

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** June 12, 2017

**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

**FROM:** Martha A. Golden, Regulatory Supervisor/Consultant, Division of Accounting & Finance *mg*

**RE:** Docket No. 160176-WS – Application for staff-assisted rate case in Polk County by Four Lakes Golf Club, Ltd. – Supplemental Information for Pro Forma Hydropneumatic Tank Replacement, Purchased Power Invoices, and G&A Expense Allocations.

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Please file the attached documents that were provided by the Utility in the above-referenced docket. The documents include supplemental information related to the following:

1. Pro forma hydropneumatic tank replacement information including a hydro tank inspection report prepared by Conrady Consultant Services, and a bid from Blake Utility Construction, LLC to replace the hydropneumatic tank;
2. Two August 25, 2016 TECO electric bills that were missing from staff's audit records for water treatment plant electric meter # L09749 and wastewater electric meter # C19018;
3. Pro forma general and administrative (G&A) expense allocations.

Thank you for your assistance with this matter. Please do not hesitate to contact me if you have any questions.

Attachment

RECEIVED-FPSC  
2017 JUN 12 PM 4:23  
COMMISSION  
CLERK

Four Lakes MHP, Winter Haven, FL

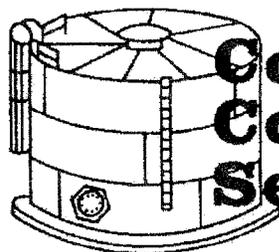
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# The Hydro Tank

Welded Steel Horizontal Hydropneumatic Cylindrical Tank

October 14, 2016

Prepared By:



**Conrady  
Consultant  
Services**

460 LOKEY LANE, WILSONVILLE, AL 35186 205-807-6342

[WWW.CONRADYCONSULTANTS.COM](http://WWW.CONRADYCONSULTANTS.COM)

ROV And Drained AWWA Potable Water Storage Tank,  
NFPA Fire Water Storage Tank, & Pipeline Inspections

# Declaration

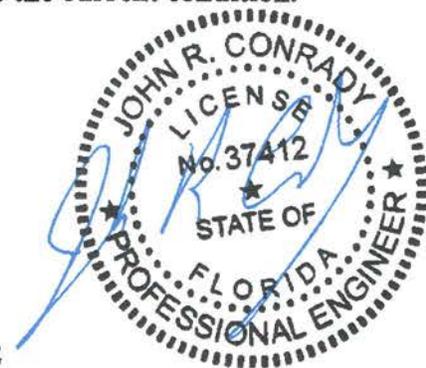
This report was composed from the visual observations made during an inspection of this water storage facility. Portions of this report may also contain material or other information obtained from conversations with the utility personnel, the tank information plate, drawings, reports, etc. The information contained herein is believed to be as true and accurate as could be obtained from these observations and the information and material supplied to us. No other assurance or warranty is expressed or implied. We assume no responsibility for any errors or omissions in our inspection and inspection report or for unseen or unknown conditions of this tank.

The time frames stated in the recommendations are estimates based on our years of experience with other storage facilities and paint installations, and discussions with corrosion engineers, paint manufacturer's representatives, tank constructors, painting contractors, etc. Although these estimates can be considered to be fairly reliable, many different factors affect the condition of the water storage facility over time and we cannot be held responsible for the accuracy of these estimates. Since the condition of the storage facility will change over time, the accuracy of the condition of the storage facility described in this report will decrease according to the amount of time that has elapsed since the date of the inspection. Should three (3) or more years have elapsed since this inspection, this report should be considered to be null and void and the storage facility should be reinspected to determine the current condition.

By:

John R. Conrady, P.E.

FL State Registered Professional Engineer #37412



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# Tank Information

1. The client indicated to us that the capacity of this tank is about 20,000 gallons.
2. The client indicated to us that this tank was installed at the present location in 1994.

Please note that our inspection does not “certify” the tank as it was after the initial construction, prior to it being sold and placed into service, which involves pressure testing the vessel, x-raying the welds, wet sponge testing the paint for holidays, etc., which is not needed or required of a vessel after it has passed the manufacturer’s initial certification and then has been placed into service.

