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MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

RECEIVED-FPSC
06 OCT -6 AM 10:33
COMMISSION CLERK

October 6, 2006

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

HAND DELIVERY

RE: Docket No. 060261-WS; Utilities, Inc. of Pennbrooke's Application for Rate Increase in Lake County, Florida
Our File No.: 30057.121

Dear Ms. Bayo:

Enclosed please find for filing a copy of each of Consumptive Use Permit No. 2717, Condition No. 17, and the General Water Conservation Plan for this utility.

Note that the utility is not affiliated with Club at Pennbrooke Fairways, therefore does not have access to its Conservation Plan as referenced in Permit. No. 88103.

Please feel free to contact me if you have any questions.

Very truly yours,

MARTIN S. FRIEDMAN
VALERIE L. LORD
For the Firm

VLL/tlc
Enclosures

cc: Katherine Fleming, Esq. (w/enclosures - via hand delivery)
Troy Rendell, Division of Economic Regulation (w/enclosures - via hand delivery)
Steven M. Lubertozzi, Director Regulatory Accounting (w/o enclosures - via U.S. Mail)
John Hoy, Regional Vice President for Operations (w/o enclosures - via U.S. Mail)
Patrick C. Flynn, Regional Director (w/o enclosures - via U.S. Mail)
Stephen Reilly, Esquire, Office of Public Counsel (w/enclosures - via hand delivery)

1 + cover ltr.

M:\1 ALTAMONTE\UTILITIES INC\PENNBROOKE\(.121) 2005 RATE CASE\PSC Clerk 11 (CUP).ltr.wpd

DOCUMENT NUMBER-DATE
09233 OCT-6 8

cc: PF

St. Johns River Water Management District

Kirby B. Green III, Executive Director • David W. Fisk, Assistant Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
On the Internet at *www.sjrwmd.com.*

September 14, 2005

RECEIVED
SEP 22 2005
UTILITIES, INC.

Utilities Inc. of Pennbrooke
200 Weathersfield
Altamonte Springs, FL 32714

SUBJECT: Consumptive Use Permit Number 2717
Pennbrooke Utilities Inc

Dear Sir/Madam:

Enclosed is your permit and the forms necessary for submitting information to comply with conditions of the permit as authorized by the St. Johns River Water Management District on September 14, 2005.

Please be advised that the period of time within which a third party may request an administrative hearing on this permit may not have expired by the date of issuance. A potential petitioner has twenty-six (26) days from the date on which the actual notice is deposited in the mail, or twenty-one (21) days from publication of this notice when actual notice is not provided, within which to file a petition for an administrative hearing pursuant to Sections 120.569 and 120.57, Florida Statutes. Receipt of such a petition by the District may result in this permit becoming null and void.

Permit issuance does not relieve you from the responsibility of obtaining permits from any federal, state and/or local agencies asserting concurrent jurisdiction over this work.

The enclosed permit is a legal document and should be kept with your other important records. Please read the permit and conditions carefully since the referenced conditions may require submittal of additional information. All information submitted as compliance with permit conditions must be submitted to the nearest District Service Center and should include the above referenced permit number.

Sincerely,

Gloria Lewis

Gloria Lewis, Director
Permit Data Services Division

Enclosures: Permit, Conditions for Issuance, Compliance Forms, Map, Well Tags

cc: District Permit File

Agent: Wicks Consulting Services Inc
107 W Main St
Tavares, FL 32778

DOCUMENT NUMBER-DATE
09283 OCT-6 05
FPSC-COMMISSION CLERK

File: 20.2 (691 Pennbrooke)

PERMIT NO. 2717 **DATE ISSUED:** September 14, 2005

PROJECT NAME: Pennbrooke Utilities Inc

A PERMIT AUTHORIZING:

The District authorizes, as limited by the attached permit conditions, the use of 165.71 million gallons per year (mgy) (0.454 million gallons per day (mgd) average) of groundwater from the Floridan aquifer for household, common area landscape irrigation, essential and unaccounted type uses to serve an estimated population of 3110 residents in the year 2025.

LOCATION:

Site: Pennbrooke Utilities Inc
Lake County

Section: 19 Township: 19 South Range: 24 East

ISSUED TO:

Utilities Inc. of Pennbrooke
200 Weathersfield
Altamonte Springs, FL 32714

Permittee agrees to hold and save the St. Johns River Water Management District and its successors harmless from any and all damages, claims, or liabilities, which may arise from permit issuance. Said application, including all maps and specifications attached thereto, is by reference made a part hereof.

This permit does not convey to permittee any property rights, nor any rights of privileges other than those specified herein, nor relieve the permittee from complying with any law, regulation or requirement affecting the rights of other bodies or agencies. All structures and works installed by permittee hereunder shall remain the property of the permittee.

