

State of Florida



Public Service Commission

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

DATE: November 10, 2003
TO: Division of the Commission Clerk and Administrative Services
FROM: Division of Economic Regulation (Brady) *pb*
RE: Docket No. 030407-WS, Application for transfer of water and wastewater facilities and Certificate No. 366-S in Levy County from Springside at Manatee, Ltd. to Par Utilities, Inc., holder of Certificate No. 428-W, for cancellation of Certificate No. 435-W held by Springside, and for amendment of Certificate No. 428-W.

Please add the attached letter dated October 29, 2003, from Lonnie Parnell, as the utility's response to the audit report.

Attachment

cc: Division of Economic Regulation (Walden, Kaproth)
Office of the General Counsel (Fleming)
Division of the Commission Clerk and Administrative Services (security file)

DOCUMENT NUMBER-DATE

11187 NOV 10 8

FPSC-COMMISSION CLERK

Par Utilities, Inc.
PO Box 72
Chiefland, FL 32644

October 29, 2003

Patricia Brady
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
03 NOV -3 AM 10:46
DIVISION OF
ECONOMIC REGULATION

This letter gives an overview of the condition in which the Springside water and sewer system was found when we were appointed receivership in November 1999 and highlights the work that was necessary to get the system in good operating condition.

In November 1999, we were appointed receivership of the Springside water and sewer system. Levy County was trying to find a receiver and had offered the Springside water and sewer system to Mr. Carl Rose. Mr. Rose had previously purchased the land on which the water plant exists from Levy County for back taxes. (Levy County had sold the land at a tax sale for back taxes). We saw an article and a picture of the sewer system in the Chiefland Citizen newspaper. The article said that the system had been neglected and wasn't being kept up to standard. We contacted the Levy County and agreed to become receiver for the system. We had to buy the land back from Mr. Rose for \$6000 per lot, and the water plant was spread over two lots.

We first focused our attention on the water portion of the system. We had to replace both submersible well pumps because both pumps were burned out. Springside water was running on a neighboring system called Hideaway, and had been running on the Hideaway system for about two months. Hideaway had given Springside a notice stating that Springside would be cutoff as of December 1, 1999. When we took over the system we talked with the Hideaway owners, and they agreed to continue water service until we could replace the well pumps.

We also had several leaks to fix and both pressure switches on the hydro pressure tank were bad. We had to replace the switches so the well pumps would turn on and off automatically. We then found out that the chlorine pump was also bad and had to replace it. All of this work finally brought the

water system into good functioning order. D.E.P. inspected the system when the work was completed, and they were satisfied.

We then turned our attention to the sewer system. A short time after taking over the system and getting the water system back up to standard, the blower went out on the sewer plant, and we had to replace it at a cost of around \$2,850 which includes installation. The lift station sewer pump was a small plug-in type pump, which didn't work on the float system inside the lift station and required the operator to plug it in once or twice a week to pump it down. The pump didn't last long and burned out. The sewer plant operator said the company that had installed the lift station pumps had repossessed them for nonpayment. We then had to replace the lift station pumps for a total of \$3,000 which includes the cost of installation.

Hook-up Fees (CIAC):

Concerning exception No. 4 CIAC, the utility has been collecting and booking \$500 per customer hook-up (\$250 for water & \$250 for waste water). **See Exhibits A.**

Because of the socioeconomics of the area and to stay competitive, more expensive hook-up fees would drive the customer to a different subdivision. The staff imputation of hook-up fees would be inappropriate based on Rule No. 25-30.570. We will be filing for a lower CIAC rate due to the above circumstances.

Land:

Levy County sold the land to cover the tax lien of \$1,910. This sale of the land by Levy County was beyond the receiver's control. **See Exhibit B.** The repurchase of the land to benefit the utility needs to be included in the rate base because Levy County incorrectly disposed of the land on which the utility exists. We think it is prudent to include the land repurchase cost of \$12,000 in the Springside water rate base.

Customer Under billing:

We are paying close attention to the tariff, and there will not be any customer under billing in the future. We had multiple problems with the print shop misprinting the standard cards on which we bill the customers.

