \$4,500.00 |
| Collection System #2 - West Section | | | | |
| 13) Pressure clean, vacuum, televise and slipline 15" Vitrified Clay Pipe (VCP) | 300 | l.f. | \$93.78 | \$28,134.00 |
| 14) Pressure clean, vacuum, televise and slipline 12" Vitrified Clay Pipe (VCP) | 1,000 | l.f. | \$63.53 | \$63,530.00 |
| 15) Pressure clean, vacuum, televise and slipline 10" Vitrified Clay Pipe (VCP) | 1,200 | l.f. | \$53.85 | \$64,620.00 |
| 16) Pressure clean, vacuum, televise and slipline 8" Vitrified Clay Pipe (VCP) | 5,200 | l.f. | \$47.80 | \$248,560.00 |
| 17) Pressure clean, vacuum, televise, test and grout 12" Vitrified Clay Pipe (VCP) | 1,525 | l.f. | \$14.52 | \$22,143.00 |
| 18) Pressure clean, vacuum, televise, test and grout 10" Vitrified Clay Pipe (VCP) | 1,736 | l.f. | \$9.68 | \$16,804.48 |
| 19) Pressure clean, vacuum, televise, test and grout 8" Vitrified Clay Pipe (VCP) | 25,927 | l.f. | \$7.26 | \$188,230.02 |
| 20) Pressure clean, vacuum, and televise 10" Polyvinyl Chloride Pipe (PVC) | 2,030 | l.f. | \$3.03 | \$6,150.90 |
| 21) Pressure clean, vacuum, and televise 8" Polyvinyl Chloride Pipe (PVC) | 2,000 | l.f. | \$3.03 | \$6,060.00 |



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS FOR CHLORIDE REDUCTION PROGRAM

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|--|----------|-------|------------|-------------|
| 22) Pressure clean, vacuum, and line manholes | 18 | each | \$2,500.00 | \$45,000.00 |
| 23) Pressure clean, vacuum, and seal manholes with hydraulic cement or grout and apply coal tar epoxy coating. | 124 | each | \$600.00 | \$74,400.00 |
| Collection System #3 | | | | |
| 24) Pressure clean, vacuum, televise, test and grout 8" Vitrified Clay Pipe (VCP) | 1,493 | l.f. | \$7.26 | \$10,839.18 |
| 25) Pressure clean, vacuum, and seal wet well with hydraulic cement or grout and apply coal tar epoxy coating. | 1 | each | \$800.00 | \$800.00 |
| Collection System #4 | | | | |
| 26) Pressure clean, vacuum, televise and slipline 10" Vitrified Clay Pipe (VCP) | 800 | l.f. | \$53.85 | \$43,080.00 |
| 27) Pressure clean, vacuum, televise, test and grout 10" Vitrified Clay Pipe (VCP) | 1,178 | l.f. | \$9.68 | \$11,403.04 |
| 28) Pressure clean, vacuum, televise, test and grout with chemical grout - 8" Vitrified Clay Pipe (VCP) | 4,304 | l.f. | \$7.26 | \$31,247.04 |
| 29) Pressure clean, vacuum, and line manholes | 6 | each | \$2,500.00 | \$15,000.00 |
| 30) Pressure clean, vacuum, and seal manholes with hydraulic cement or grout and apply coal tar epoxy coating. | 39 | each | \$600.00 | \$23,400.00 |
| 31) Pressure clean, vacuum, and line lift station wet well | 1 | each | \$4,500.00 | \$4,500.00 |



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS FOR CHLORIDE REDUCTION PROGRAM

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|---|----------|-------|------------|-------------|
| Collection System #5 | | | | |
| 32) Pressure clean, vacuum, and televise 10" & 8" Vitrified Clay Pipe (VCP) | 2,490 | l.f. | \$3.03 | \$7,544.70 |
| 33) Pressure clean and vacuum manholes. | 9 | each | \$50.00 | \$450.00 |
| 34) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Collection System #6 | | | | |
| 35) Pressure clean, vacuum, and televise 8" & 10" Polyvinyl Chloride Pipe (PVC) and Vitrified Clay Pipe (VCP) | 11,394 | l.f. | \$3.03 | \$34,523.82 |
| 36) Pressure clean and vacuum manholes. | 62 | each | \$50.00 | \$3,100.00 |
| 37) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Collection System #7 | | | | |
| 38) Pressure clean, vacuum, and televise 8" Vitrified Clay Pipe (VCP) | 1,431 | l.f. | \$3.03 | \$4,335.93 |
| 39) Pressure clean and vacuum manholes. | 7 | each | \$50.00 | \$350.00 |
| 40) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Collection System #8 | | | | |
| 41) Pressure clean, vacuum, televise, test and grout 8" Polyvinyl Chloride (PVC) | 1,600 | l.f. | \$7.26 | \$11,616.00 |
| 42) Pressure clean, vacuum, and televise 8" Vitrified Clay Pipe (VCP) | 1,673 | l.f. | \$3.03 | \$5,069.19 |



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS FOR CHLORIDE REDUCTION PROGRAM

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|--|----------|-------|------------|-------------|
| 43) Pressure clean, vacuum, and seal manholes with hydraulic cement or grout and apply coal tar epoxy coating. | 5 | each | \$600.00 | \$3,000.00 |
| 44) Pressure clean and vacuum manholes. | 10 | each | \$50.00 | \$500.00 |
| 45) Pressure clean, vacuum, and seal wet well with hydraulic cement or grout and apply coal tar epoxy coating. | 1 | each | \$800.00 | \$800.00 |
| Collection System #9 | | | | |
| 46) Pressure clean, vacuum, and televise 8" Vitrified Clay Pipe (VCP) | 1,030 | l.f. | \$3.03 | \$3,120.90 |
| 47) Pressure clean and vacuum manholes. | 5 | each | \$50.00 | \$250.00 |
| 48) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Collection System #10 | | | | |
| 49) Pressure clean, vacuum, televise, test and grout with chemical grout - 8" Vitrified Clay Pipe (VCP) | 1,674 | l.f. | \$7.26 | \$12,153.24 |
| 50) Pressure clean, vacuum, and seal manholes with hydraulic cement or grout and apply coal tar epoxy coating. | 3 | each | \$600.00 | \$1,800.00 |
| 51) Pressure clean and vacuum manholes. | 7 | each | \$50.00 | \$350.00 |
| 52) Pressure clean, vacuum, and seal wet well with hydraulic cement or grout and apply coal tar epoxy coating. | 1 | each | \$800.00 | \$800.00 |



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS FOR CHLORIDE REDUCTION PROGRAM