This permit may be revoked, modified or transferred at any time pursuant to the appropriate provisions of Chapter 373, Florida Statutes and 40C-1, Florida Administrative Code.

PERMIT IS CONDITIONED UPON:

See conditions on attached "Exhibit A", dated September 14, 2005

AUTHORIZED BY: St. Johns River Water Management District
Department of Resource Management

By: _____
Dwight Jenkins
Division Director

"EXHIBIT A"
CONDITIONS FOR ISSUANCE OF PERMIT NUMBER 2717
UTILITIES INC. OF PENNBROOKE
DATED SEPTEMBER 14, 2005

1. District Authorized staff, upon proper identification, will have permission to enter, inspect and observe permitted and related facilities in order to determine compliance with the approved plans, specifications and conditions of this permit.

2. Nothing in this permit should be construed to limit the authority of the St. Johns River Water Management District to declare a water shortage and issue orders pursuant to Section 373.175, Florida Statutes, or to formulate a plan for implementation during periods of water shortage, pursuant to Section 373.246, Florida Statutes. In the event a water shortage, is declared by the District Governing Board, the permittee must adhere to the water shortage restriction as specified by the District, even though the specified water shortage restrictions may be inconsistent with the terms and conditions of this permit.

3. Prior to the construction, modification, or abandonment of a well, the permittee must obtain a Water Well Construction Permit from the St. Johns River Water Management District, or the appropriate local government pursuant to Chapter 40C-3, Florida Administrative Code. Construction, modification, or abandonment of a well will require modification of the consumptive use permit when such construction, modification or abandonment is other than that specified and described on the consumptive use permit application form.

4. Leaking or inoperative well casings, valves, or controls must be repaired or replaced as required to eliminate the leak or make the system fully operational.

5. Legal uses of water existing at the time of the permit application may not be interfered with by the consumptive use. If unanticipated interference occurs, the District may revoke the permit in whole or in part to curtail or abate the interference unless the permittee mitigates for the interference. In those cases where other permit holders are identified by the District as also contributing to the interference, the permittee may choose to mitigate in a cooperative effort with these other permittees. The permittee must submit a mitigation plan to the District for approval prior to implementing such mitigation.

6. Off-site land uses existing at the time of permit application may not be significantly adversely impacted as a result of the consumptive use. If unanticipated significant adverse impacts occur, the District shall revoke the permit in whole or in part to curtail or abate the adverse impacts, unless the impacts can be mitigated by the permittee.

7. The District must be notified, in writing, within 30 days of any sale, conveyance, or other transfer of a well or facility from which the permitted consumptive use is made or within 30 days of any transfer of ownership or control of the real property at which the permitted consumptive use is located. All transfers of ownership or transfers of permits are subject to the provisions of section 40C-1.612, Florida Administrative Code.

8. A District-issued identification tag shall be prominently displayed at each withdrawal site by permanently affixing such tag to the pump, headgate, valve or other withdrawal facility as provided by Section 40C-2.401, Florida Administrative Code. Permittee shall notify the District in the event that a replacement tag is needed.

9. Landscape irrigation is prohibited between the hours of 10:00 a.m. and 4:00 p.m., except as follows:
   (a) Irrigation using a micro-irrigation system is allowed anytime.

   (b) The use of reclaimed water for irrigation is allowed anytime, provided appropriate signs

are placed on the property to inform the general public and District enforcement personnel of such use. Such signs must be in accordance with local restrictions.

(c) Irrigation of, or in preparation for planting, new landscape is allowed any time of day for one 30 day period provided irrigation is limited to the amount necessary for plant establishment.

(d) Watering in of chemicals, including insecticides, pesticides, fertilizers, fungicides, and herbicides when required by law, the manufacturer, or best management practices is allowed anytime within 24 hours of application.

(e) Irrigation systems may be operated anytime for maintenance and repair purposes not to exceed ten minutes per hour per zone.

10. Golf course and recreational irrigation is prohibited between the hours of 10:00 a.m. and 4:00 p.m. except as follows:

(a) Irrigation using a micro-irrigation system is allowed anytime.

(b) Facilities using reclaimed water for irrigation may do so at anytime provided appropriate signs are placed on the property to inform the general public and District personnel of such use. Such signs must be in accordance with local restrictions.

(c) The use of recycled water from wet detention treatment ponds to irrigate golf courses and recreational areas if allowed anytime provided the ponds are not augmented from any ground or off-site surface water sources.

(d) Irrigation of, or in preparation for planting, new golf courses and recreational areas is allowed at anytime of day for one 30 day period provided irrigation is limited to the amount necessary for plant establishment. Irrigation of newly seeded or sprigged golf course areas is allowed any time of day for one 60 day period.

