

M E M O R A N D U M

August 12, 1999

TO: DIVISION OF RECORDS AND REPORTING (BAYO)
FROM: RALPH ~~DEGER~~, DIVISION OF LEGAL SERVICES
RE: DOCKET NO. 980245-WS - APPLICATION FOR LIMITED PROCEEDING
INCREASE IN WATER AND WASTEWATER RATES IN PASCO COUNTY BY
ALOHA UTILITIES, INC.

Please place the utility's response to Staff's Second Data Request, dated April 20, 1999, in the docket file.

RRJ/lw

Attachment

cc: Division of Water and Wastewater (Willis, Merchant, Fletcher,
T. Davis, Crouch)

AFA _____
APP _____
CAF _____
CMJ _____
CTR _____
EAG _____
LEG _____
MAG _____
OFC _____
PAI _____
SEC _____
WAW _____
OTH _____

DOCUMENT NUMBER-DATE

09612 AUG 12 99

PASCO-RECORDS/REPORTING

LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

CHRIS H. BENTLEY, P.A.
F. MARSHALL DETERDING
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JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

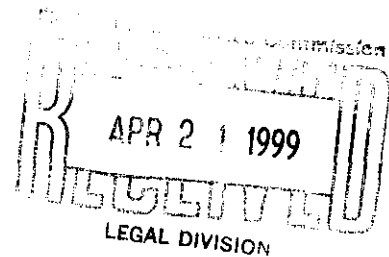
MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (850) 656-4029

April 20, 1999

ROBERT M. C. ROSE
OF COUNSEL

Ralph Jaeger, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873



Re: Aloha Utilities, Inc.
PSC Docket No. 980245-WS;
Application for Limited Proceeding Increase in Water and Wastewater Rates by Aloha
Utilities, Inc. in Pasco County
Our File No. 26038.25

Dear Ralph:

This letter is provided in response to your February 2, 1999 Staff's Second Data Request. Each request in the February letter is restated, followed by the response on behalf of Aloha Utilities, Inc.:

1) What is the expected completion date for the line relocation along Little Road? If the line relocation is completed, provide a copy of a letter providing certification of the lines by the Florida Department of Environmental Protection.

April 29, 1999. On April 20 this matter will go before the Pasco County Commission at which time the County Engineer will request an additional change order to extend the completion date by 45 days, to April 29, 1999.

2) Immediately before Aloha's water and wastewater lines along Little Road were physically being relocated, what was the assessed value of Aloha's existing facilities or lines for tangible property tax purposes and the Pasco County millage rate at that period in time?

The Company has not researched the assessed value of these relatively small lengths of mains in its system. However, the removal of this line will not effect the Company's property tax obligation. The lines in question are contributed property. The entries to reflect the retirement of

Ralph Jaeger, Esquire
April 20, 1999
Page 2

these assets will be a reduction in the plant account, and a reduction of equal amount in accumulated depreciation.; a reduction in CIAC and a reduction of equal amount in accumulated amortization of CIAC. No change in net book value of assets will occur. Since book value will not change, the Company's property tax liability will not change, since most county tax assessors' book value of property is the assessed value for tax purposes.

3) According to a letter dated September 8, 1998 from Barbara L. Wilhite to John R. Jenkins, Esquire, there was a Change Order No. 1 to Contract No. 98-075 in the amount of \$37,775. Have there been any additional change orders to Contract No. 98-075? If so, please state the dollar amount(s) and the date(s) they became effective.

Change Order No. 2 became effective on November 9, 1998, and increased the contract period by 65 days, or December 4, 1998. Change Order No. 3 became effective on January 19, 1999, and increased the contract period by 101 days, or March 15, 1999. See copies of the Change Orders enclosed. Also, see response to No. 1 above.

4) Why was it prudent for Aloha not to relocate its lines and have Pasco County relocate them which resulted in the County's assessment of \$50,000 for an administrative and inspection charge?

A Joint Project Agreement is typically utilized by both the Florida Department of Transportation, and individual counties, to coordinate road construction projects with the many utilities located in the right-of-way. Such an agreement is specifically referenced in Section 337.403 Florida Statutes regarding required relocation of utility facilities. Pasco County owns the right-of-way, permits lines within the right-of-way, and exercises the authority to require a utility such as Aloha to remove and/or relocate its lines. While this line relocation was complicated by the fact that Adam Smith Enterprises, Inc. acted as the County's agent for purposes of the road widening, it was always Aloha's best interest to have the County, or its agent, incorporate the Company's line relocation as a part of the overall construction project.