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|--|----------|-------|------------|-------------|
| Collection System #11 | | | | |
| 53) Pressure clean, vacuum, and televise 8" Vitrified Clay Pipe (VCP) | 1,831 | l.f. | \$3.03 | \$5,547.93 |
| 54) Pressure clean and vacuum manholes. | 10 | each | \$50.00 | \$500.00 |
| 55) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Collection System #12 | | | | |
| 56) Pressure clean, vacuum, and televise 8" Vitrified Clay Pipe (VCP) | 2,132 | l.f. | \$3.03 | \$6,459.96 |
| 57) Pressure clean and vacuum manholes. | 9 | each | \$50.00 | \$450.00 |
| 58) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Collection System #13 | | | | |
| 59) Pressure clean, vacuum, and televise 8" & 10" Vitrified Clay Pipe (VCP) | 2,370 | l.f. | \$3.03 | \$7,181.10 |
| 60) Pressure clean and vacuum manholes. | 12 | each | \$50.00 | \$600.00 |
| 61) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Collection System #14 | | | | |
| 62) Pressure clean, vacuum, and televise 8" Polyvinyl Chloride Pipe (PVC) | 3,850 | l.f. | \$3.03 | \$11,665.50 |
| 63) Pressure clean, vacuum, televise, test and grout 8" Polyvinyl Chloride (PVC) | 870 | l.f. | \$7.26 | \$6,316.20 |
| 64) Pressure clean, vacuum, and seal manholes with hydraulic cement or grout and apply coal tar epoxy coating. | 6 | each | \$600.00 | \$3,600.00 |



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS FOR CHLORIDE REDUCTION PROGRAM

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|---|----------|-------|--------------|--------------|
| 65) Pressure clean and vacuum manholes. | 21 | each | \$50.00 | \$1,050.00 |
| 66) Pressure clean, vacuum, and seal wet well with hydraulic cement or grout and apply coal tar epoxy coating. | 1 | each | \$800.00 | \$800.00 |
| Collection System #15 | | | | |
| 67) Pressure clean, vacuum, and televise 8" Polyvinyl Chloride Pipe (PVC) | 4,630 | l.f. | \$3.03 | \$14,028.90 |
| 68) Pressure clean and vacuum manholes. | 23 | each | \$50.00 | \$1,150.00 |
| 69) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Collection System #16 | | | | |
| 70) Pressure clean, vacuum, and televise 8" Polyvinyl Chloride Pipe (PVC) | 2,386 | l.f. | \$3.03 | \$7,229.58 |
| 71) Pressure clean and vacuum manholes. | 13 | each | \$50.00 | \$650.00 |
| 72) Pressure clean and vacuum wet well. | 1 | each | \$50.00 | \$50.00 |
| Other Items | | | | |
| 73) Miscellaneous lift station improvements for Lift Stations #1 through #16, including installation of backflow prevention devices, control panel modifications, repairs and rehabilitation. | 1 | l.s. | \$162,000.00 | \$162,000.00 |
| 74) Various valve replacements | 1 | l.s. | \$271,000.00 | \$271,000.00 |

| | |
|--|-----------------------|
| TOTAL FOR ALL PROPOSED IMPROVEMENTS | \$1,962,611.68 |
|--|-----------------------|

EXHIBIT B

CORRESPONDENCE WITH

CITY OF NEW PORT RICHEY

FOR BULK WASTEWATER SERVICE

October 24, 1997

Mr. Joseph Borda
Lindrick Service Corporation
P.O. Box 1176
New Port Richey, FL 34656-1176

TO: ED SNIPES
FM: JOE BORDA
RE: LINDRICK SERVICE
(813) 744 8198

Re: Bulk Wastewater Rate

Dear Mr. Borda:

In response to your letter dated September 22, 1997, the following may help answer questions you have concerning the bulk wastewater rate.

I. The \$2.85 charge...is it all inclusive? What does it represent?

The \$2.85 charge is derived from the rate study. The costs associated with providing bulk wastewater service have been segregated into components and elements as detailed in Table 5, page 8, of the report, which I have attached.

Since providing bulk wastewater service to Lindrick Service Corporation would not impact the City's transmission facilities, Lindrick Service Corporation would only pay the "treatment" component, which is \$2.85. Other bulk wastewater customers would pay both the "treatment" and "transmission" components, for a total rate of \$3.21.

As referenced in the report, a bulk customer may or may not pay impact fees to the City. For those customers who do not pay impact fees to the City, a capital recovery element has been added to the volumetric rate (see attached Table 5). The \$2.85 rate quoted to Lindrick Service Corporation does include this capital recovery element or "impact fee portion".

II. Will the cost be the same as with new and existing customers?

The bulk wastewater charges will be set by ordinance. The ordinance will apply to all similarly situated customers.

III. What period of time will this \$2.85 cover?

The bulk wastewater charges will be adopted by ordinance and will be changed by ordinance in the future, most likely annually when all other utility rates are addressed. (Please see the bottom paragraph of page 8 of the rate study, attached.)

CONCLUSIONS & RECOMMENDATIONS

Unlike retail customers, bulk customers may differ materially in the type of service required and major system facilities utilized. Depending upon the point of connection, a bulk customer may or may not impact the service provider's transmission facilities. Additionally, a bulk customer may or may not pay impact fees to the service provider for new retail customers connecting to the bulk customer's system. As such, in developing a wastewater bulk rate, it is reasonable and appropriate to segment the bulk rate into separate and distinct rate components, each based upon the cost of providing the specific type and level of service required by the bulk customer.

Proposed Bulk Wastewater Rate

As detailed throughout this Report, the bulk wastewater rate developed for the City is based upon two major elements; an operating element and a capital recovery element. Each rate element is then further subdivided into a treatment component and a transmission component. Based upon the allocation methodology applied herein, the proposed bulk wastewater rate is \$3.21 per 1,000 gallons of metered wastewater flow as summarized in Table 5.

Table 5
Proposed Bulk Wastewater Rate

| | <u>Treatment</u> | <u>Transmission</u> | <u>Total</u> |
|-----------------------------|------------------|---------------------|---------------|
| Bulk Wastewater Rate | | | |
| Rate Per 1,000 Gallons | \$1.96 | \$0.20 | \$2.16 |
| Impact Fee Portion | 0.89 | 0.16 | 1.05 |
| Combined Bulk Rate | \$2.85 | \$0.36 | \$3.21 |

The proposed bulk wastewater rate is based upon a reasonable allocation of costs and designed to appropriately recover the costs of providing such service. This rate and the applicable rate components were generally developed in a method similar to the methodology utilized in the development of the water and wastewater rates currently applied to the existing retail and bulk customer base. The City has adopted a policy to adjust the existing water and wastewater rates annually by the Florida Public Service Commission (FPSC) Deflator Index as a means of offsetting the effects of inflationary forces on annual operating costs. In order to remain consistent with current policy, it is proposed that the operating element of the bulk wastewater rate be adjusted annually by the same indexing factor applied to existing rates. Since the City does not currently index the impact fees, the capital recovery element will be unaffected by the indexing process. However, in the event that the City adjusts the existing wastewater impact fee, it is appropriate to adjust the capital recovery element of the bulk wastewater rate accordingly.

Lindrick Service Corporation
October 24, 1997
Page 2


IV. What are your expected chloride limits from the effluent?

Please contact Tom O'Neill, Public Works Director, to discuss the water quality issues attendant upon raw wastewater to be treated at the City's wastewater treatment plant. The City's minimum requirements for the acceptance of raw wastewater will reflect 1) the City's own ordinances, 2) DEP's regulations for discharge, either into Cross Bayou or into the reclaimed water distribution system, 3) the City plant's treatment capabilities, and 4) any other parameters which the City deems necessary for continued successful operation of the wastewater treatment plant within federal and state regulations and for optimization of operating efficiencies which benefit our existing customers.