Installation of New Equipment:

We also request that you consider retiring the equipment that we were required to remove and replace after receiving Springside. We have enclosed a table that lists the cost and installation of required new equipment and the allowable retirement amount for the old equipment: **See Exhibit C.**

Uniform System of Accounts:

Par Utilities, Inc. is presently working with Robert F. Dodrill, Sr. and will be working in ordering the Uniform System of Accounts and has purchased Quick Books Accounting System (copy of receipt attached), which will be used from this point forward. Year 2003 records will be fully computerized by this year's end.

We realize we should have converted to NARUC system of accounts sooner, but we've been so busy supplying service to our customers, and the complexities of receiving the Springside system haven't allowed us to get organized sooner.

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

Sincerely,

A handwritten signature in cursive script that reads "Lonnie Parnell".

Lonnie Parnell, President
Par Utilities, Inc.

(6) Each utility shall demonstrate the appropriateness of the requested service availability charges and conditions.

Specific Authority: 367.121(1), 367.101, F.S.

Law Implemented: 367.101, F.S.

History: New 6/14/83, Amended 11/9/86, 11/30/93.

25-30.570 Imputation of Contributions-in-Aid-of-Construction.

If the amount of CIAC has not been recorded on the utility's books and the utility does not submit competent substantial evidence as to the amount of CIAC, the amount of CIAC shall be imputed to be the amount of plant costs charged to the cost of land sales for tax purposes if available, or the proportion of the cost of the facilities and plant attributable to the water transmission and distribution system and the sewage collection system.

Specific Authority: 367.121(1), 367.101, F.S.

Law Implemented: 367.101, F.S.

History--New 06/14/83, formerly 25-30.57, Amended 01/31/00.

25-30.580 Guidelines for Designing Service Availability Policy.

A utility's service availability policy shall be designed in accordance with the following guidelines:

(1) The maximum amount of contributions-in-aid-of-construction, net of amortization, should not exceed 75% of the total original cost, net of accumulated depreciation, of the utility's facilities and plant when the facilities and plant are at their designed capacity; and

(2) The minimum amount of contributions-in-aid-of-construction should not be less than the percentage of such facilities and plant that is represented by the water transmission and distribution and sewage collection systems.

Specific Authority: 367.121(1), 367.101, F.S.

Law Implemented: 367.101, F.S.

History--New 06/14/83, formerly 25-30.58, Amended 01/31/00.

25-30.585 Developer Service Availability Charges. Subject to the limitation in Rule 25-30.580, service availability charges for real estate developments shall not be less than the cost of installing the water transmission and distribution facilities and sewage collection system and not more than the developer's hydraulic share of the total cost of the utility's facilities and the cost of installing the water transmission and distribution facilities and sewage collection system. The terms of a developer's agreement shall be consistent with the basic principles embodied in the rules in this part of the utility's approved tariff. A statement of the potential impact of the developer agreement on the rates of the utility shall be submitted along with the developer agreement pursuant to Rule 25-30.550.

Specific Authority: 367.121(1), 367.101, F.S.

Law Implemented: 367.101, F.S.

History: New 6/14/83.

Lydia F. Brugh Little
 11448 N.W. 112th Place
 Chiefland, Fl. 32626

Son DAVID LITTLE
 (252) 542-2929

Exhibit A1 #76

Prepared By	Initial	D.F.
Approved By		

© WILSON JONES

DATE	WATER METER Reading	GALLONS USED	WATER SEWER AMOUNT Billed	LAWN METER Reading	LAWN GALLONS	LAWN AMT. BILLED	PAYMENT	BALANCE
8-10	486170		Lot 76	Hook up Fee				500.00
9-15	490100	3930	54.59				500.00	-0-
10-15	492600	2580	43.98				54.59	-0-
11-15	495070	2390	42.49					43.98
12-15	497410	2340	42.11				43.98	42.49
1-15	499460	2050	39.81				42.11	84.60
2-15	501290	1830	38.08				84.60	0
3-19	503750	2460	43.04				39.81	39.81
4-18	505850	2100	40.20					0
5-17	507700	1850	38.24				DATE	38.08
6-15	512020	4320	57.65				43.04	-0-
7-16	514370	2350	46.10				40.20	0
8-14	516360	1,490	35.41				5-29	38.24
9-16	518150	1,790	37.77				6-21	57.65
10-14	537900	19,750	178.94				7-27	46.10
11-15	539420	1,580	36.12				8-27	35.41
12-15	540900	1,400	34.26					37.77
1-15	540210	1,310	34.00					-0-
2-15	542320	110	24.56					89.47
3-16	542410	90	24.41					-0-
4-16	542410	0	23.71					89.47
5-16	542470	60	24.18					-0-
6-15	543310	840	30.31					0
7-16	543310	0	23.71					0
8-15	543310	0	23.71					0
9-16	543310	0	23.71					0
10-16	543450	140	24.20					0
11-18	543450	0	23.71					0
12-13								0
12-18	543450	0	23.71					0
1-15	543450	0	23.71					0