(e) Chemigation and fertigation are allowed at any time of day one time per week, and anytime during the normal 4:00 p.m. to 10:00 a.m. irrigation hours.

(f) Watering in of chemicals, including insecticides, when required by law, the manufacturer or best management practices is allowed anytime within 24 hours of application.

(g) Irrigation systems may be operated anytime for maintenance and repair purposes not to exceed ten minutes per hour per zone.

(h) The use of water to protect golf course turf from heat stress damage is allowed anytime, provided the watering does not exceed ten minutes per hour per zone.

11. All submittals made to demonstrate compliance with this permit must include the CUP number 2717 plainly labeled.

12. This permit will expire 20 years from date of issuance.

13. Maximum annual ground water withdrawals from the Floridan aquifer for household, utility, common area irrigation and commercial industrial type uses must not exceed:

163.89 million gallons per year (mgy) (0.449 million gallons per day (mgd) average) in 2005 and,
165.71 million gallons per year (mgy) (0.454 million gallons per day (mgd) average) in 2006 through 2025.

14. The permittee must have all flowmeters checked for accuracy every 3 years within 30 days of the anniversary date of permit issuance, and recalibrated if the difference between the actual flow and the meter reading is greater than 5%. District Form No. EN-51 must be submitted to the District within 10 days of the inspection/calibration.

15. Withdrawals from Well 1 (GRS ID 9986) and Well 2 (GRS ID 9987) must be recorded continuously, totaled monthly, and reported to the District at least every six months from the initiation of the monitoring using Form No. EN-50. The reporting dates each year will be as follows for the duration of the permit:

Reporting Period	Report Due Date
January - June	July 31
July - December	January 31

16. The permittee must maintain all flowmeters. In case of failure or breakdown of any meter, the District must be notified in writing within 5 days of its discovery. A defective meter must be repaired or replaced within 30 days of its discovery.

17. The permittee must continue to implement the Water Conservation Plans submitted to the District on February 7, 2005 and June 16, 2005, in accordance with the schedules contained therein.

18. When reclaimed water is readily available it must be used in place of higher quality sources. The permittee must ensure that all reclaimed water generated as a result of this permitted withdrawal shall be beneficially reused when deemed feasible pursuant to District rules and applicable state law.

Notice Of Rights

1. A person whose substantial interests are or may be determined has the right to request an administrative hearing by filing a written petition with the St. Johns River Water Management District (District), or may choose to pursue mediation as an alternative remedy under Sections 120.569 and 120.573, Florida Statutes, before the deadline for filing a petition. Choosing mediation will not adversely affect the rights to a hearing if mediation does not result in a settlement. The procedures for pursuing mediation are set forth in Sections120.569 and 120.57, Florida Statutes, and Rules 28-106.111 and 28-106.401-.405, Florida Administrative Code. Pursuant to Chapter 28-106 and Rule 40C-1.1007, Florida Administrative Code, the petition must be filed at the office of the District Clerk at District Headquarters, P. O. Box 1429, Palatka, Florida 32178-1429 (4049 Reid St., Palatka, FL 32177) within twenty-six (26) days of the District depositing notice of District decision in the mail (for those persons to whom the District mails actual notice) or within twenty-one (21) days of newspaper publication of the notice of District decision (for those persons to whom the District does not mail actual notice). A petition must comply with Chapter 28-106, Florida Administrative Code.

2. If the Governing Board takes action which substantially differs from the notice of District decision, a person whose substantial interests are or may be determined has the right to request an administrative hearing or may choose to pursue mediation as an alternative remedy as described above. Pursuant to District Rule 40C-1.1007, Florida Administrative Code, the petition must be filed at the office of the District Clerk at the address described above, within twenty-six (26) days of the District depositing notice of final District decision in the mail (for those persons to whom the District mails actual notice) or within twenty-one (21) days of newspaper publication of the notice of its final agency action (for those persons to whom the District does not mail actual notice). Such a petition must comply with Rule Chapter 28-106, Florida Administrative Code.

3. A substantially interested person has the right to a formal administrative hearing pursuant to Section 120.569 and 120.57(1), Florida Statutes, where there is a dispute between the District and the party regarding an issue of material fact. A petition for formal must comply with the requirements set forth in Rule 28-106.201, Florida Administrative Code.

4. A substantially interested person has the right to an informal hearing pursuant to Sections 120.569 and 120.57(2), Florida Statutes, where no material facts are in dispute. A petition for an informal hearing must comply with the requirements set forth in Rule 28-106.301, Florida Administrative Code.

5. A petition for an administrative hearing is deemed filed upon delivery of the petition to the District Clerk at the District headquarters in Palatka, Florida.

6. Failure to file a petition for an administrative hearing, within the requisite time frame shall constitute a waiver of the right to an administrative hearing (Section 28-106.111, Florida Administrative Code).