Since there are no negotiations underway at the present time between Lindrick Service Corporation and the City of New Port Richey regarding the treatment of bulk wastewater, please contact the City Manager if you would like to arrange for a meeting to discuss a bulk wastewater treatment agreement.

Should you have any other questions concerning the bulk wastewater rate, please feel free to call me at (813) 841-4500, ext. 247.

Sincerely,


Richard C. Snyder
Finance Director

Attachment

cc: Gerald J. Seeber, City Manager
Thomas O'Neill, Public Works Director

Lindrick Service Corporation
POST OFFICE BOX 1176
4925 CROSS BAYOU BOULEVARD
NEW PORT RICHEY, FLORIDA 34656-1176
(813) 848-1165

September 22, 1997

City of New Port Richey
P. O. Box 2079
New Port Richey, FL 34656-2079

Attention: Mr. Richard C. Snyder, Finance Director

Re: Bulk Wastewater Rate

Dear Mr. Snyder:

After receiving your letter of September 12, 1997 on the rate to treat Lindrick Service Corporation wastewater, we have some questions concerning the rate:

1. The \$2.85 charge is it all inclusive? What does it represent?
2. Will the cost be the same as with new and existing customers?
3. What period of time will this \$2.85 cover?
4. What are your expected chloride limits from the effluent?

Should you have any questions, please give our office a call.

Sincerely,



Helen L. McNeil
Utilities Manager

City of New Port Richey

'The Gateway To Tropical Florida'

September 12, 1997

Mr. Joseph Borda
Lindrick Service Corporation
P.O. Box 1176
New Port Richey, FL 34656-1176

JOSE: DATES INTERESTING
(US 9/2 Letter)

SEP 22 1997

Re: Bulk Wastewater Rate

BORDA ENGINEERS & ENERGY CONSULTANTS

Dear Mr. Borda:

The City of New Port Richey is in a position to provide wastewater treatment service to Lindrick Service Corporation. The City's rate consultants have finished a Bulk Wastewater Rate Study Report that will be presented to the City Council later this month. In response to the request made by Helen McNeil dated August 27, 1997, the rate for bulk wastewater service to Lindrick Service Corporation would be \$2.85 per 1,000 gallons.

(over 1
minutes
per hr)

The rate has not been enacted by the City Council. Once enacted, the City would be willing to enter into an agreement with Lindrick Service Corporation for the treatment of wastewater, pending a successful negotiation of technical issues.

Sincerely,

Richard C. Snyder
Richard C. Snyder
Finance Director

cc: Gerald J. Seeber, City Manager
Thomas O'Neill, Public Works Director
Thomas K. Morrison, City Attorney

← FAXED TO Joe Amato FDEP

EXHIBIT C

ESTIMATED CHEMICALS COST



January 16, 1997

**ENGINEER'S COST ESTIMATE
LINDRICK SERVICE CORPORATION**

PROJECTED COLLECTION SYSTEM CHEMICAL COSTS

| ITEM DESCRIPTION | QUANTITY | UNITS | UNIT PRICE | TOTAL PRICE |
|-------------------------------------|----------|-------|------------|--------------------|
| 1) Deodorant blocks | 192 | each | \$32.00 | \$6,144.00 |
| 2) Hydrogen peroxide | 18,000 | lbs. | \$0.58 | \$10,440.00 |
| TOTAL FOR ALL PROPOSED ITEMS | | | | \$16,584.00 |

EXHIBIT D

ESTIMATED REDUCTION IN

ENGINEERING EXPENSE



BORDA ENGINEERS & ENERGY CONSULTANTS

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

January 21, 1998

Cronin, Jackson, Nixon, & Wilson
2560 Gulf-to-Bay Blvd., Suite 200
Clearwater, FL 34625-4419

Attention: Bob Nixon

RE: Our #8711
Lindrick Service Corporation
Engineering Fees

Dear Mr. Nixon:

In response to your letter of January 16, 1998, Borda Engineers has reviewed the historical billing data for Lindrick Service Corporation and developed an estimate of future services anticipating the treatment plant is taken off line. While an important part of Borda Engineers past services have been associated with the treatment plant operation, repairs and regulatory interface, cessation of wastewater treatment at the plant site does not eliminate the need for services but rather shifts the type of services required to those needed to support Lindrick Service as a wastewater collection utility.

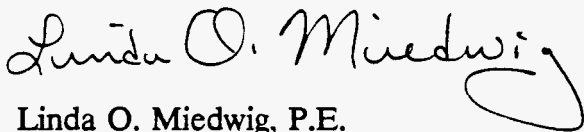
The wastewater treatment plant, rather than being abandoned, will be converted into a flow equalizing master pumping station. Raw sewage from Lindrick's customers will continue to pass through the plant with a portion of it being detained at Lindrick's plant in order to regulate flows to New Port Richey's plant (reducing peak flows and optimizing treatment capacity). In order to control odors, aeration and some chemical treatment of the influent at the plant will continue to be required. In addition, odor control treatment will be introduced at several other points in the collection system. Therefore, while some BEEC services associated strictly with waste treatment will be eliminated, the new pumping, emergency power and odor control systems will require the same types of oversight and monitoring to optimize system performance and minimize chemical usage while effectively controlling plant odors.

January 21, 1998
Page 2

In addition, BEEC services associated with the existing collection and pumping systems will continue. Our estimate using current billing rates applied to anticipated hours is \$54,000 per year, a savings of approximately \$10,000 over 1996 billings of \$64,386.00.

Please feel free to contact me if you have questions or if any additional information is required.

Very truly yours,

A handwritten signature in cursive script that reads "Linda O. Miedwig". The signature is written in dark ink and is positioned above the typed name.

Linda O. Miedwig, P.E.

LOM:dlk

cc: Joseph R. Borda, P.E., A.I.A.

EXHIBIT E

ESTIMATED REDUCTION IN

CONTRACT SERVICES - OTHER



January 16, 1998

Mr. Robert Nixon
Cronin, Jackson, Nixon & Wilson
Certified Public Accountants, P.A.
2560 Gulf-to-Bay Boulevard, Suite 200
Clearwater, Florida 33765-4419

RE: Lindrick Service Corporation PSC Rate Increase
Project Number 9805

Dear Mr. Nixon:

We are writing to you in response to your January 14th, 1998 letter to Joseph R. Borda in which you requested additional information regarding the limited proceeding rate case filing for Lindrick Service Corporation.