# Observations

## General Observations:

1. The shell manhole is oval in shape and held in place against a sidewall extension with brackets on the tank exterior. The brackets and support bolts holding the cover in place were not excessively corroded during this inspection.
2. No water leakage was observed.
3. The tank did not appear to have been dented, bent, twisted, cracked, or otherwise seriously damaged.
4. This tank has a chain link access control fence that is adequate to provide unauthorized access to the tank. There is barbed wire on top of the access control fence. The number of "No Trespassing" signs is inadequate.
5. A leak on the tank bottom was patched prior to our inspection of this tank in 2011.

# Observations (Cont.)

## Tank Interior Observations

1. Per the requirements of Florida Department Of Environmental Regulation – Florida Administrative Code Chapter 62-555 Permitting, Construction, Operation, And Maintenance Of Public Water Systems Section 350 – Operation And Maintenance Of Public Water Systems – Paragraph 2, this tank was drained and opened. After opening, there were virtually no biogrowths, calcium or iron/manganese deposits, and only a small amount of silt which wasn't worth attempting to remove, especially since this tank will be rehabilitated or replaced shortly.
2. The tank interior and exterior were inspected for structural and coating integrity by a Registered Professional Engineer licensed in Florida who actually came to this tank site and personally inspected this tank.
2. It appeared that the interior has not been recoated since the initial installation.
3. The interior appears to be coated with a white epoxy.
4. Incidences of interior protective coating failure and corrosion were observed on the plate surfaces and welds above the normal working water level that appeared to affect 30% or more of the surface area, and on the plate surfaces and welds below the normal working water level which appeared to affect 20% or more of the surface area.
5. Although pieces of roof metal were laying on the tank bottom, the roof metal appeared to be still thick enough that this should not be a concern for the immediate future.

# Observations (Cont.)

## Tank Exterior Observations

1. It appeared that the exterior has been overcoated since the initial installation.
2. The exterior appears to be coated with an industrial enamel or epoxy material which appeared to have about 5% or less failure and corrosion.
3. This tank has an overpressure relief valve installed.
4. The steel cradles appeared to still be in excellent condition and although some slight corrosion is occurring, they are not excessively corroded or deteriorated.
5. The concrete base which supports the steel cradles appeared to be in excellent condition and not excessively cracked, spalled or otherwise deteriorated.
6. There are pads installed between the steel cradles and the tank.

# Metal Thickness

Because of the difficulty of locating sections that are not corroded to determine the actual original thickness, and the difficulty of locating the very bottom of the pits in the seriously corroded sections to determine the actual minimal thickness, the accuracy of these readings are subject to some question and interpretation and we assume no responsibility or liability if thinner metal locations. 30 to 50 or more readings are normally taken depending upon the size and condition of the tank being inspected.

## **The results of the ultrasonic metal thickness measurements are:**

The sidewall metal thickness measurements on the right side of the tank while facing the access hatch used to enter the tank range from 0.314" to 0.390".

The sidewall metal thickness measurements on the left side of the tank while facing the access hatch used to enter the tank range from 0.383" to 0.396".

The top metal thickness measurements range from 0.302" to 0.352".

The bottom metal thickness measurements range from 0.385" to 0.397".

The endcap without the access hatch metal thickness measurements range from 0.537" to 0.547".

The endcap with the access hatch metal thickness measurements range from 0.512" to 0.547".