Cut Bill by 50%
 ← 89.47 (10-19)

1000

1000

100.00 (76.29 CR)
 55.11 (credit)
 24.80 (credit)
 1.00 (credit)
 22.62
 46.33
 21.53 credit
 2.18
 26.00 238.2 credit
 .11 credit
 23.60

Exhibit A1

DEPOSIT TICKET

63-68/631
BRANCH 013

SPRINGSIDE
P O BOX 72
CHIEFLAND, FL 32644

DATE 8-22-00

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL
ENDORSE & LIST CHECKS SEPARATELY OR
ATTACH LIST



	DOLLARS	CENTS
CURRENCY		
COIN		
TOTAL CASH		
CHECKS		
1 76 10.2	500	00
2 84 411.2	50	82
3 45 240.5	60	69
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
TOTAL FROM ATTACHED LIST		
PLEASE RE-ENTER TOTAL HERE		
TOTAL	611	51

⑆063100688⑆

⑆3028964⑆0113⑆⑆000006115⑆

TOTAL ITEMS 3

\$

611.51

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT

2761 Judith WATSON
 P.O. Box 245
 Cedar Key, FL 32625

3439070 with # Lot 94
 543-6545 H.

Initials	Ext.
Prepared By	
Approved By	

Exhibit A2

11150 NW 112th
 Home: 490-8513

2000
2001

DATE	WATER METER Reading	GALLONS USED	WATER SEWER AMOUNT Billed	LAWN METER Reading	LAWN GALLONS	LAWN AMT BILLED	PAYMENT	BALANCE
6-6-00	85230		Hook up fee					500.00
6-6	85230						500.00	-0-
6-15	85230							
7-15	85550	320	26.21					26.21
7-24							26.21	-0-
8-15	87040	1490	35.41					35.41
9-15	88650	1610	36.36				35.41	-0-
10-15	89890	1240	33.45				36.36	-0-
11-1							33.45	-0-
11-15	90900	1010	31.64					31.64
12-15	91950	1050	31.95				31.64	-0-
1-15	93650	1100	32.34				31.95	-0-
2-15	94290	1240	33.45				32.34	-0-
3-6							33.45	-0-
3-19	95440	1150	32.74				32.74	-0-
4-18	96740	1300	33.92				33.92	-0-
5-17	97920	1180	32.98				6-4-01	32.98
6-15	99090	1170	32.90				7-3-01	32.90
7-16	100230	1140	32.66				8-3-01	32.66
8-14	101150	920	30.93					33.93
9-16	102380	1,230	33.37					33.37
10-14	103540	1,160	32.81					33.37
11-15	104740	1,200	33.13					32.81
12-4								33.13
1-15	105300	1,060	32.04					-0-
2-15	106950	1,130	32.58					32.04
3-15	108200	1,270	33.68					32.58
4-16	109960	1,700	37.06					33.68
5-16	111470	1,570	36.04					37.06
6-15	112530	1,060	32.04				5-4	36.04
7-16	113730	1,200	33.13					32.04
8-15	115070	1,340	34.24					33.13
9-16	116020	950	31.17				9-1	34.24
10-16	117300	1,280	33.77					31.17
11-4	118750	1,450	35.10					33.77
							11-4	35.10