7. The right to an administrative hearing and the relevant procedures to be followed are governed by Chapter 120, Florida Statutes, and Chapter 28-106, Florida Administrative Code and Section 40C-1.1007, Florida Administrative Code.

Notice Of Rights

8. An applicant with a legal or equitable interest in real property who believes that a District permitting action is unreasonable or will unfairly burden the use of his property, has the right to, within 30 days of receipt of notice of the District's written decision regarding a permit application, apply for a special master proceeding under Section 70.51, Florida Statutes, by filing a written request for relief at the office of the District Clerk located at District headquarters, P. O. Box 1429, Palatka, FL 32178-1429 (4049 Reid St., Palatka, Florida 32177). A request for relief must contain the information listed in Subsection 70.51(6), Florida Statutes.

9. A timely filed request for relief under Section 70.51, Florida Statutes, tolls the time to request an administrative hearing under paragraph no. 1 or 2 above (Paragraph 70.51(10)(b), Florida Statutes). However, the filing of a request for an administrative hearing under paragraph no. 1 or 2 above waives the right to a special master proceeding (Subsection 70.51(10)(b), Florida Statutes).

10. Failure to file a request for relief within the requisite time frame shall constitute a waiver of the right to a special master proceeding (Subsection 70.51(3), Florida Statutes).

11. Any substantially affected person who claims that final action of the District constitutes an unconstitutional taking of property without just compensation may seek review of the action in circuit court pursuant to Section 373.617, Florida Statutes, and the Florida Rules of Civil Procedures, by filing an action in circuit court within 90 days of the rendering of the final District action, (Section 373.617, Florida Statutes).

12. Pursuant to Section 120.68, Florida Statutes, a person who is adversely affected by final District action may seek review of the action in the District Court of Appeal by filing a notice of appeal pursuant to the Florida Rules of Appellate Procedure within 30 days of the rendering of the final District action.

13. A party to the proceeding before the District who claims that a District order is inconsistent with the provisions and purposes of Chapter 373, Florida Statutes, may seek review of the order pursuant to Section 373.114, Florida Statutes, by the Florida Land and Water Adjudicatory Commission, by filing a request for review with the Commission and serving a copy on the Department of Environmental Protection and any person named in the order within 20 days of adoption of a rule or the rendering of the District order.

14. For appeals to the District Court of Appeal, a District action is considered rendered after it is signed on behalf of the District, and is filed by the District Clerk.

15. Failure to observe the relevant time frames for filing a petition for judicial review described in paragraphs #11 and #12, or for Commission review as described in paragraph #13, will result in waiver of that right to review.

Notice Of Rights

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing Notice of Rights has been sent by U.S. Mail to:

Utilities Inc. of Pennbrooke
200 Weathersfield
Altamonte Springs, FL 32714

At 4:00 p.m. this 14th day of September, 2005.

Gloria Lewis

Division of Permit Data Services
Gloria Lewis, Director

St. Johns River Water Management District
Post Office Box 1429
Palatka, FL 32178-1429
(386) 329-4152
Permit Number: 2717

FLOW METER WATER CALIBRATION RECORD - EN51

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Post Office Box 1429
Palatka, Florida 32178-1429

Consumptive Use Permit Number: **2717**

Permittee Name: **Utilities Inc. of Pennbrooke**

Date of Permit Issuance: **September 14, 2005** Station Name: **1**

Pump Capacity: **600 GPM**

Serial Number on Meter: _____

Meter Model: _____

Discharge Pipe Diameter: _____

Date of Last Meter Calibration: _____/_____/_____

Date of This Calibration: _____/_____/_____

Name of Person Performing Calibration: _____

_____

Method or Equipment Used for Calibration: _____

_____

Initial Meter Reading at Start of Calibration: _____

Final Meter Reading at End of Calibration: _____

Readings on Equipment Used for Calibration:

Start: _____ End:_____

(Attach Formulas Used to Make Calculations)

Percent of Error Between Meter Reading and Calibration Equipment: _____%

Name of Person Completing Form (Please Print): _____

Company Name: _____

Address: _____

City/State/Zip: _____

Daytime Telephone: (_____) _____ - _____

Please Retain a Copy for Your Records

FLOW METER WATER CALIBRATION RECORD - EN51

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Post Office Box 1429
Palatka, Florida 32178-1429

Consumptive Use Permit Number: **2717**

Permittee Name: **Utilities Inc. of Pennbrooke**

Date of Permit Issuance: **September 14, 2005** Station Name: **2**

Pump Capacity: **600 GPM**

Serial Number on Meter: _____

Meter Model: _____

Discharge Pipe Diameter: _____

Date of Last Meter Calibration: _____/_____/_____

Date of This Calibration: _____/_____/_____

Name of Person Performing Calibration: _____

_____

Method or Equipment Used for Calibration: _____

_____

Initial Meter Reading at Start of Calibration: _____

Final Meter Reading at End of Calibration: _____

Readings on Equipment Used for Calibration:

Start: _____ End:_____

(Attach Formulas Used to Make Calculations)

Percent of Error Between Meter Reading and Calibration Equipment: _____%

Name of Person Completing Form (Please Print): _____

Company Name: _____

Address: _____

City/State/Zip: _____

Daytime Telephone: (_____) _____ - _____

Please Retain a Copy for Your Records

GENERAL

WATER CONSERVATION PLAN

For

UTILITIES, INC. OF PENNBROOKE

TABLE OF CONTENTS

I. PURPOSE

The purpose of this document is to produce a water conservation plan for all of our systems operated within the St. Johns River Water Management District. This plan will address the features of a water conservation plan which will be employed in all of our systems and will propose a timetable for implementing the various activities required to increase accountability for water consumption.

The ultimate goal of this plan is to help focus water conservation efforts by determination of system efficiencies and identification of water loss sources. Corrective action will be taken to attain a minimum discrepancy of 10 percent between water pumped and water used.

II. WATER CONSERVATION PROGRAM

A. GENERAL

Utilities, Inc. of Pennbrooke presently practices several activities to reduce the amount of unaccounted for water. Reduction of unaccounted for water reduces withdrawal quantities and thus enhances conservation of one of Florida's most precious natural resources.

Water distribution maps are updated whenever new construction occurs in our service area. Files are maintained of the distribution systems and Monthly Operating Reports (MORs) updated on an annual basis to keep the system files current.

The billing and accounting system is computerized and records are produced every two months based on the quantity of water read at the meters. Meter readings at the plant are read daily and recorded on a log.

Meter records are computerized and can be summarized based on the size of meter and customer number. This data can be used to quickly verify recorded flows and pinpoint any areas where inaccurate recordings may be prevalent.

Construction activity within our service areas oftentimes requires usage of water for various activities. To prevent excessive consumption of water, each contractor is required to obtain a meter

prior to commencing water usage. All water used in the construction activity is metered and the quantity recorded at the end of the job. This activity is performed on an as-needed basis and enable us to reduce quantities of unaccounted for water consumption.

Meters not in use are locked. This activity is performed on a daily basis within our service areas when an account becomes delinquent or inactive. Meters are removed when excessive tampering with the locks occurs or when a service becomes permanently disconnected. This activity prevents tampering with the meters and reduces quantities of unauthorized and unrecorded water consumption.

System operators monitor flow rates on a daily basis to record the water pumped into the system. Excessive pumpage is indicative of a leak and prompts a system investigation to determine whether any visible signs of leakage are evident. Customer calls to the account managers concerning system leakage are investigated promptly to determine whether the leakage is from our distribution or transmission system.

System pressures are monitored on a daily basis to verify that sufficient pressure is maintained in the distribution system. Low pressures signify the possibility of a leak and prompt the system operator to investigate whenever a leak has occurred. Customer calls concerning low pressure are referred by the Account Manager to the operator in charge of the system. The operator proceeds to investigate the low pressure complaint to determine whether the cause is due to a system leak or blockage. Corrective action is taken as required to correct the deficiency.

Water treatment system components are cleaned as required by manufacturers' recommendations for the equipment utilized. Customer complaints to the Customer Service Representative concerning excessive consumption are handled by asking specific questions concerning unusual circumstances which would increase water usage such as company, landscaping, filling of a swimming pool or other non-regular occurrences. If the cause of excessive consumption cannot be isolated then a system operator is sent to the customer to investigate.

The system operator seeks further information from the customer and investigates any obvious signs of water consumption such as new sod, evidence of leaks or other contributing factors which might lead to an increased amount of consumption. If no evidence is found, the customer is given the opportunity to have the meter field checked to verify its accuracy. On occasion, the meter is removed and sent to an independent lab for a flow check. Inaccurate meters are replaced when significant errors are detected. Water plant equipment is replaced on an as needed basis when it becomes obsolete, treatment upgrade is required or when repair is not cost-effective.

Leaks in the production facility, transmission lines and distribution system are repaired when they are discovered by Operations personnel. Every effort is made to minimize lost water due to the main break by shutting off applicable valves to minimize water loss until the leak can be repaired. The repaired leak is checked under normal system operation parameters to verify that leakage has been eliminated before the main or item of equipment is placed back into service.

Customer complaints concerning excessive consumption result in a check of their meters by operations personnel and a check for system leaks. If a system leak is responsible then repairs are promptly executed. A customer is responsible for any repairs to their plumbing.