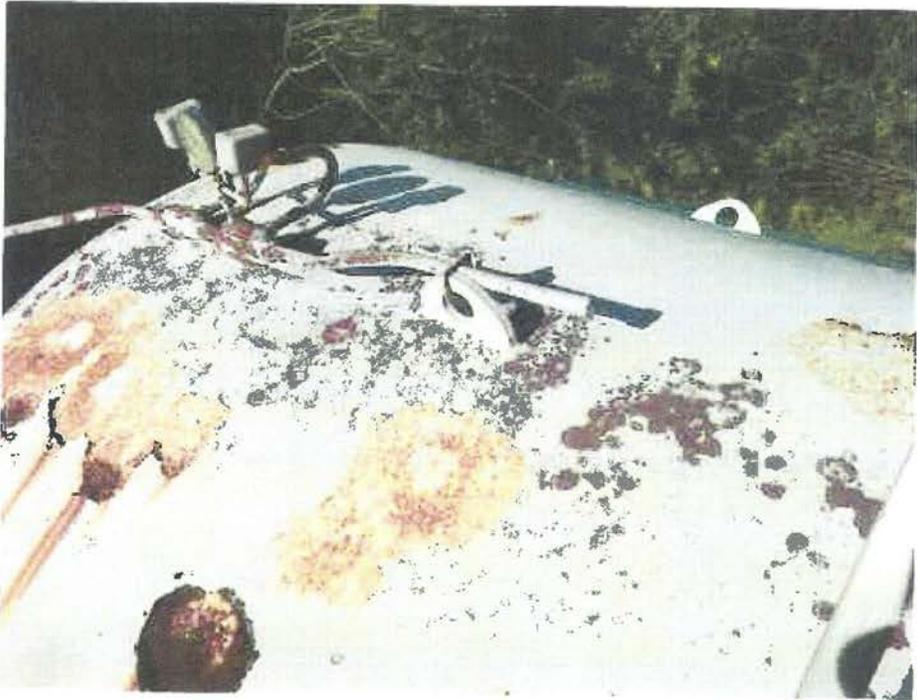
# Recommendations

1. It should be noted that the life expectancy of these tanks are about 30 years.
2. No interior or exterior corrective actions are recommended at this time.
3. This tank should be rehabilitated or replaced within about 8 months of this inspection depending upon the cost difference.
4. This tank should be reinspected again in 5 years to comply with the Florida Department Of Environmental Regulation – Florida Administrative Code Chapter 62-555 Permitting, Construction, Operation, And Maintenance Of Public Water Systems Section 350 – Operation And Maintenance Of Public Water Systems – Paragraph 2 that requires your “Finished Water Storage Tanks, Including Conventional Hydropneumatic Tanks With An Access Manhole, Be Inspected For Structural And Coating Integrity At Least Once Every 5 Years By Personnel Under The Responsible Charge Of A Professional Engineer Licensed In Florida.”