SPRINGSIDE
P O BOX 72
CHIEFLAND, FL 32644

DATE 6-8-00

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL
ENDORSE & LIST CHECKS SEPARATELY OR
ATTACH LIST



		DOLLARS	CENTS
CURRENCY			
COIN			
TOTAL CASH			
CHECKS			
#-68	1135	78	90
#-72	4098	51	22
#-73	6396	60	72
#-63	1546	33	80
51 ⁵	1061	54	84
45 ⁶	2368	136	72
46 ⁷	1355	73	86
43 ⁸	1577	52	01
09 ⁹	2078	77	66
07 ¹⁰	418	25	88
04 ¹¹	4068	50	50
01 ¹²	492	44	63
03 ¹³	224	100	00
60 ¹⁴	2825	100	00
61 ¹⁵	555	100	00
89 ¹⁶	2185	55	84
41 ¹⁷	799	62	45
37 ¹⁸	1144	38	64
05 ¹⁹	3953	36	99
38 ²⁰	3157	69	47
81 ²¹	M.O.	31	02
94 ²²	1689	500	00
73 ²³	2075	41	63
TOTAL FROM ATTACHED LIST			
		1876	78

TOTAL ITEMS

23

\$

1876.78

⑆063100688⑆

⑆3028964⑆0113⑆⑆0000187678⑆

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT

ALWIN PFLUEGER Exhibit A3
 11013 NW 112th PLACE
 CHIEFLAND, FL. (32626)

H54

Initials	
Prepared By	
Approved By	

WILSON JONES

DATE	WATER METER Reading	GALLONS USED	WATER SEWER AMOUNT Billed	LAWN METER Reading	LAWN GALLONS	LAWN AMT. BILLED	PAYMENT	BALANCE
9-4	000000	0	TIE IN	FREE	NEW Meter			500.00
9-24							500.00	0
10-16	1750	1,750	37.46			10-29	37.46	0
11-18	3650	1,900	38.64			12-2	38.64	0
12-18	5310	1,660	36.74			1-2-03	36.74	0
1-15	6930	1,620	36.44				36.44	0
2-15	8970	2040	39.73			3-4-03	39.73	0
3-17	10660	1,690	36.98				36.98	0
4-15	12670	2,010	39.51			5-12-03	39.51	0
5-15	14710	2040	39.75				39.75	0
6-20	17890	3180	48.70			7-8-03	48.70	0
7-15	19430	1540	35.82			8-8-03	35.82	0
8-15	21650	2220	41.16			9-1-03	41.16	0
9-15	24190	2540	43.68				43.68	0
10-15	27380	3190	48.78					

Exhibit A3

ITEMIZE CHECKS HERE
 E. NATIONAL DEPOSIT SLIP

ALL CHECKS MUST BE RECEIVED FOR DEPOSIT
 WITHIN THE PROVISIONS OF THE UNIFORM
 CHECK COLLECTION ACT
 PLEASE ENDORSE ALL CHECKS AND LIST
 EACH SEPARATELY

DESCRIPTION		
1 84	2307	29 60
2 85	791	42 01
3 H70	1336	23 71
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		

TOTAL 9532
 PLEASE TRANSFER THIS TOTAL TO FRONT SIDE

		DOLLARS	CENTS
English	2307	608	00
H70	108	500	00
21	598	32	67
29	1296	48	10
43	2372	32	34
50	1805	50	19
55	1676	100	00
57	524	47	99
58	1887	39	84
60	3414	63	94
61	1018	30	78
65	2346	37	38
66	1181	31	40
70	1321	37	33
71	1491	58	75
104	571	48	38
103	572	30	22
H88	419	44	29
TOTAL ITEMS		1841	60

⑆063100688⑆ 13029103⑆01131

21 TOTAL ITEMS

ENTER TOTAL OF CHECKS HERE

TOTAL DEPOSIT \$ 1936.92

CURRENCY	COINS	TOTAL CASH	FRONT SIDE TOTAL	REVERSE SIDE TOTAL
			1841	9532
			60	32

DATE 10-1-02
 DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL
 DOLLARS CENTS



Tax Deed File No. 4579-1996
Parcel Acct. No. 17790-000-00

FILE# 343144
Levy County, FLORIDA

RCD Aug 10 1999 01:46
Douglas M. McKoy, CLERK

DEED DUL STAMPS 14.00
08/10/99 *D* Deputy Lik

CLERK'S TAX DEED

**STATE OF FLORIDA
COUNTY OF LEVY**

WHEREAS, Tax Sale Certificate No. 4579, issued on June 4, 1996, for unpaid taxes against the following described land, was filed in the office of the Tax Collector of Levy County and application for a Tax Deed was made thereon; and