B. Water Use Efficiency Assessment

Water use is assessed on a yearly basis for each system. Data for the year is included as a MOR summary with each individual system's water audit. Distribution system maps are updated as changes to the system occur. Information on the distribution system pipe sizes, quantities and lengths can be obtained by consulting the M.O.R. included with each system's water conservation plan.

Most systems are self-contained and no interconnections occur with other suppliers. Water sold is produced from the system wells. These are deep wells and pump through the treatment plant into hydropneumatic tanks prior to entering the distribution system. The number of wells varies by

system. No surface water sources are used to supplement water supplies in any of our systems.

All water flow from the wells to the distribution system is metered. Meter accuracy varies by the type of meter used but falls within the limits listed in the table below:

ACCURACY LIMITS IN PERCENT

METER TYPE	MAXIMUM RATE	INTERMEDIATE RATE	NEW	REPAIRED
Displacement	98.5-101.5	98.5-101.5	95-101.5	90-101.5
Current	97-103	97-103	95-103	90-103
Compound*	97-103	97-103	97-103	90-103

* The minimum required accuracy for compound meters at any rate within the "changeover" range of flows shall be 85%.

Meter log books and totalizer records are recorded on a monthly basis. Customer meters are tested in the field by system operators and replaced when accuracy limits exceed the tolerance listed above. Field test meters are currently in use to increase the efficiency and frequency of meter testing.

Presently water loss due to inaccurate meters is not adjusted unless accuracy exceeds the limits in the table above. Adjustments to the customers are made on their next bill. The amount of adjustments has historically been small and does not seem to have a significant impact on unaccounted for water quantities.

The predominant users in our systems are residential with a small percentage of commercial users. Meters at these commercial facilities are replaced when calibration data indicates the meter is outside the accuracy tolerance limits. Testing meters have been purchased in order to implement a testing program.

Residential water sales and other uses are metered in each system. Meter readings are accomplished bi-monthly and data logged into the computer. Water usage complaints are handled by the Account Manager and relayed to the Area Manager. These customer complaints for excessive usage are tested for leaks and adjustments made to the customers bills as required. Residential water consumption for each system is shown on the M.O.R. summary sheets for each service area.

Billing procedures are reviewed as needed and adjustments made if conditions warrant. Leaks are detected and repaired if they are within our distribution system. Customer leaks are determined and the customer informed. The customer is responsible for repairing leakage within their structure.

Unaccounted for water is defined as the difference between the quantity of water pumped and the quantity of water sold. Areas where the discrepancy between water pumped and water sold exceeds 10 percent will incorporate the elements of the Unaccounted for Water Procedure included as part of the general water conservation plan.

III. UNACCOUNTED FOR WATER REDUCTION PLAN

Unaccounted for water (UFW) is the difference between the amount of water a utility produces and the amount of water that it can account for in sales and other known uses for a given period. Unaccounted for water can result from:

(a) inaccurate or incomplete record-keeping
(b) meter error, stuck meters
(c) leaks, breaks
(d) unmetered uses, such as fire fighting, line flushing, irrigation, plant use, lift station use, and
(e) water theft or unauthorized use.

UFW should be reduced to a minimal level to reduce production and maintenance costs associated with water loss and to increase the Company's earning potential. The Florida Public Service Commission allows up to 10 per cent unaccounted for water. If our UFW percentage is over the allowable 10 percent, the Commission deducts operating expenses for the gallons not accounted for.

It is the responsibility of the Operations Manager to assure that:

1. accurate and complete records are maintained
2. problems associated with UFW are corrected immediately
3. the forms are accurately completed
4. the forms are attached to the MORs and forwarded to the Utility Engineer in Altamonte Springs
5. problems are researched and documented and corrective action is taken as quickly as possible.

Accurate and detailed record-keeping is the basis for accounting for the Utility's water. Record-keeping includes three components:

1. the utility's billing system and metered uses
2. estimates and records of unmetered water used to fill tank trucks, fire department use, cleaning, flushing, draining tanks, washdowns
3. leaks, breaks and meter change records.

The following procedure will allow for accurate and timely determinations to be made regarding water uses and losses.

Flushing Record is to be used whenever lines, hydrants, tanks, etc. are flushed.

Water Loss Record is to be used whenever there are line/main/service breaks and whenever a meter is changed out.

A sample of these forms is included to illustrate its use. Sample forms are in Appendix "A" of this report. All applicable sections should be filled in on a daily basis for each occurrence of the aforementioned items.

Fire Department Water Form Use is to be forwarded to the fire departments that use water produced by our facilities. A sample of this form is included. It will be forwarded to the fire departments along with a letter requesting that the form be used and forwarded to the Area Manager by the 15th day of the following month.

The forms outlined above must be filled out by all applicable personnel, attached to the monthly MORs and forwarded to the Operations Manager by the 20th of the month following completion of the MORs.