# Photo Identification

PAGE NUMBER	DESCRIPTION
10-13	Tank Exterior
14-16	Tank Interior

# Pictures



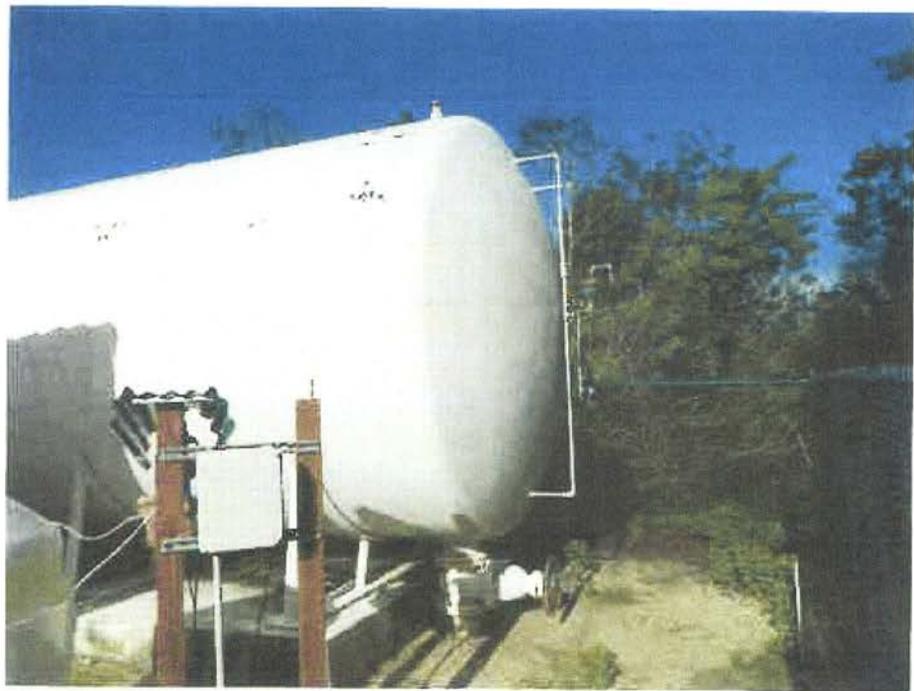
**Pictures (Cont.)**



# Pictures (Cont.)



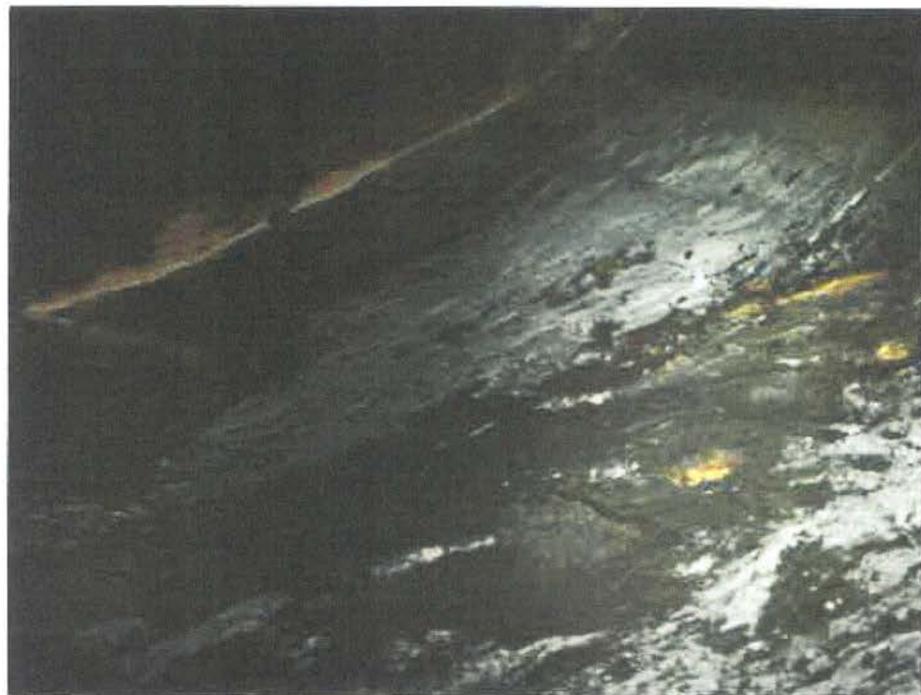
# Pictures (Cont.)



## Pictures (Cont.)



## Pictures (Cont.)



## Pictures (Cont.)





**BLAKE UTILITY CONSTRUCTION, LLC**  
 10865 EAST HWY 40  
 SILVER SPRINGS, FL 34488  
 (352) 625-0269  
 FAX: (352)625-01

Dec10, 2016

Quote: 4 Lake Golf Communities, Winer Haven FL

To: Lewis Gaskin

RE: RECO USA Hydro-pneumatic Water Tank

(1) Hydro-Pneumatic Tank 15,000 gallon

Model #:HPH125-15,000E-9640

Tank Size: 96" OD x 480" Overall length (8'-0" x 40'-0") | 22150 lbs. approx.

