

# FLORIDA CITIES WATER COMPANY

August 30, 1995

Patricia W. Merchant  
Public Utilities Supervisor  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Docket No. 950387-SU - Application of Florida Cities Water Company, North Ft. Myers Division, Wastewater Operation, for increase in Wastewater Rates in Lee county, Florida

Dear Ms. Merchant:

The following are Florida Cities Water Company's (FCWC) responses to the questions posed in your letter dated August 24, 1995 to the attention of Mr. Johnnie Overton. For clarity purposes, the questions are restated.

Q1. Does Avatar Utility Services, Inc. provide employees to perform meter reading, accounting and/or data entry functions? If yes, describe how charges are allocated to each affiliated system. If no, describe how the functions performed are charged and/or allocated to individual affiliated utility systems.

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
LEG \_\_\_\_\_  
LIN \_\_\_\_\_  
OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC / \_\_\_\_\_  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

A1. Avatar Utility Services, Inc. (AUSI) does not provide employees to perform meter reading, accounting and/or data entry functions for FCWC. AUSI provides computer services required for the maintenance of FCWC water and wastewater customer records, including records management, customer billing, general ledger, payroll and related functions. Attached is a copy of the contract between AUSI and FCWC.

Meter reading for FCWC is generally performed by FCWC employees. Beginning March 21, 1995, the Lee County Division of FCWC, which includes the North Ft. Myers Wastewater Service Territory, contracted out the majority of its meter reading function to a non-affiliated third party, Anderson Engineering. Accounting functions for FCWC are performed by the Accounting Department of FCWC. Such services are allocated to all FCWC and affiliated operations on a three factor basis which considers number of customers, utility plant in service and payroll. This three factor method has been considered and approved by the Commission in all recent FCWC rate cases.

FLORIDA CITIES WATER COMPANY  
4837 Swift Road, Suite 100  
Sarasota, Florida 34231  
P.O. Box 21119 (34276-4119)  
Telephone 813/925-3088

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING 00381

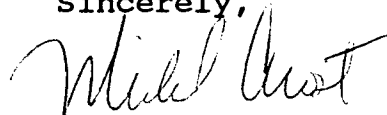


- Q2. If Avatar Utility Services, Inc. has a non-affiliated client requesting billing, accounting or operational services, how is it determined which or whose employees will perform these functions? Explain the complete process.
- A2. AUSI performs customer billing with its own employees. At present, AUSI provides no accounting services to FCWC or non-affiliated entities. Operational services to non-affiliated entities are normally provided by AUSI employees. AUSI hires either full-time or part-time staff to provide the client requested services. Where support or back-up resources are needed, support/back-up is provided by the nearest operation of an affiliated company on an as-available basis. In these cases, wages plus related payroll taxes, medical insurance and other benefits are intercompany billed to AUSI by the affiliated company.
- Q3. Do the employees performing these functions have to work overtime to complete these additional assignments or do they have sufficient time during regular hours to provide these additional services?
- A3. Generally, affiliated company employees can not perform their normal job duties and provide additional services to AUSI during their regular hours. Any necessary support services performed by affiliated company non-exempt (hourly) employees that result in overtime or are performed on overtime are reimbursed by AUSI to the affiliated company at the appropriate overtime rate including associated costs. Since overtime is not an issue with exempt employees, they are billed to AUSI at their appropriate hourly rate including associated costs.
- Q4. Provide a detailed schedule showing all instances where Florida Cities Water Company - North Ft. Myers Wastewater Division employees performed work for non-affiliated services and the amount reimbursed by Avatar Utility Services, Inc. for the year ended 12/31/94. Show account numbers.
- A4. Lee County Division employees, assigned full time to the North Ft. Myers Wastewater Service Territory, did not perform any work in connection with non-affiliated companies during 1994. However, the following Lee County Division wastewater employees (see attached schedule), a portion of whose time is allocated to the North Ft. Myers Wastewater Service Territory, assisted AUSI in 1994 regarding an AUSI proposal for the

Patricia W. Merchant  
August 30, 1995  
Page 3

operation of the Lee County Utilities. This was a one-time special effort around which the Division was able to schedule its regular work. These employees were billed to AUSI at their hourly rates plus related payroll taxes, medical insurance and other benefits. As such, the North Ft. Myers Wastewater Service Territory was not allocated salary and related costs associated with the hours billed to AUSI.