The Account Manager will provide a water sold report to the Area Manager as the systems are billed. The Area Manager will coordinate sold gallons to water produced and calculate UFW gallons and percentages using the MORs, other use information provided the field personnel and the reports received from the Account Manager.

Any system that reflects a significant fluctuation or a negative percentage and/or a percentage over 10 must be analyzed and investigated. The Operations Manager will forward a copy of the problem system's data to the Vice President or Engineer who will determine the UFW problem. If the field personnel need assistance in determining the cause, they will request help from the Operations Manager, Engineer and/or Vice President. When the problem has been determined, the cause and corrective action will be documented and forwarded to the engineer. When possible, the information will be corrected and updated data will be distributed.

IV. WATER CONSERVATION BEST MANAGEMENT PRACTICES

A. Production Facility Process Water

Water treatment plants situated within the service areas covered by this water conservation plan contain the following basic elements: wells, disinfection using chlorine, softening facilities and a hydropneumatic tank. The predominant water usage within all of the plants is for softening and chlorination. Water is drawn from the piping downstream from the hydro- pneumatic tank and used for sprayers and chlorine injection into the treatment plant. There is unaccounted for water in this process. A meter will be installed to measure the flow. Flow readings will be recorded daily.

B. Water Use Monitoring

The raw water supply to the plant is monitored. A finished water meter was installed in January 1998 to help determine the quantity of water used in the treatment process. Process water use will be metered beginning in February 1998. The calibration schedule is given in Section IV of this plan.

V. CUSTOMER CONSERVATION PROGRAMS

A. Water Audits

Water audits play an important role in developing increased customer awareness of water usage by various facilities in the home. We do not possess the manpower to perform these audits for our customers but are proposing to implement a program to assist the customer in determining their own usages.

Attached to this general water conservation plan for all systems is a copy of a form distributed by St. Johns River Water Management District to assist the customer in estimating their water consumption. A copy of the form titled "Home Water Use" is presented in appendix A of this document. Initially, this document will be sent to those customers who call our office complaining of high water bills, with an explanation for the purpose of the literature. We anticipate that the increased awareness by the customer of where the water goes will lead to individual conservation efforts in order to reduce their monthly billing rate. We believe that initially targeting this group will result in the greatest benefit as these customers will be more inclined to reduce consumption. We propose to begin implementing this program beginning in 1998.

Customer complaints concerning high consumption are presently investigated by our operations staff. Individual meters are equipped such that leakage can be ascertained by our staff. Leakage which is due to our distribution system is repaired immediately. The customer is kept informed of the results of our investigation and promptly notified if the leak is determined to be within their system. This notification enables the customer to arrange for their own repairs without unnecessary delay resulting in a decrease of wasted water.

B. Domestic Plumbing Retrofitting Programs (Indoor Conservation)

Presently we are preparing to distribute conservation kits to our customers as the need dictates. We have received literature from various companies which manufacture the devices and have investigated the items to be furnished and the ease of installation of each kit Distribution of the kits is proposed to commence in 1998. Initially, these kits will be distributed to those customers complaining of

excessive usage or have expressed an interest in conserving water. Although we do not have the personnel to install the kits for these customers, we believe that this type of customer would be most likely to install or arrange for installation of the devices.

C. Non-Domestic Retrofitting Programs for Large Volume Users of Water (Indoor Conservation)

Systems served by our company are predominantly residential in scope. Non-domestic systems primarily consist of small businesses which are serviced by 2-inch or less meters. Large volume users in our system are primarily for irrigation and a retrofitting plan does not apply.

D. New Construction Programs (Outdoor Conservation)

Utility systems owned and operated by our firm are predominantly built out. We generally acquire a system from the developer near the end of subdivision construction which does not give us the opportunity to provide construction water conservation incentives. This item is not applicable for our situation.

E. Outdoor Conservation Programs for Customers

Presently we provide xeriscaping information at our office for those customers interested in this type of landscaping. The literature that we provide is the Southwest Florida Water Management District Plant Guide. This booklet contains much useful information pertaining to drought tolerant plants such as shape, height, growth rate, salt tolerance, water requirements and other useful information required for a customer to make an appropriate plant selection to meet their landscaping requirements. This literature is provided upon request to our customers.

VI. PUBLIC EDUCATION / EMPLOYEE AWARENESS

A. Existing Activities

Within the St. Johns River Water Management District area the extent of our employees is limited which has a direct bearing on the types of programs we presently offer. Water bills are processed on a bi-monthly basis and consist of post-cards which are

mailed to our customers. Use of bill stuffers is not practical with the type of billing system that we currently utilize.