Material: Carbon Steel

Fittings: Carbon Steel standard

Manway: 12"x16"

Lining: Epoxy NSF Listed

Paint: Red Oxide Primer and 2 coats Enamel Paint w/90 day warranty, Included

ADDER for 3-Coat Epoxy Paint System: \$4600.00 1 yr. warranty

Supports: Standard saddles included

Options: none

A.S.M.E. Constructed & Stamped for 125 psig Section VIII

All Trim, Appurtenances, pier design, foundation, installation, unloading, training and accessories NOT by RECO USA

Quoted Price Incl. (1) Tank, Saddles, freight tax & Installation estimate: \$62,484.00

*Price firm for 30 days*

SUBMITTED BY: Peggy-Sue Blake

Blake Utility Construction, LLC

ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2016

ACCEPTED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Acceptance of proposal performed by person with proper authority to enter into this agreement pg. 1 of 2

Acceptance of page 1, 2 or 3 constitutes acceptance of all pages



**BLAKE UTILITY CONSTRUCTION, LLC**  
 10865 EAST HWY 40  
 SILVER SPRINGS, FL 34488  
 (352) 625-0269  
 FAX: (352)625-01

**Quote:** Supply & Installation of Materials to replace tank as "like for like replacement"  
 Installation Quote for Scope Below.....included in quote pg 1

Includes:

- Remove existing tank, set to side, haul off
- Crane for offloading and installation
- Install New Tank & New Saddles
- New Tank fittings (sight glass assembly, hose bib, Air/pressure release valve. Sample taps, etc)
- Labor with (3) man crew, truck and equipment needed to remove existing tank, set Hydro-Pneumatic

tank, install fittings and piping to reconnect to existing distribution system.

- Fill Tank , using your Chlorine,
- Any supporting Tank Documentation needed for DEP or Health Dept.
- One year warranty on installation workmanship and Water Tank; parts and materials not installed or replaced by Aqua Pure are not included in warranty.

Not included

- Sampling, boil water notice, standard operators job not included
- *Distribution* System piping not included
- *Equipment not listed not included, chlorinator, meter, etc.*

SUBMITTED BY: Peggy Blake

Blake Utility Construction, LLC

ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2017

ACCEPTED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Acceptance of proposal performed by person with proper authority to enter into this agreement  
Same contract terms apply

Acceptance of page 1, 2 or 3 constitutes acceptance of all pages

Page2 of 3



## *Terms of Contract*

1. Standard payments terms are *due upon receipt* of Invoice
2. Standard Contractor terms are invoiced as follows:
  - 50% invoiced/due **at acceptance of proposal**
  - 50% invoiced/due **upon completion of installation**
3. Payments shall not be dependent or contingent upon other payment's receipt or draws.
4. We reserve the right to charge one and one-half percent (1½ %) of the past due balance per month. If it becomes necessary for us to employ an attorney or to bring suit to recover any amount, the *Purchaser* agrees to pay all related costs including, but not limited to: court cost, legal expenses, and any reasonable attorney fees in connection therewith. These remedies are not in lieu of any other remedies so provided by applicable law.

5. All materials are the property of Blake Utility Construction, LLC until paid in full.

Submitted by: Peggy-Sue Blake

Blake Utility Construction, LLC

Accepted this day: \_\_\_\_\_ 2016

By: \_\_\_\_\_

Title: \_\_\_\_\_

pg. 3 of 3

Acceptance of proposal performed by person with proper authority to enter into this agreement  
Acceptance of page 1, 2 or 3 constitutes acceptance of all pages

# Your Electric Bill

We appreciate the opportunity to serve you.

LIFE RUNSON ENERGY



Visit our  
Web site at  
**tampaelectric.com**  
442B-00043

## August Billing Information:

FOUR LAKES GOLF CLUB  
LUCERNE PARK RD/TILDEN,1W  
WINTER HAVEN FL 33881-0000

Account Number  
1721 0245610

200077

160-10-4280.615  
Statement Date  
Aug 25, 2016

### Conservation Info.

This Month:  
212 / kWh/Day  
50 kW  
Year Ago:  
166 kWh/Day  
31 kW

### Fuel sources we use to serve you

For the 12-month period ending June 2016, the percentage of fuel type used by Tampa Electric to provide electricity to its customers was:  
Natural gas and oil\*...53%  
Coal.....38%  
Purchased Power.....9%  
\*Oil makes up less than 1%  
Tampa Electric provides this information to our customers on a quarterly basis.