Sincerely,



Michael Acosta, P.E.  
Vice President  
Engineering and Operations

MA/ajc  
Attachments

cc:w/encl.: Division of Records & Reporting  
Ralph Jaeger, Esq.

00383

FLORIDA CITIES WATER COMPANY  
FORT MYERS EMPLOYEES WITH TIME CHARGED TO AVATAR UTILITY SERVICES

FILE: FM-AUSI2

EMPLOYEE	PAY PERIOD	P/R DIST.	P/R OVERHEADS	P/R TRANSPORT.	REGULAR P/R ACCT NOS.
MIKE BURRES	06/25/94	259.07	121.55	52.50	10/12-601-70/80 & 11/13-701-70/80
MIKE CURRIER	06/25/94	486.87	228.42	105.00	013-701-30/40
LARRY GRIGGS	06/25/94	551.64	258.81	90.00	10/12-601-80 & 11/13-701-80
ROBERT MIGDAL	06/25/94	358.36	168.13	72.00	013-701-60
SUSANNE GETTLER	06/25/94	461.75	216.64	108.00	11/13-701-50
MIKE CURRIER	09/10/94	135.48	74.35	24.00	11/13-701-30/40
LARRY GRIGGS	09/10/94	275.82	151.37	45.00	10/12-601-80 & 11/13-701-80
DAVID ILLIG	09/10/94	80.37	44.11	24.00	012-601-40
ROBERT MIGDAL	09/10/94	61.00	33.48	12.00	013-701-60
SUSANNE GETTLER	09/10/94	95.72	52.53	18.00	011/13-701-50
VERNA RUSSELL	09/10/94	22.10	12.13		10/12-601-70 & 11/13-701-70
DESMOND BAILEY	11/10/94	95.73	53.13	21.00	10/12-601-60
MIKE BURRES	11/10/94	185.05	102.70	37.50	10/12-601-70/80 & 11/13-701-70/80
MIKE CURRIER	11/10/94	415.77	230.74	57.00	11/13-701-40
CHARLES D'ALESSANDRO	11/25/94	13.34	7.40	7.00	10/12-601-60
LARRY GRIGGS	11/10/94	489.12	271.45	79.80	10/12-601-80 & 11/13-701-80
ROBERT MIGDAL	11/10/94	57.21	31.75	12.00	013-701-60
SUSANNE GETTLER	11/10/94	336.41	186.70	81.00	11/13-701-50
TIMOTHY ZRADICKA	12/25/94	124.58	69.14	42.00	013-701-60/012-601-40
<b>TOTALS</b>		<b>4,505.39</b>	<b>2,314.53</b>	<b>887.80</b>	

# AVATAR UTILITY SERVICES, INC.

March 2, 1995

Paul H. Bradtmiller  
Executive Vice President and  
Chief Operating Officer  
Florida Cities Water Company  
4837 Swift Road, Suite 100  
Sarasota, FL 34231

Subject: 1995 AUSI Service Contract

Dear Mr. Bradtmiller:

Enclosed herewith is your 1995 contract with Avatar Utility Services, Inc. (AUSI) for billing and data storage services. Note that the effective date of the contract is March 1, 1995.

The submission of the contract was delayed this year because of some restructuring of the language aimed at improving clarity and a detailed review of the pricing. Because of significant increases in the cost of paper products and general cost increases, we have made some modest unit price adjustments, the first since 1993. Exhibit A to the contract shows the detailed price list; however, the following is a comparison of prices for major services:

	<u>1994</u>	<u>1995</u> <u>Contract</u>
Master Record Storage (per record per month)	\$0.40	\$0.412
Bills Issued (per bill issued)	\$0.25	\$0.262
Final Notices Issued (per notice issued)	\$0.57	\$0.650
Back Flow Records	\$0.04	\$0.045
Hourly Charges for Support	\$50.00	\$60.00

We know that raising prices is not received with enthusiasm; however, we also know that you want to continue receiving quality service. The total increase in 1995 will be approximately 3.75% based on an effective date of March 1, or 4.5 % on an annualized basis.