WHEREAS, all proper charges have been paid and proper notice of sale having been made as required by law, and no person entitled to do so having appeared to redeem said land; such land was on the 10th day of May, 1999, offered for sale to the highest bidder, and;

WHEREAS, no bids were offered at said sale whereupon said land was placed on the list of "Lands Available for Taxes", pursuant to F.S. 197.502, and;

WHEREAS, **CARL G. ROSE, III**, of P. O. Box 343, Morriston, FL 32668, offered to purchase said property from Levy County, and has paid all sums required by law;

NOW THEREFORE, on this 9th day of August, 1999, in the County of Levy, State of Florida, I, **DOUGLAS M. MCKOY**, as Clerk of Circuit Court, in and for Levy County, Florida, in consideration of the sum of \$1,910.00, do hereby convey to, **CARL G. ROSE, III**, the following lands situated in the County and State aforesaid and described as follows:

Lots 23 and 24, SPRINGSIDE, as shown in O. R. Book 341, page 597.

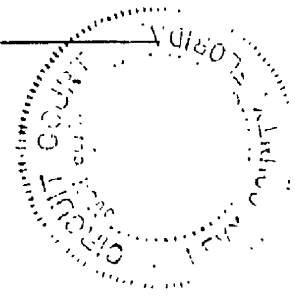
(Formerly assessed to Springside of Manatee)

IN WITNESS WHEREOF, I have hereunto set my official hand and seal on the day and year aforesaid.

Signed and sealed in our presence:

R Patricia L. Galyean
Patricia L. Galyean

Douglas M. McKoy
Douglas M. McKoy
Clerk of Circuit Court
Levy County, Florida



Ann Moody
Ann Moody

(Clerk's Seal)

**STATE OF FLORIDA
COUNTY OF LEVY**

On this 9th day of August, 1999, before me, personally appeared **DOUGLAS M. MCKOY**, Clerk of Circuit Court, in and for the County of Levy, State of Florida, personally known to me to be the person described in and who executed the foregoing instrument, and acknowledged the execution of this instrument to be his own free act and deed for the use and purposes therein mentioned.

Witness my hand and official seal date aforesaid.



Patricia L. Galyean
MY COMMISSION # CC785620 EXPIRES
July 1, 2000
BONDED THROUGH TRISTY FAIR INSURANCE, INC.

Patricia L. Galyean
Notary Public

	COST & INSTALLATION	@ 75% RETIREMENT
WATER		
2 submersible well pumps	\$6,000	\$4,500
2 hydro pressure switches	\$220	\$165
1 chlorine pump	\$500	\$375
WASTE WATER		
blower	\$2,850	\$2,137
2 lift station pumps	\$3,000	\$2,250

We also built a new storage building located at the sewer plant at a cost of \$2,000.

In addition, we added a gravel driveway at a cost of \$1,500 because the sludge trucks were getting stuck in the loose sand.

WELCOME TO BEST BUY #424
GAINESVILLE, FL 32608
(352)379-8500



Val # 1367 5131-8242-3660

0424 008 7218 10/27/03 18:20 0369152

SALE

4968244 QB2003PRO 239 99
QUICKBOOKS 2003 PRO

SUBTOTAL 239.99
SALES TAX 6 00 % 14 40

=====

TOTAL 254 39
*****6920 DEBIT 254 39
PAR/UTILITIES INC
EXP 06/07 APPROVAL
REFERENCE NUMBER 042400809388

Receipt for
Quick Books
Pro

I HAVE READ AND AGREED TO ALL RETURN AND
REFUND POLICIES PRINTED ON THE BACK OF THIS
RECEIPT AND POSTED IN THE STORE I HAVE
RECEIVED GOODS AND/OR SERVICES IN THE
AMOUNT SHOWN ABOVE

BESTBUY.COM RETURN AND EXCHANGE
INFORMATION AND PRICE MATCH POLICY
MAY VARY SLIGHTLY FROM IN-STORE POLICY
PLEASE LOG ONTO WWW.BESTBUY.COM
FOR COMPLETE DETAILS.

CALL 1-888-BESTBUY FOR ALL
IN-HOME WARRANTY REPAIRS!

JOIN THE FUN LOG ON AT
[HTTP://CAREERS.BESTBUY.COM](http://careers.bestbuy.com) TO APPLY

<<<< CUSTOMER COPY >>>>