On Item #3 of your letter, you requested a detailed cost estimate of H₂O Contract Services assuming that the treatment facility and disposal system is off-line. I have researched the 1996 billings to Lindrick Service Corporation, which totaled \$106,700, of which \$5,235 is billings associated with wastewater treatment plant repairs. The difference of \$101,465 is associated with the water treatment plant operation and maintenance, consulting services, repair of water and sewer mains, and lift station repair. The following is an allocation of each invoice during 1996, which relates to wastewater treatment:

| | | |
|----|---|-----------|
| 1) | 1-11-96 – Invoice 1655, Repair main air header, | \$ 968.62 |
| 2) | 1-11-96 – Invoice 1656, Repair main air header, | \$ 574.20 |
| 3) | 2-2-96 – Invoice 1694, Repair of rake drive assembly, | \$ 330.00 |
| 4) | 4-5-96 – Invoice 1986, Repair 6" valve, | \$ 248.00 |
| 5) | 5-13-96 – Invoice 2038, Repair 6" return valve, | \$ 56.00 |
| 6) | 7-10-96 – Invoice 2352, Repair chain drive, | \$ 336.00 |
| 7) | 8-12-96 – Invoice 2452, Repair V-100 Sulfunator, | \$ 562.00 |
| 8) | 8-12-96 – Invoice 2454, Install new flight boards, | \$ 168.00 |
| 9) | 9-10-96 – Invoice 2562, Repair reuse pump, | \$ 716.37 |

Exhibit E

Page 1 of 3

Mr. Robert Nixon
RE: Lindrick Service Corporation PSC Rate Increase
January 16, 1998

Page 2

| | | |
|-----|--|--------------------------|
| 10) | 10-7-96 – Invoice 2733, Repair supernatant eductor, | \$ 279.31 |
| 11) | 10-8-96 – Invoice 2756, Provide relief operations, | \$ 168.00 |
| 12) | 10-8-96 – Invoice 2757, Install rebuilt sulfur dioxide regulators, | \$ 450.00 |
| 13) | 12-10-96 – Invoice 3112, Repair North clarifier, | <u>\$ 378.29</u> |
| | TOTAL | <u>\$5,234.79</u> |

Item #4 of your letter requests a detailed estimate of chemicals required for lift station maintenance, and their costs. Odor control is an important consideration for the proposed facility, which is located directly adjacent to a residential community. There will be an increased cost related to chemicals for odor control for two primary reasons. First, the conversion of the plant to a flow equalized pumping station will increase raw sewage detention times to the point that some septicity may be experienced. This is the primary reason that we have planned to introduce small amounts of air into the basins in order to help reduce the septicity problem. The air will also improve the mixing of the raw sewage.

Secondly, the septicity starts in the collection system. We are proposing to add an odor control process to lift stations #1, #4, and #13, which will introduce hydrogen peroxide into the raw waste stream, increasing oxygenation and reducing septicity and hydrogen sulfide generation, which is a known source of odor. We have included as an attachment to this letter an Engineer's Estimate which details the quantity and cost of the required chemicals.

Item #6 of your letter refers to a cost estimate for converting the wastewater plant to a master pump station. We have also attached an Engineer's Cost Estimate that details the costs involved in the actual conversion of the plant to a pump station, as well as costs for emergency power generation, flow measurement, plant abandonment, and odor control systems at three of the lift stations. This Engineer's Cost Estimate does not include any costs for engineering design, permitting, or contingencies.

We have also included a revised Engineer's Cost Estimate for Wastewater Collection System Improvements for Chloride Reduction Program, dated January 16, 1998. This Engineer's Cost Estimate also does not include any costs for engineering design, permitting, or contingencies.

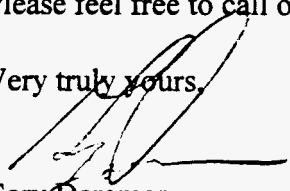
Lastly, we feel that the useful life of the planned repairs will be no more than ten (10) to twelve (12) years, and possibly less. The majority of the parent pipe material is vitrified clay pipe, which is approaching the end of its useful life. We expect that the planned repairs will certainly extend the useful life, but they cannot reasonably be expected to restore the piping system to new condition and service life.

Mr. Robert Nixon
RE: Lindrick Service Corporation PSC Rate Increase
January 16, 1998

Page 3

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

Very truly yours,



Gary Deremer
President

G. Jeffery Hines, P.E.
Vice President

cc: Joseph Borda, AIA, PE

GH:jl

E:\1998\9805\L0116NIX.DOC

EXHIBIT F

**FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

**NOTICE OF VIOLATION AND
ORDERS FOR CORRECTIVE ACTION**

RECEIVED JAN 14 1998

BEFORE THE STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION,

IN THE OFFICE OF THE
SOUTHWEST DISTRICT

Complainant,
v.
Lindrick Service Corporation
AND
Borda-DiMarco Ltd.
AND
Presbyterian Homes and Housing Foundation of Florida, Inc.,

OGC FILE NO.: 98-0025

Respondents.

NOTICE OF VIOLATION AND
ORDERS FOR CORRECTIVE ACTION

TO: Mr. Joseph R. Borda, President
Lindrick Service Corporation
Post Office Box 1176
New Port Richey, FL 34656-1176

Certified Mail Number.

Mr. Joseph R. Borda, Registered Agent
Borda-DiMarco, Ltd.
4925 Cross Bayou Blvd.
New Port Richey, FL 34656

Certified Mail Number

Mr. Thomas Ahrenholz, Executive Director.
Presbyterian Homes and Housing Foundation of Florida, Inc.
1051 2nd Ave. North
St. Petersburg, FL 33705

Certified Mail Number.

Pursuant to the authority of Section 403.121(2), Florida Statutes ("F.S."), the State of Florida Department of Environmental Protection ("Department") gives notice to Lindrick Service Corporation ("Respondent Lindrick") and Borda-DiMarco, Ltd. ("Respondent Borda-DiMarco") and Presbyterian Homes and Housing Foundation of Florida, Inc., ("Respondent Presbyterian Homes") of the following findings of fact and conclusions of law with respect to violations of Chapter 403, F.S.

| | | | | | |
|-------------------|----------------------|------|---------|------------|----|
| Post-it® Fax Note | 7671 | Date | 1-26-98 | # of pages | 17 |
| To | Bob Nelson | | From | Joe Borda | |
| Co /Dept. | | | Co | | |
| Phone # | For your information | | Phone # | | |
| Fax # | | | Fax # | | |

Exhibit F
Page 1 of 17

FINDINGS OF FACT

PARAGRAPHS APPLICABLE TO ALL COUNTS

1. The Department is the administrative agency of the State of Florida having the power and duty to protect Florida's air and water resources and to administer and enforce the provisions of Chapter 403, F.S., and the rules promulgated thereunder in Florida Administrative Code ("F.A.C.") Title 62

2. Respondent Lindrick is a "person" within the meaning of Section 403.013(5), F.S. and a corporation registered to conduct business in the State of Florida. Joseph R. Borda is the President of Lindrick Service Corporation.

3. Respondent Borda-DiMarco is a "person" within the meaning of Section 403.013(5), F.S. and is a limited partnership registered to conduct business in the State of Florida. Joseph R. Borda is the Registered Agent.

4. Respondent Presbyterian Homes is a "person" within the meaning of Section 403.013(5), F.S. and is a foundation registered to conduct business in the State of Florida. Mr. Thomas Ahrenholz is the Executive Director.

5. Respondent Lindrick is the owner and is responsible for the operation of the Lindrick Service Corporation wastewater treatment plant, a 0.750 MGD, Type I conventional activated sludge domestic wastewater treatment plant that discharges the effluent to the Gulf of Mexico via the Cross Bayou, a Class III marine water ("Plant"). The Plant is located at 4740 South Road, New Port Richey, Pasco County, Florida in the area of Latitude 28°14' 44" N, Longitude 82°44' 20" W ("Property"). Respondent owns the Property on which the Plant is located. Respondent Lindrick operates the Plant pursuant to Wastewater Facility Permit No. FLO032603 and Administrative Order No. AO-005-SW issued on July 3, 1997 ("Permit").