We continue to investigate additional software and hardware that will enhance our service to you. In late 1994 we improved our existing capability to verify customer addresses. We can now correct or verify any address in the United States and assign it the correct ZIP+4.

AVATAR UTILITY SERVICES, INC.  
4837 Swift Road, Suite 200  
Sarasota, Florida 34231  
Telephone 813/927-1455  
FAX 813/927-0659

A Unit of Avatar Utilities Inc.

00385

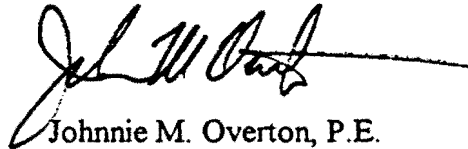


The work to implement larger format bills and return envelopes "stuffed" into mailing envelopes is underway. Such a system would allow you to send special notices to your customers at minimal cost by including them with a large format monthly bill. A larger bill format would also allow you to include on the bill account usage and conservation information that was recently the subject of a survey by the Florida Public Service Commission. This large format stuffed bill is expected to be available by mid-year. The cost of the larger bill format is identified in Exhibit A to the contract to facilitate the easy implementation of this new format upon your direction to do so. For those who still like the post card bill format, we will continue to offer this billing format.

We are currently investigating the ability of offering payment remittance services through subcontract to a third party which would most likely be a banking institution. We are attempting to leverage the size and account base of our parent, Avatar Utilities Inc., to make this option affordable to all of our customers.

We sincerely appreciate your business and hope that you find the contract satisfactory. Please sign both copies of the enclosed contract and return one to me. Should you have questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Johnnie M. Overton", with a long horizontal flourish extending to the right.

Johnnie M. Overton, P.E.  
Executive Vice President and  
Chief Operating Officer

cc: L. Daszynski, Vice President

enclosure

coltr

00386

## SERVICES AGREEMENT

THIS AGREEMENT, made and entered into the 1<sup>st</sup> day of March 1995, by and between AVATAR UTILITY SERVICES, INC., a Florida Corporation with one of its principal places of business at 4837 Swift Road, Suite 200, Sarasota, Florida 34231 (hereinafter called "AUSI") and Florida Cities Water Company with offices at 4837 Swift Road, Suite 100, Sarasota, Florida (hereinafter called "Client").

WHEREAS, Client is engaged in the water and wastewater public utility business and provides water and wastewater services to customers situated in Collier, Lee, Sarasota, Hillsborough and Brevard Counties, Florida; and

WHEREAS, Client wishes to obtain certain computer and computer related services required for its customer records management, customer billing, accounting, and other functions; and

WHEREAS, AUSI represents that it is capable of providing the services described herein and is qualified to do business in the State of Florida.

NOW, THEREFORE, BE IT RESOLVED, that in consideration of the mutual covenants contained herein, it is agreed that AUSI, as an independent contractor, is hereby employed, authorized and instructed by Client to perform the services described herein and Client agrees to pay and AUSI agrees to accept payments as specified herein as compensation therefor.

1. **SERVICES PROVIDED BY AUSI.** AUSI shall provide the services described in Exhibit "A" attached hereto and made a part hereof (hereinafter collectively called "Services").
2. **RESPONSIBILITIES OF CLIENT.** Client shall be responsible for performing the functions described in Exhibit "B" attached hereto and made a part hereof.
3. **TERM**
  - a. This Agreement shall be effective for an initial term of one (1) year from the date of execution by the parties and will automatically renew for successive one-year terms thereafter. Notwithstanding, either party, at its sole discretion, may terminate this Agreement by giving 120 days prior written notice of such termination to the other party.
  - b. Upon any termination of this Agreement, AUSI shall be entitled to payment for work and services authorized by Client, subject to the terms and provisions set forth herein and further subject to whatever claims one party may have against the other party.
  - c. Upon termination of this Agreement, each party shall forthwith peaceably and quietly surrender to the other party all property, equipment, materials, reports and other documents furnished by or belonging to the other party.