Meter Number	Current Reading	Previous Reading	Diff.	Multi.	31 day period
L09749	34473	27887	6586	1	

Next Read Date On Or About	Sep 21, 2016	Total kWh Purchased	6,586
Account Activity	Explanation	Charge	Total
Previous Balance		639.53	
Payments Received - Thank You	As of August 25, 2016	-639.53	
			\$0.00

New Charges Due by Sep 18, 2016		Service from Jul 17 to Aug 17	
Basic Service Charge	General Service 200 Rate		18.00
Energy Charge	6,586 kWh @ \$.05788/kWh		381.20
Fuel Charge	6,686 kWh @ \$.03676/kWh		242.10
Electric Service Cost			\$641.30
Florida Gross Receipts Tax	Based on \$641.30		16.44
Polk County Service Tax	On 454.56 (Exempt 203.18)		45.46
<b>This Month's Charges</b>			<b>\$703.20</b>

Amount not paid by due date may be assessed a late payment charge.

**Total Due** **\$703.20**

Customer Service - Business Hillsborough Co: 813.228.1010. All Other: 1.866.TECO.BIZ (866.832.6249)

**Florida's extreme summer heat can result in higher electric bills**  
Your bill might be higher this month due to the extreme heat and high humidity we've been experiencing. When temperatures rise, your air conditioning system works extra hard to keep things cool. This means you're using more electricity too. Tampa Electric offers several energy-saving tips and free programs that can help you manage your electricity use and bills. Visit [tampaelectric.com/SaveEnergy](http://tampaelectric.com/SaveEnergy) to learn more.



Account No.  
1721 0245610

New Charges  
\$703.20  
Payable by Sep 18

Total Bill Amount  
\$703.20

To ensure prompt credit, please return stub portion of this bill with your payment. Make check payable to Tampa Electric.

200077

Mail Payment To:  
P.O. Box 31318  
Tampa, FL 33631-3318



442B-00043 00043-1443



FOUR LAKES GOLF CLUB  
c/o WATER TREATMENT PLANT  
990 LA QUINTA BLVD  
WINTER HAVEN FL 33881-9596

1 1120 01 1721 0245610 0000703.20

# Your Electric Bill

We appreciate the opportunity to serve you.



Visit our  
Web site at  
[tampaelectric.com](http://tampaelectric.com)  
442B-00044

**Conservation Info.**

This Month:  
424 kWh/Day  
30 kW  
Load Factor  
58.84 %  
Year Ago:  
315 kWh/Day  
24 kW

**Fuel sources we use to serve you**

For the 12-month period ending June 2016, the percentage of fuel type used by Tampa Electric to provide electricity to its customers was:  
Natural gas and oil\*...53%  
Coal.....38%  
Purchased Power.....9%  
\*Oil makes up less than 1%  
Tampa Electric provides this information to our customers on a quarterly basis.

**August Billing Information:**

FOUR LAKES GOLF CLUB  
3995 1/7 OLD LUCNE PRK LFTS  
WINTER HAVEN FL 33881-0000

Account Number  
1721 0247210

200078

160-10-4270715  
Statement Date  
Aug 25, 2016

Meter Number	Current Reading	Previous Reading	Diff.	Multi.	29 day period
C19018	77879	65594	12285	1	

Next Read Date On Or About	Sep 21, 2016	Total kWh Purchased	12,285
Account Activity	Explanation	Charge	Total
Previous Balance		1,221.13	
Payments Received - Thank You	As of August 25, 2016	-1,221.13	
			\$0.00

New Charges Due by Sep 18, 2016		Service from Jul 25 to Aug 23	
Basic Service Charge	GSD 360 Rate		30.00
Demand Charge	30 kW @ \$10.43/kW		312.90
Energy Charge	12,285 kWh @ \$.02012/kWh		247.17
Fuel Charge	12,285 kWh @ \$.03676/kWh		451.60
<b>Electric Service Cost</b>			<b>\$1,041.67</b>
Florida Gross Receipts Tax	Based on \$1,041.67		26.71
Polk County Service Tax	On 689.39 (Exempt 378.99)		68.94
<b>This Month's Charges</b>			<b>\$1,137.32</b>