6. Respondent Lindrick is the owner and is responsible for the operation of the Lindrick Service Corporation wastewater collection/transmission system connected to the Plant which serves the Gulf Harbors area of Pasco County, Florida ("Lindrick Collection System").

7. Respondent Borda-DiMarco is a developer responsible for constructing a wastewater collection/transmission system that serves The Landings of St. Andrews residential building ("The Landings Collection System"). The Landings Collection System includes a lift station located at 5852 Sea Forest Drive, New Port Richey, Pasco County, Florida, and is connected to the Lindrick Collection System.

8. Respondent Presbyterian Homes owns and operates The Landings Collection System.

9. On August 13, 1997, Department personnel inspected The Landings Collection System. A review of Department files did not reveal a permit to build The Landings Collection System or a certification of completion.

10. On August 13, 1997, Department personnel inspected the lift station of The Landings Collection System, and found the electrical panel below the 100 year storm event. The lift station is located in such a manner that it could be flooded during a 25 year storm event.

11. On August 13, 1997, during a Plant inspection, Department personnel tested the effluent and found 2.3 parts/thousand salinity before discharge to surface waters.

12. On August 13, 1997, during a Plant inspection, Department personnel tested the effluent before discharge to surface waters and found the dissolved oxygen with test values of 7.0 and 7.2 mg/l oxygen and the total chlorine residual after dechlorination with a test value of 0.04 mg/l total chlorine.

13. On August 13, 1997, during a Plant inspection, Department personnel observed Plant personnel testing the effluent before discharge to surface waters for dissolved oxygen and total chlorine. Test methods used were inaccurate to determine compliance with the Permit limits of ≥ 7.5 mg/l dissolved oxygen, ≤ 0.01 mg/l total chlorine, and ≤ 2.9 $\mu\text{g/l}$ copper.

14. On August 13, 1997, during a Plant inspection, Department personnel observed Plant personnel testing the effluent for total chlorine residual without properly calibrating the instrument. The inaccurate results were recorded in the daily log book.

15. A file review of the Plant's September Discharge Monitoring Report (DMR) revealed that the results of analysis reported on the DMR for dissolved oxygen, total chlorine, total chlorine after dechlorination, and copper submitted to the Department were determined to be inaccurate. Respondent Lindrick reported test methods which could not detect the limits of ≥ 7.5 mg/l dissolved oxygen, ≤ 0.01 mg/l total chlorine, and ≤ 2.9 $\mu\text{g/l}$ copper.

16. A file review of the DMR for the Plant for the months of September, October, and November 1997, beginning with September 15, 1997, found violations of the limits for total nitrogen as nitrogen: the single sample limit of 5 mg/l was exceeded 10 times and the limit for the monthly average of 5 mg/l was exceeded three times. The copper maximum effluent limit of 2.9 $\mu\text{g/l}$ has been exceeded for the months of September, October, and November of 1997.

17. Whole effluent toxicity testing conducted in September 1997 found the Plant had unacceptable effluent toxicity to *Mysidopsis bahia* (*M. bahia*). The test ended on September 11, 1997. The three weekly additional tests with the failed test specie were not repeated within 14 days of the failed test as required by the Permit. The Plant effluent exhibits unacceptable toxicity.

18. The DMR for the Plant for September 1997 did not report the unacceptable toxicity for whole effluent toxicity. The September 1997 DMR and October 1997 DMR failed to properly record the number of violations of the Permit limits for dissolved oxygen, copper, and total nitrogen. The DMR for September 1997 reported the number of violations for total nitrogen as 4, when the actual number was 6.

19. The DMR for the Plant for the month of September 1997 was received on November 13, 1997.

20. On August 13, 1997 and September 21, 1997 during Plant inspections, Department personnel found a "C" licensed operator, as the lead operator, when a "B" operator was required.

21. On September 21, 1997, Department personnel did not find a building at the Plant constructed to house the equipment that would automatically monitor dissolved oxygen, pH, and total chlorine residual and adjust the chemical feed equipment.

COUNT I

22. Respondent Borda-DiMarco did not obtain a permit from the Department to build the The Landings Collection System which serves The Landings of St. Andrews residential building

COUNT II

23. Respondent Presbyterian Homes has not maintained The Landings Collection System in such a manner that the pumping station will remain fully operational and accessible during the 25 year flood. The electrical panel is not protected from a 100 year storm event.

COUNT III

24. Respondent Lindrick has not maintained The Lindrick Collection System to prevent inflow/infiltration and prevent introduction of pollutants other than domestic wastewater constituents, which may cause excessive corrosion or deterioration of wastewater facilities due to chemical action or pH levels.

COUNT IV

25. Respondent Lindrick is required by paragraph I.B.1 of the Permit to meet the effluent limits of the Permit. The Plant effluent does not meet the effluent limits for total nitrogen as nitrogen, total chlorine residual after dechlorination, dissolved oxygen, and copper.

COUNT V

26. Respondent Lindrick did not use accurate test methods, as required in paragraphs I.B.8 and C.5 of the Permit, to test effluent for total chlorine residual, dissolved oxygen, and copper to produce accurate results.

COUNT VI

27. Respondent Lindrick has not followed test procedures found in the Department approved Standard Operating Procedures for Laboratory Operations and Sample Collection Activities (DER-QA-001/92).

COUNT VII

28. Respondent Lindrick has not accurately reported the effluent results required by paragraph I.B.1 of the Permit. The results reported were incomplete and inaccurate.

COUNT VIII

29. Respondent Lindrick is prohibited by paragraph I.B.9 of the Permit from discharging effluent that is chronically toxic. Respondent Lindrick continues to discharge a chronically toxic effluent.

COUNT IX

30. Respondent Lindrick did not conduct additional tests for *M. bahia* within 14 days of the failed test as required by paragraph I.B.10.(3).c of the Permit. The additional tests were to be repeated within 14 days of the failed test and continued weekly until three consecutive additional tests passed.

COUNT X

31. Respondent Lindrick did not submit the September 1997 DMR on or before October 28, 1997. The September 1997 DMR was received on November 11, 1997. The reporting form was due no later than the 28th day of the following month, as was required by paragraph I.C.7 of the Permit.

COUNT XI

32. Respondent Lindrick did not have a Class B licensed lead operator on duty as required by paragraph V.1 of the Permit at the time of Department Plant inspections.

COUNT XII

33. Respondent Lindrick did not commence construction of the instrumentation building by September 15, 1997, as was required in paragraph VI.1.2 of the Permit. Respondent Lindrick did not install the required electronic instruments that would monitor and automatically adjust the chemical feed rates to meet the effluent limits by December 15, 1997, as was required by paragraph VI.1.4 of the Permit.

COUNT XIII

34. The Department has incurred expenses to date while investigating this matter in the amount of not less than \$5,000.

CONCLUSIONS OF LAW

The Department has evaluated the Findings of Fact with regard to the requirements of Chapter 403, Florida Statutes ("F.S.") and Florida Administrative Code ("F.A.C."), Title 62. Based on the foregoing facts the Department has made the following conclusions of law:

35. Respondent Lindrick, Respondent Borda-DiMarco, and Respondent Presbyterian Homes are "person"(s) within the meaning of Section 403.031(5), F.S.