The importance of a Joint Project Agreement is based on the difficulty of coordinating road construction with the relocation of numerous utility facilities in the right-of-way. In this case, Pasco County water and sewer reuse lines, Aloha water and sewer lines, Florida Power Corp. electric utility lines, the GTE telephone lines and poles, and cable television all had facilities in the right-of-way. It virtually impossible for each utility, through its own contractor, to remove, relocate, or construct new facilities at exactly the right time to coordinate with the road construction, and without interfering with, or damaging, the facilities of other utilities utilizing the right-of-way. Each utility has the further considerations of continuing service to its customers throughout the construction period, maintaining materials at or near the site, accommodating changes in the principal road contractor's construction schedule, and hold prices on construction contracts while events affecting schedules of third party utilities and contractors impact the utility's own construction schedule.

Ralph Jaeger, Esquire
April 20, 1999
Page 3

Finally, the economies of scale achieved by the principal contractor in handling as many utility line relocations as possible allows for a construction price lower than that which could be obtained by an individual utility.

For all of these reasons, Aloha believed that the utility construction by the County would be the most efficient and cost-effective method to achieve the line relocation. The Company put forth substantial effort to require the County and its developer to accommodate the Utility's line relocation through a Joint Project Agreement. It was not until Aloha received statutory notice pursuant to Section 337.404, Florida Statutes, that the Company learned of the County's intent to charge \$50,000 in costs associated with the relocation of the Utility's lines. The Company objected to such a charge, but on May 5, 1998, the Pasco County Board of County Commissioners awarded the contract and approved the \$50,000 charge.

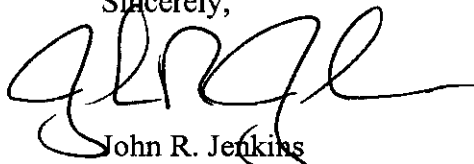
It is the Company's position that the County cannot by law, and would not as a matter of policy, charge the Utility for any costs which were not necessary for completion of the project. Section 337.404 Florida Statutes sets forth a procedure to determine the reasonableness of the County's order regarding utility relocation. A public hearing was held on the subject. Aloha participated in that hearing, directly addressed the \$50,000 charge, and the charge was found reasonable by the County as a part of its subsequent order. Therefore, it is the Utility's belief that it was prudent for the Utility to allow the County to relocate the lines pursuant to the general contractor performing the overall roadway construction, and that the resulting County assessment for administration and inspection has been found necessary and reasonable.

5) What would it have cost Aloha to relocate its lines if it had none it itself?

See response to No. 4 above.

Should you have any questions regarding these responses, please feel free to call.

Sincerely,



John R. Jenkins
For the Firm

JRJ:sn

Enclosures

cc: Mr. Stephen Watford
F. Marshall Deterding, Esquire



PASCO COUNTY, FLORIDA

DADE CITY	(352) 521-4274	ENGINEERING SVCS. PROJ. MGMT.
LAND O' LAKES	(813) 996-7341	WEST PASCO GOVT. CENTER, S-320
NEW PORT RICHEY	(727) 847-8140	7530 LITTLE ROAD
FAX	(813) 847-8084	NEW PORT RICHEY, FL 34654

November 10, 1998

Mr. Stephen G. Watford, President
Aloha Utilities
2514 Aloha Place
Holiday, FL 34691

RE: Aloha Utilities - Change Order No. 2
Pasco County W.O. No. C9527.40

Dear Mr. Watford:

Please be advised that it will be necessary to submit Change Order No. 2 to the Board of County Commissioners for an approval of an extension of time to complete this project with no additional costs.

Enclosed for your information is a copy of Change Order No. 2. If you have any questions, please give me a call.