Our facilities are predominantly residential and most of them are built out. As a result of our system demographics, any public awareness and conservation efforts must be directed to current users to be most effective. Presently, we do not conduct any public education programs but we do plan to increase our efforts in this direction as circumstances permit. Upon request, we do conduct tours of our water and wastewater facilities for those individuals or groups interested in our facilities. Public tours help to increase the knowledge of those who participate in the event and, hopefully, lead to increased quality of relationships between us and our customers.

As mentioned in the previous section, we are increasing our efforts to increase customer awareness of water usage. Literature pertaining to water usage will be given to those customers who complain of high bills in order to help them become more aware of their usage habits and help them in their conservation efforts. This literature is the "Home Water Use" survey as published by the water management district. Because the largest majority of our users are residential, it is believed that this document would provide the most effect in reducing water consumption.

Many customers are not aware of the water use restrictions which govern their consumption of water. This is especially true for those people who are moving to this area from other states where restrictions are uncommon. We believe that it is beneficial to make these new citizens aware of the water restrictions imposed within their service area and will distribute a summary of these rules to each new customer when they obtain service.

Distribute Water Conservation Rules - A summary of the water management district conservation rules is given to our new customers upon initiation of service. This literature is most beneficial to them because many have relocated to our area from other states where conservation rules are non existent. This literature provides additional emphasis that water conservation is a critical component of utility

policy and that it is important that customers implement water conservation practices.

Use of Special Mailings Provide Water Conservation Tips and Information to Our Customers - A copy of the form titled "Home Water Use" will be distributed to those customers complaining of high water bills. We anticipate that these customers will be most likely to use the form because they have expressed an interest in their water consumption and are financially motivated to reduce it.

VII. WATER CONSERVATION PLAN SUMMARY

(Outdoor Conservation) - Repeat water use efficiency assessment - Water use records will be reviewed annually to determine whether the discrepancy between pumped and accounted for water exceeds 10%. This program will commence in January 1998.

(Outdoor Conservation) Inspect and Recalibrate all Master Meters - Master meters are defined as those meters which measure the quantity of water pumped from a well. Presently meters are inspected annually but are not calibrated. Broken meters are replaced when they are discovered. Beginning in May 1998, we propose to calibrate all of our meters within the water management district in order to achieve complete calibration of our system in a seven year time span.

(Outdoor Conservation) Establish Flushing and Water Loss Records - Proposed forms to be used to quantify these quantities are presented in Appendix A of this report. Operators will provide estimates of the water used on a monthly basis beginning in 1998. Quantities of water used for these purposes will be combined with quantity sold in order to better control the unaccounted for portion of water in each distribution system. These forms will provide a more accurate estimation of water used for these purposes which, we believe, constitutes the greatest portion of our unsold water.

(Indoor Conservation) Distribute Plumbing Conservation Kits - We have contacted various manufacturers of these kits and already have a kit for distribution. The kit to be distributed contains

tablets for leak detection, a toilet tank bag to reduce the quantity of water used in each flush, shower head water savers and instructions for installation. These kits are being distributed to those customers complaining of excessive consumption or to those interested in water conservation.

(New Construction conservation) A New construction Conservation Program will be utilized by promoting conservation efforts through developers agreements to builders/developers when starting new projects that outline the utilization of metering and cost of construction water. In addition, all new construction projects will be required to meter the water used for construction purposes including, but not limited to, flushing, pressure testing, bacteriological testing and other construction related uses. The water use will be tracked through the customers billing system by initiating a temporary account. The implementation of such Construction Conservation Program will commence immediately.

WATER CONSERVATION PLAN

APPENDIX A

WATER LOSS RECORD

Plant ____________________
Month/Year ____________________

SERVICE LINE / MAIN BREAKS

DATE	*SERVICE LOCATION*	*SIZE*	*ESTIMATED LOSS*	*INITIAL*

(REMEMBER TO LOG ANY FLUSHING DUE TO BREAKS ON FLUSH RECORD)

METER REPLACEMENTS

Plant ____________________
Month/Year ____________________

DATE	SUB	SERVICE LOCATION	OLD METER #	NEW OR REPL	REASON REPLACED	INITIAL

FIRE DEPARTMENT WATER USE

To be submitted monthly to:

Utilities, Inc. of Florida
200 Weathersfield Avenue
Altamonte Springs, FL 32714

County ______________________
Station Name ______________________
Phone Number ______________________

DATE USED	HYDRANT LOCATION	GALLONS USED	REASON

FLUSHING RECORD

Include service lines, mains, hydrants, tanks, etc.

Plant ____________________

Month/Year ____________________

DATE	PRESSURE (PSI)	FLUSHING TIME (MIN)	ESTIMATED GPM	FLUSH POINT SIZE	TIME FLUSHED	TOTAL GALLONS FLUSHED	LOCATION OF FLUSHING POINT