36. The Plant, the Lindrick Collection System, and The Landings Collection System are "wastewater facilities" as defined in Rule 62-600.200(97), F.A.C., and are "installations" within the meaning of Section 403.031(4), F.S., and Rule 62-4.020(6), F.A.C.

37. The facts related in Counts I and II constitute a violation of Section 403.161(1)(b), Florida Statutes, which requires all facilities, as a pollution source, to operate in a manner consistent with the permit issued by the Department or in compliance with the Department rules. The facts also constitute a violation of Rule 62-4.210(1), F.A.C., which prohibits the construction of any installation or facility which will reasonably be expected to be a source of air or water pollution without first applying for and receiving a construction permit from the Department unless exempted by Statutes or Department Rule. The facts related in Count I also constitute a violation of Rule 62-604.500(1), F.A.C., which requires that collection/transmission systems shall not be placed into operation without prior approval of the Department.

38. The facts related in Count II constitute a violation of Rule 62-604.400(2)(e), F.A.C., which provides that electrical and mechanical equipment shall be protected from physical damage during the 100 year flood. The facts related in Count II also constitute a violation of Rule 62-604.400(2)(e), F.A.C. which provides that the pumping station shall be designed to remain fully operational and accessible during the 25 year flood.

39. The facts related in Count III constitute a violation of Rules 62-600.410(6), and 62-604.500(3), F.A.C., which makes it a violation to fail to maintain and operate facilities and

equipment in a condition which will not allow them to function as intended. Rule 62-604.130(4)(b), F.A.C. prohibits the introduction of pollutants other than domestic wastewater constituents, which may cause excessive corrosion or deterioration of wastewater facilities due to chemical action or pH levels.

40. The facts related in Count IV constitute a violation of Rule 62-600.740(2)(a), F.A.C., and the Permit, which make it a violation to release wastewater without providing proper treatment approved by the Department. The facts also constitute a violation of Section 403.161, F.S., which makes it a violation of Chapter 403, F.S., to fail to comply with any Department rule or permit.

41. The facts related in Count V constitute a violation of the Permit and Rule 62-160.120(1)(f)1 and 2, F.A.C., which requires that parties who collect samples for a specified Department activity shall follow procedures outlined in activity-specific standard operating procedures manuals that have been written by the Department or have equivalent sampling procedures outlined in a Department Approved Comprehensive Plan and Rule 62-4.246(1), F.A.C., which requires monitoring and sampling for pollutants reasonably expected to be contained in the discharge and to violate the water quality criteria in Chapter 62-302, F.A.C.

42. The facts related in Count VI and VII constitute a violation of Rule 62-600.740 (2)(e), F.A.C., which provides that the submission, by the owner, manager, or operator of a domestic wastewater facility, or agent or employee thereof, of misleading, false or inaccurate information or operation reports to the Department, either knowingly or through neglect is a violation. The facts also constitute a violation of Section 403.161, F.S., which makes it a violation of Chapter 403, F.S., to fail to comply with any Department rule or permit.

43. The facts in Count VIII constitute a violation of the Permit and Chapter 403.021, F.S., and Rules 62-302.530(62) and 62-302.300(11) which prohibits the discharge of substances in concentrations which are chronically toxic and prohibits the discharge of waste into Florida waters without treatment necessary to protect (the) beneficial use of the waters.

44. The facts related in Count IX constitute a violation of Section 403.161(1)(b), F.S., and the Permit, which makes it a violation to fail to comply with any rule, regulation, order, permit, or certification adopted or issued by the Department pursuant to its authority.

45. The facts related in Count X constitute a violation of Rule 62-601.300(1)(b), F.A.C., which requires reports shall be completed and submitted on a monthly basis and in a timely manner so as to be received by the twenty-eighth of the month following the month of operation. The facts also constitute a violation of Section 403.161(1)(b), F.S., and the Permit, which makes it a violation of Chapter 403 to fail to comply with any rule, regulation, order, permit, or certification adopted or issued by the Department pursuant to its authority.

46. The facts in Count XI constitute a violation of Rule 62-699.310(3)(a) Category I, F.A.C., which requires staffing by a Class C or higher operator 16 hours per day for 7 days a week. The lead/chief operator must be a B or higher. The facts also constitute a violation of Section 403.161(1)(b), F.S., and the Permit, which makes it a violation of Chapter 403 to fail to comply with any rule, regulation, order, permit, or certification adopted or issued by the Department pursuant to its authority.

47. The facts in Count XII constitute a violation Section 403.161(1)(b), F.S., and the Permit, which makes it a violation of Chapter 403 to fail to comply with any rule, regulation, order, permit, or certification adopted or issued by the Department pursuant to its authority.

48. The costs and expenses related in Count XIII are reasonable costs and expenses incurred by the State while investigating this matter, which are recoverable pursuant to Section 403.141(1), F.S.

(THIS AREA PURPOSELY LEFT BLANK)

ORDERS FOR CORRECTIVE ACTION

The Department has alleged that the activities related in the Findings of Fact constitute violations of Florida law. The Orders for Corrective Action state what you, Respondent Lindrick, Respondent Borda-DiMarco, and Respondent Presbyterian must do in order to correct and redress the violations alleged in this Notice.

The Department will adopt the Orders for Corrective Action as part of its Final Order in this case unless Respondent Lindrick, Respondent Borda-DiMarco, and Respondent Presbyterian Homes files a timely petition for a formal hearing or informal proceeding, pursuant to Section 403.121, F.S. (See Notice of Rights.) If Respondent Lindrick, Respondent Borda-DiMarco, and Respondent Presbyterian Homes fails to comply with the corrective actions ordered by the Final Order, the Department is authorized to file suit seeking judicial enforcement of the Department's Order pursuant to Sections 120.69, 405.121 and 403.131, F.S.

Pursuant to the authority of Sections 403.061(8) and 403.121, F.S., the Department proposes to adopt in its Final Order in this case the following specific corrective actions which will redress the alleged violations:

1. Respondents shall forthwith comply with all Department rules regarding domestic wastewater collection/transmission, domestic wastewater treatment, and effluent disposal. Respondents shall correct and redress all violations in the time periods required below and shall comply with all applicable rules in Title 62, F.A.C. and Chapter 403, Florida Statutes.

2. Within 30 days of the effective date of this Order, Respondent Borda-DiMarco and/or Respondent Presbyterian Homes shall submit an application to the Department for the construction of The Landings Collection System. The application, at a minimum, shall include a plan to bring the lift station into compliance with Rules 62-604.400(2)(a-e), F.A.C. The application shall be prepared and sealed by a professional engineer registered in the State of Florida. Upon issuance of the permit, Respondent Borda-DiMarco and/or Respondent Presbyterian Homes shall complete construction pursuant to the conditions of the permit. The construction of The Landings Collection System shall be certified complete within 60 days of the issuance of the permit.

3. If The Landings Collection System application, as referenced in paragraph 2 of this Order, is denied by the Department, Respondent Presbyterian Homes shall abandon use of The Landings Collection System within 60 days of the permit denial. Concurrently, within 60 days of the Permit denial, Respondent Lindrick shall not accept wastewater flows for treatment from The Landings Collection System.