Very truly yours,

PASCO COUNTY

William T. Joyce P.E.
William T. Joyce, P.E.
Deputy County Engineer

WTJ/rt/ENL99-066

Enclosure

cc: Karla S. Owens, County Attorney
Bipin Parikh, P.E., Assistant County Administrator
Donald R. Luth, P.E., Engineer III

CHANGE ORDER FORM

PROJECT: ALOHA UTILITIES - LITTLE RD. PH. IIB CONTRACT: 98-075
 PROJECT NO: C9527.40
 TO: Kimmins Contracting Corporation CHANGE ORDER: 2
 ADDRESS: 1501 2nd Avenue, Tampa, FL 33605

YOU ARE HEREBY REQUESTED TO COMPLY WITH THE FOLLOWING CHANGES FROM THE ORIGINAL PLANS AND SPECIFICATIONS AS BID ON FOR THE ABOVE-REFERENCED PROJECT:

DESCRIPTION OF CHANGES	(DECREASE)	(INCREASE)
ITEMS, JUSTIFICATION, AND TOTALS: (SEE ATTACHED SUPPLEMENT)	(\$ <u>-0-</u>)	\$ <u>-0-</u>
TOTAL CHANGE IN CONTRACT PRICE	(\$ <u>-0-</u>)	\$ <u>-0-</u>

THE CURRENT CONTRACT TOTAL IS \$ 370,718.00

THIS CHANGE WILL INCREASE THE TOTAL BY \$ -0-

THE CONTRACT TOTAL INCLUDING THIS AND PREVIOUS CHANGES OR SUPPLEMENTAL AGREEMENTS WILL BE \$ 370,718.00

THE CONTRACT PERIOD FOR COMPLETION WILL BE INCREASED BY 65 DAYS.

THEREFORE, THE CONTRACT TIME WILL END ON DEC. 4, 1998 (MONTH/DAY/YEAR).

THIS DOCUMENT WILL BECOME A SUPPLEMENT TO THE CONTRACT AND ALL PROVISIONS WILL APPLY HERETO.

RECOMMENDED BY:  DATE: 11/9/98
 BIPIN PARIKH, P.E., ACA/
 ACTING COUNTY ENGINEER

REVIEWED BY:  DATE: 11/9/98
 RALPH WEEKS, ADMINISTRATIVE
 SERVICES MANAGER

ACCEPTED BY:  DATE: 11-6-98
 CONTRACTOR'S AUTHORIZATION

WITNESSED BY:  DATE: 11-6-98
 WITNESS TO CONTRACTOR'S
 SIGNATURE

APPROVED BY: _____ DATE: _____
 CHAIRMAN, BOARD OF COUNTY
 COMMISSIONERS

WITNESSED BY: _____ DATE: _____
 JED PITTMAN, CLERK

APPROVED BY: _____ DATE: _____
 COUNTY ATTORNEY

PASCO COUNTY, FLORIDA
INTEROFFICE MEMORANDUM

TO: Honorable Chairman and
Members of the Board of
County Commissioners

DATE: 11/8/88 FILE: EN88-012

SUBJECT: Bid Contract No. 88-075
Aloha Utilities - Little Road, Phase IIIA
(S.R. 54 to Plathe Road)
Change Order No. 2

Bipin Parikh
FROM: Bipin Parikh, P.E.
Assistant County Administrator
(Development Services)

REFERENCES: Kimmins Contracting Corporation
Project No. C-9527.41
Comm. Dist. 4

It is recommended that the data herein presented be given formal consideration by the Board of County Commissioners.

DESCRIPTION AND CONDITIONS:

On May 5, 1988, the Board approved a contract with Kimmins Contracting Corporation for construction of the project referenced at a total cost of \$352,943.00.

On September 9, 1988, Change Order No. 1 was approved, revising the contract amount to \$370,718.00 and extending the contract time an additional 28 days to a completion date of September 30, 1988.

As with most construction projects of this type, field conditions require changes in construction time. Therefore, in order to adjust the time to meet as-built conditions for the project, this change order is required to complete the project as originally intended.

The contractor acknowledged receipt of Change Order No. 2 and has submitted the necessary documents along with signed copies of Change Order No. 2 requesting 65 additional calendar days, which is now presented to the Board for approval. The contract amount of \$370,718.00 remains unchanged.

ALTERNATIVES AND ANALYSIS:

Some of the alternatives available to the Board in this matter are as follows:

1. Approve Change Order No. 2, and allow the contract time to be adjusted in accordance with the as-built conditions and the intent of the contract documents and allow the contract to be closed out.
2. Deny approval, which would prohibit the contract time from being adjusted to the as-built conditions and prohibit the project from being closed out.