**Total Due** *Amount not paid by due date may be assessed a late payment charge.* **\$1,137.32**

Customer Service - Business Hillsborough Co: 813.228.1010. All Other: 1.866.TECO.BIZ (866.832.6249)

**Florida's extreme summer heat can result in higher electric bills**  
Your bill might be higher this month due to the extreme heat and high humidity we've been experiencing. When temperatures rise, your air conditioning system works extra hard to keep things cool. This means you're using more electricity too. Tampa Electric offers several energy-saving tips and free programs that can help you manage your electricity use and bills. Visit [tampaelectric.com/SaveEnergy](http://tampaelectric.com/SaveEnergy) to learn more.



Account No.  
1721 0247210  
  
**New Charges**  
**\$1,137.32**  
**Payable by Sep 18**  
  
**Total Bill Amount**  
**\$1,137.32**

To ensure prompt credit, please return stub portion of this bill with your payment. Make check payable to Tampa Electric.

200078

Mail Payment To:  
P.O. Box 31318  
Tampa, FL 33631-3318



442B-00044 00044-1044



FOUR LAKES GOLF CLUB  
c/o LIFTSTATION/BLOWERS  
990 LA QUINTA BLVD  
WINTER HAVEN FL 33881-9596

1 1110 05 1721 0247210 0001137.32

G&A

	<u>2015</u>	<u>2016</u>	<u>Projected 2017</u>			
Auto/Truck	41,359.70	43,889.80	46,650.57			4,198.55
Bank Fees	29,137.64	33,350.91	23,159.64			2,084.37
Dues & Subscriptions	4,232.93	5,859.89	9,522.27			857.00
Equipment Rent	15,440.66	9,191.90	4,919.97			442.80
Equipment	23,165.04	28,410.67	35,258.60			3,173.27
Filing Fees	158.75	158.75	160.00			14.40
Insurance	17,026.85	10,689.22	17,713.49			1,594.21
Legal	2,004.00	231.20	-			-
Licenses & Permits	512.96	737.96	537.12			48.34
Corporate Payroll	971,530.06	956,583.52	983,358.57	87,625.86	8.91%	88,502.27
Office Supplies	61,407.79	84,800.61	79,319.66			7,138.77
Postage	40,360.19	32,290.39	34,142.85	5,750.64	16.84%	3,072.86
Rent	248,520.10	251,685.08	255,165.00	21,263.75	8.33%	22,964.85
Telephone	27,494.92	34,263.01	30,481.68			2,743.35
Travel	1,470.93	1,309.00	3,066.67			276.00
Seminars & Conferences	195.00	1,908.43	3,044.31			273.99
	<u>1,484,017.52</u>	<u>1,495,360.34</u>	<u>1,526,500.41</u>	114,640.25	9.01%	137,385.04

\$ 48.21 per lot per year

CHC VII	869	\$ 41,890.38	2.74%
SV Utilities	705	\$ 33,984.72	2.23%
Four Lakes	814	\$ 39,239.09	2.57%
ACW	340	\$ 16,389.79	1.07%
Hidden Cove	<u>122</u>	\$ 5,881.04	0.39%
	2850		

Name	
Botti Theresa	5% Accounting Manager (oversees AP and Cash Receipts)
Cribbs Sharon	10% Receptionist
Falk Ben	5% CFO
Janssen Donis	10% Cash Management / AP / Cash Receipts / Checkbooks
Kelley Kim	25% Tax Specialist / PSC Reports
King Kimberly	0% Personal Assistant to Chairman
Parow Kristin	5% Staff Accountant (General Ledger and Financial Statements)
Pleima Rhonda	5% Payroll Administrator
Riggleman Rhonda	0% Tax Specialist
Tompkins Linda	5% Accounting Clerk - Bank Reconciliations
Trevillian Suzanne	50% Accounts Payable
Langley, Jay	10% IT
	\$ 87,625.86