4. Within 270 days of the effective date of this Order, Respondent Lindrick shall have eliminated intrusion/infiltration into the Lindrick Collection System to the extent that influent strength to the Plant (or to any regional wastewater treatment plant) shall not exceed 250 mg/l chlorides. Testing shall commence with the effective the date of this Order and continue until 8 consecutive weekly results have met the influent limit for chlorides. Paragraph C.1 of the Permit is hereby amended to add chloride to the influent sampling as follows: **Parameter/chlorides; Units/mg/l; Max/Min/Report; Monitoring Frequency/Weekly, Sample Type/16 hr fpc; Monitoring Location/TNF-01-25442.**

5. Within 30 days of the effective date of this Order, Respondent Lindrick shall follow the Department approved Standard Operating Procedures for Laboratory Operations and Sample Collection Activities (DER-QA-001/92) which addresses all tests and collection methods required for specific activities found in the Permit.

6. Within 60 days of the effective date of this Order, Respondent Lindrick shall begin tests to determine the cause of the chronic toxicity and to provide reasonable assurance to the Department that the effluent will meet the requirement of Rule 62-302.500, F.A.C. and meet the surface water criteria established in Rule 62-302.530, F.A.C. The analysis shall be in accordance with Rule 62-160, F.A.C.

7. Effective with the date of the Order, Respondent Lindrick shall submit duplicate copies of the DMR, laboratory results, and the chain of custody for all tests performed at the Plant to the Department's Southwest District Office on a monthly basis and not later than the 28th day of the following month.

8. Effective with the date of this Order, Respondent Lindrick shall increase Plant operator staff time from 16 hours to 24 hours per day, seven days a week. Paragraph V.1 of the Permit is hereby amended to increase operator staff time from 16 hours to 24 hours per day, seven days a week. The lead operator shall be a Class B or higher licensed operator on each day during the first period of high flow. The second period of high flow shall be staffed by a Class C or higher licensed operator.

9. Within 120 days of the effective date of this Order, Respondent Lindrick shall reduce the presence of copper in the Plant effluent to $\leq 2.9 \mu\text{g/l}$. Effective with the date of this Order, paragraph I.B.1 of the Permit, in regard to the monitoring frequency for testing the parameter copper, is hereby amended from "every six months" to "weekly".

10. Effective with the date of this Order, paragraph I.B.1 of the Permit is hereby amended to include the reporting of Nitrite/Nitrate as N, using a monitoring frequency of weekly, sampling by a 16 hour flow proportional composite sampler, and at monitoring location EFA-01-13790.

11. Commencing immediately and henceforth, Respondent Lindrick shall notify the Department of any abnormal events that occur at the Plant within the time periods in Rule 62-4.130, F.A.C.

12. Within 120 days of the effective date of this Order, Respondent Lindrick shall meet the effluent limits of the Permit or initiate actions that will cease surface water discharge into Cross Bayou. Not less than 30 days prior to ceasing the discharge, Respondent Lindrick shall submit an abandonment plan for the Plant to the Department and an application to the proper authority (City/County) of the regional wastewater collection/transmission system ("System") for approval to divert the Lindrick Collection System to the System. Respondent Lindrick shall copy the Department on all correspondence between Respondent Lindrick and the proper authority of the System. Within 30 days of the decision to divert the Lindrick Collection System to the System, Respondent Lindrick shall submit an application to the Department to construct a wastewater collection/transmission system to permanently connect flow from the Lindrick Collection System to the System. The application shall be prepared and sealed by a professional engineer registered in

the State of Florida. This connection shall be constructed, certified complete and put into operation within 180 days of the effective date of this Order. Within 30 days of completion of construction, Respondent Lindrick shall submit the appropriate Certification of Completion of Construction signed and sealed by the project engineer.

13. Effective with the date of this Order, Respondent Lindrick shall not allow connection of any additional wastewater collection/transmission systems to the Lindrick Collection System until (1) all corrective actions of this Order have been made, (2) the effluent toxicity is eliminated, and (3) the conditions of the Permit are met.

14. Within 30 days of the effective date of this Order, Respondents shall make payment to the Department for costs and expenses in the amount of \$5000.00. Payment shall be made by cashier's check or money order payable to the "State of Florida Department of Environmental Protection" and shall include thereon the OGC number assigned to this case and the notation "Ecosystem Management and Restoration Trust Fund". The payment shall be sent to the Department of Environmental Protection, Southwest District, 3804 Coconut Palm Drive, Tampa, Florida 33619-8318.

NOTICE OF RIGHTS

1. Respondents have the right to a formal administrative hearing pursuant to Sections 120.569 and 120.57(1), F.S., if Respondents dispute issues of material fact raised by this Notice of Violation and Orders for Corrective Action ("Notice"). At a formal hearing, Respondent will have the opportunity to be represented by counsel, to present evidence and argument on all issues involved, to conduct cross-examination and submit rebuttal evidence, to submit proposed findings of fact and orders, and to file exceptions to any order or hearing officer's recommended order.

2. Respondents have the right to an informal administrative proceeding pursuant to Sections 120.569 and 120.57(2), F.S., if Respondents do not dispute issues of material fact raised by this Notice. If an informal proceeding is held, Respondents will have the opportunity to be

represented by counsel, to present to the agency written or oral evidence in opposition to the Department's proposed action, or to present a written statement challenging the grounds upon which the Department is justifying its proposed action.

3. If Respondents desire a formal hearing or an informal proceeding, Respondents must file a written responsive pleading entitled "Petition for Administrative Proceeding" within 20 days of receipt of this Notice or within 10 days of any timely requested informal conference held pursuant to paragraph 5 below. The petition must be in the form required by F.A.C. Chapter 62-103.155 and by F.A.C. Rule 28-106.201. A petition is filed when it is received by the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS-35, Tallahassee, Florida 32399-3000.

4. Respondents may request mediation under section 120.573 before the deadline for filing a petition. Choosing mediation will not adversely affect the right to a hearing if mediation does not result in a settlement. The procedures for pursuing mediation are set forth below. If the Department agrees that mediation in this matter is appropriate, Respondents must pursue mediation by reaching a mediation agreement with the Department before the deadline for filing a petition. The agreement must be filed in (received by) the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000, by the same deadline as set forth above for the filing of a petition.

The agreement to mediate must include the following:

- (a) The names, addresses, and telephone numbers of any persons who may attend the mediation;
- (b) The name, address, and telephone number of the mediator selected by the parties, or a provision for selecting a mediator within a specified time;
- (c) The agreed allocation of the costs and fees associated with the mediation;
- (d) The agreement of the parties on the confidentiality of discussions and documents introduced during mediation;

(e) The date, time, and place of the first mediation session, or a deadline for holding the first session, if no mediator has yet been chosen;

(f) The name of each party's representative who shall have authority to settle or recommend settlement; and

(g) The signatures of all parties or their authorized representatives.

As provided in section 120.573 of the Florida Statutes, the timely agreement of all parties to mediate will toll the time limitations imposed by sections 120.569 and 120.57 for requesting and holding an administrative hearing. Unless otherwise agreed by the parties, the mediation must be concluded within sixty days of the execution of the agreement. If mediation results in settlement of the administrative dispute, the Department must enter a final order incorporating the agreement of the parties. Persons whose substantial interests will be affected by such a modified final decision of the Department have a right to petition for a hearing only in accordance with the requirements for such petitions set forth above, and must therefore file their petitions within 21 days of receipt of this notice. If mediation terminates without settlement of the dispute, the Department shall notify the Respondents in writing that the administrative hearing processes under sections 120.569 and 120.57 remain available for disposition of the dispute, and the notice will specify the deadlines that then will apply for challenging the agency action and electing remedies under those two statutes.