Selection of Alternative No. 1 would not increase the contract amount. An additional 65 calendar days would be added to the contract time period, which would provide the revised project completion date of December 4, 1988. This will allow the contract to be completed in a manner originally intended and to be closed out.

Selection of Alternative No. 2 would not allow the project to be completed in the manner originally intended and would not allow the project to be closed out.

RECOMMENDATION AND FUNDING:

The Engineering Services Department recommends that the Board approve Alternative No. 1, authorize the Chairman to sign and date the four attached originals of Change Order No. 1, and direct Secretarial Services to distribute as follows: one original to be retained by Secretarial Services; one original to OMB, New Port Richey; one original to the Engineering Services Department, New Port Richey; and one original to be mailed to:

Kimmins Contracting Corp.
1501 - 2nd Avenue
Tampa, FL 33605
Telephone (813) 248-3878
Federal ID No. 180810270

No additional funding is required. The revised contract completion date will be December 4, 1998.

ATTACHMENTS:

- 1. Change Order No. 2 (Four)
- 2. Kimmins Contracting Corp. Letter of November 2, 1998


BP/WTU/DRL/ai/z110501

APPROVED AGENDA ITEM FOR

DATE _____

BY _____



PASCO COUNTY, FLORIDA

DADE CITY (352) 521-4274
NEW PORT RICHEY (727) 847-8140
FAX (727) 847-8084

DEVELOPMENT SERVICES BRANCH
WEST PASCO GOVT. CENTER, SUITE 320
7530 LITTLE ROAD
NEW PORT RICHEY, FL 34654

January 29, 1999

Aloha Utilities
Stephen G. Watford, President
2514 Aloha Place
Holiday, FL 34691

Subject: Aloha Utilities-Little Road Phase IIIB Project


Dear Mr. Watford:

This is to inform you that on Tuesday, February 2, 1999, the Pasco County Engineering Services Department will request the Board of County Commissioners approve change order no. 3 in our contract with Kimmins Contracting Corporation. **THE APPROVAL WILL ALLOW A ONE HUNDRED ONE (101) DAY INCREASE IN THE CONTRACT PERIOD,** extending the contract time to end on March 15, 1999. There will be no additional costs related to this extension.

Enclosed for your information is a copy of change order no. 3. If you have any questions, please call William T. Joyce, P.E., Deputy County Engineer, at (727) 847-8140.

Sincerely,

PASCO COUNTY


Bipin Parikh, P.E.
Assistant County Administrator/Acting County Engineer
Development Services

BP/RW/mr

Enclosure

cc: Karla S. Owens, County Attorney
William T. Joyce, P.E., Deputy County Engineer
Donald Luth, P.E., Engineer III

CHANGE ORDER FORM

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THE CURRENT CONTRACT TOTAL IS \$ 370,718.00

THIS CHANGE WILL INCREASE THE TOTAL BY \$ -0-

THE CONTRACT TOTAL INCLUDING THIS AND PREVIOUS CHANGES OR SUPPLEMENTAL AGREEMENTS WILL BE \$ 370,718.00

THE CONTRACT PERIOD FOR COMPLETION WILL BE INCREASED BY 101 DAYS.

THEREFORE, THE CONTRACT TIME WILL END ON MAR. 15, 1999 (MONTH/DAY/YEAR).

THIS DOCUMENT WILL BECOME A SUPPLEMENT TO THE CONTRACT AND ALL PROVISIONS WILL APPLY HERETO.

RECOMMENDED BY: *Bipin Parikh* DATE: 1/19/99
BIPIN PARIKH, P.E., ACA/
ACTING COUNTY ENGINEER

REVIEWED BY: *Ralph Weeks* DATE: 1/19/99
RALPH WEEKS, ADMINISTRATIVE
SERVICES MANAGER

ACCEPTED BY: *Tom Car* DATE: 1-15-99
CONTRACTOR'S AUTHORIZATION

WITNESSED BY: *Edith* DATE: 1-15-99
WITNESS TO CONTRACTOR'S
SIGNATURE

APPROVED BY: _____ DATE: _____
CHAIRMAN, BOARD OF COUNTY
COMMISSIONERS

WITNESSED BY: _____ DATE: _____
JED PITTMAN, CLERK

APPROVED BY: _____ DATE: _____
COUNTY ATTORNEY