5. Respondents may request an informal conference with the Department in order to resolve this matter promptly and amicably. Respondents' rights will not be adjudicated at an informal conference, and the right to a formal hearing or informal proceeding will not be affected by requesting or participating in an informal conference.

6. If Respondents desire an informal conference, Respondents must file a written "Request for Informal Conference" within ten days of receipt of this Notice. The request must be made to the person indicated on the last page of this Notice. The request is filed when it is received by the office of the person indicated on the last page of this Notice. A properly filed written request for Informal Conference shall toll the time for filing a petition for a formal hearing or informal proceeding as provided herein. If no resolution of this matter results from the informal

conference, Respondents have the right to file a petition for a formal hearing or informal proceeding within 20 days of the date the conference is closed.

7. Respondents will waive the right to a formal hearing or an informal proceeding if a petition is not filed with the Department within 20 days of receipt of this Notice or within 20 days of the date an informal conference is closed if one is held. These time limits may be varied only by written consent of the Department.

8. The allegations of this Notice together with the Orders for Corrective Action will be adopted by the Department in a Final Order if Respondents fail to timely file a petition for a formal hearing or informal proceeding, pursuant to Section 403.121, F.S. A Final Order will constitute a full and final adjudication of the matters alleged in this Notice.

9. If Respondents fail to comply with the Final Order, the Department is authorized to file suit in circuit court seeking a mandatory injunction to compel compliance with the Order, pursuant to Sections 120.69, 403.121 and 403.131, F.S. The Department may also seek to recover damages, all costs of litigation including reasonable attorney's fees and expert witness fees, and civil penalties of not more than \$10,000 per day for each day that Respondents have failed to comply with the Final Order.

10. This matter may be resolved if the Department and Respondents enter into a Consent Order, in accordance with Section 120.57(4), F.S., upon such terms and conditions as may be mutually agreeable.

11. The Department is not barred by the issuance of this Notice from maintaining an independent action in circuit court with respect to the alleged violations. If such action is warranted, the Department may seek injunctive relief, damages, civil penalties of not more than \$10,000 per day, and all costs of litigation.

12. Copies of Department rules referenced in this Notice may be examined at any Department Office or may be obtained by written request to the person listed on the last page of this Notice.

DATED this 13 day of Jan, 1988.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



Richard D. Garrity, Ph.D.
Director of District Management
Southwest District
3804 Coconut Palm Drive
Tampa, Florida 33619-8318

Copies furnished to:

Larry Morgan
Office of General Counsel
Department of Environmental Protection
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Mr. Tom O'Neil, Director of Utilities, City of New Port Richey, Florida
Mr. John Gallagher, County Administrator, Pasco County, Florida
Mr. Ralph Jaeger, Esq. Public Service Commission, Tallahassee, Florida

A petition for hearing must be filed with:

Office of General Counsel
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000
Telephone: 850/488-9730

A request for an informal conference must be made to:

Mr. Thomas Gucciardo, Environmental Manager
Domestic Wastewater Section
3804 Coconut Palm Drive, Tampa, Florida 33619
Telephone: 813/744-6100, Ext. 392

LINDRICK SERVICE CORPORATION TARIFF

RESIDENTIAL SERVICE (SEWER)

RATE SCHEDULE RS

AVAILABILITY Available throughout the area served by the company.

APPLICABILITY For water service for all purpose in private residences and individually metered apartment units.

LIMITATIONS Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

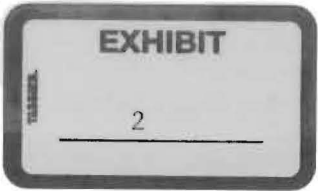
RATE Base Facility Charge (Monthly)

| | |
|--|---------|
| All meter sizes | \$15.46 |
| Gallonge charge per 1,000 gallons (maximum 10,000 gallons) | \$ 3.09 |

TERMS OF PAYMENT Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, the service may then be discontinued.

Effective: For Service rendered on or after February 12, 1998
1998 Limited Proceeding

Joseph R. Borda,
Owner



LINDRICK SERVICE CORPORATION TARIFF

GENERAL SERVICE (SEWER)

RATE SCHEDULE GS

AVAILABILITY Available to all commercial customers including condominium building within a company service area.

APPLICABILITY To any customer for which no other schedule applies.

LIMITATIONS Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

| <u>RATE</u> | Meter Sizes | Base Facility Charge (Monthly) |
|-------------|------------------------------------|--------------------------------|
| | 5/8" X 3/4" | \$ 15.46 |
| | 1" | \$ 38.68 |
| | 1-1/2" | \$ 77.27 |
| | 2" | \$123.80 |
| | 3" | \$247.59 |
| | 4" | \$386.85 |
| | 6" | \$773.65 |
| | 8"(Compound) | \$1,237.28 |
| | 8"(Turbine) | \$1,392.07 |
| | Gallonage charge per 1,000 gallons | \$ 3.09 |

TERMS OF PAYMENT Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, the service may then be discontinued.

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1998 Limited Proceeding

Joseph R. Borda,
Owner

LINDRICK SERVICE CORPORATION TARIFF

RESIDENTIAL SERVICE (SEWER)

RATE SCHEDULE RS

| | |
|-------------------------|--|
| <u>AVAILABILITY</u> | Available throughout the area served by the company. |
| <u>APPLICABILITY</u> | For water service for all purpose in private residences and individually metered apartment units. |
| <u>LIMITATIONS</u> | Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission. |
| <u>RATE</u> | Base Facility Charge (Monthly) All meter sizes \$24.19 Gallonge charge per 1,000 \$ 4.83 gallons (maximum 10,000 gallons) |
| <u>TERMS OF PAYMENT</u> | Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, the service may then be discontinued. |

Effective: For Service rendered on or after February 12, 1999
1998 Limited Proceeding

Joseph R. Borda,
Owner



LINDRICK SERVICE CORPORATION TARIFF

GENERAL SERVICE (SEWER)

RATE SCHEDULE GS

AVAILABILITY Available to all commercial customers including condominium building within a company service area.

APPLICABILITY To any customer for which no other schedule applies.

LIMITATIONS Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

| <u>RATE</u> | Meter Sizes | Base Facility Charge (Monthly) |
|-------------|------------------------------------|--------------------------------|
| | 5/8" X 3/4" | \$ 24.19 |
| | 1" | \$ 60.50 |
| | 1-1/2" | \$120.86 |
| | 2" | \$193.62 |
| | 3" | \$387.25 |
| | 4" | \$605.05 |
| | 6" | \$1,210.04 |
| | 8"(Compound) | \$1,935.17 |
| | 8"(Turbine) | \$2,177.28 |
| | Gallonage charge per 1,000 gallons | \$ 4.83 |

TERMS OF PAYMENT Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, the service may then be discontinued.

Effective: For Service rendered on or after February 12, 1999
1998 Limited Proceeding

Joseph R. Borda,
Owner