#### 4. COMPENSATION

- a. For rendering Services, Client shall pay AUSI rates and charges set forth in said Exhibit "A".
- b. On or about the tenth day of each month, AUSI will render an itemized invoice for Services performed during the preceding month. Invoices are due and payable within thirty (30) day of receipt and any amounts not paid will bear interest at the annual percentage rate of twelve (12%) percent or the maximum rate allowed by law, whichever is less.
- c. The rates and charges specified in said Exhibit "A" shall automatically increase if either of the following events occur:
  - (1) Amounts equal to any increase in the U.S. Postal Service rates applicable to mailing customer bills upon effective date of increase.
  - (2) Increases at the beginning of each successive one-year term of this Agreement or at any time thereafter, but not more than one time during any one-year term, equal to the percentage increase in the Consumer Price Index, U.S. City Average (All Urban Consumer), published by the Bureau of Labor Statistics, U.S. Department of Labor, for the most recent preceding 12-month period for which the index is available. In the event said index is superseded by a new index or is discontinued, the new or similar index published by the U.S. Department of Labor shall apply.
- d. The rates and charges shall be amended upon implementation of Client's requests for changes to the character of Services or procedures in connection with performing same, in which case the parties shall prepare an addendum to this Agreement setting forth such services for a mutually agreeable compensation.
- e. Should AUSI propose increases other than as specified in Paragraph 4c herein, it shall notify Client at least one hundred twenty (120) days prior to the effective date. Furthermore, no more than one such increase shall occur within any one-year term of this Agreement.

#### 5. PERFORMANCE

- a. In the event of any error or omission, whether human or mechanical, on the part of AUSI or its employees, AUSI will correct the work at no extra cost to Client. It is expressly understood and agreed that the liability, if any, of AUSI for errors or omissions shall be limited to the cost of correcting the particular error or omission. Neither party shall be liable for any special, consequential, or exemplary damages.
- b. If any data, instructions or information submitted by Client to AUSI for processing is incorrect or incomplete, Client agrees to pay AUSI the rates in effect at that time for the



additional work and time required by AUSI to correct or complete such data or otherwise prepare it for processing. Client assumes the entire responsibility for such losses or damages which may be occasioned as a result of errors in output resulting from submission of incorrect data by Client.

- c. AUSI shall furnish completed work in reasonable conformance with mutually agreeable schedules. Notwithstanding, should AUSI be delayed in or prevented, in whole or in part, from performing any obligation or meeting any condition hereunder by reason of force majeure, it shall be excused from performing such obligation or meeting such condition. The term "force majeure" as used herein means Acts of God, strikes, lockouts, or other industrial disturbances; acts of public enemies, blockades, wars or damages to machinery, pumps or pipelines, epidemics, landslides, earthquakes, fires, storms, floods, or washout; arrest, title disputes or other litigation; governmental restraints, either federal, state or county, civil or military; or otherwise and other causes beyond the reasonable control of AUSI, whether or not substantially similar to those specifically enumerated herein.
  - d. If no special procedures or techniques for validating the resultant output are specified by Client and accepted by AUSI in writing, it is understood that the results accomplished are accepted as satisfactory upon completion of the assignment.
  - e. All deliveries to and pick up of receipts from AUSI's office, if any, shall be the responsibility of Client and shall be accomplished at Client's expense.
  - f. AUSI agrees to exercise normal and reasonable precautions to protect the work and all property placed under its control or in its custody against the loss and/or damage resulting from theft, fire, vandalism, the elements or otherwise.
  - g. During the term of this Agreement, source data contained on magnetic tapes, disk packs, or other documents, material or property relating to Services may be stored by AUSI for an interim processing period at Client's sole risk. In storing same, AUSI assumes no obligation or liability of any kind, nature or description in connection with said items, except for acts on the part of AUSI which are shown to be negligence.
  - h. The parties agree that this Agreement is non-exclusive and that AUSI has the right, at its discretion and at any time, to contract with other parties to perform services or work of a similar nature and make agreement on any terms whatsoever with said other parties to perform said services.
6. **CONFIDENTIAL INFORMATION**. AUSI will not at any time, in any fashion, form, or manner, either directly or indirectly, divulge, disclose or communicate to any person, firm or corporation, in any manner whatsoever, any information of any kind, nature, or description concerning any matters effecting or relating to the business of Client its manner of operation, or its plans, processes, or other data of any kind, nature, or description without regard to whether

any or all of the foregoing matters would be deemed confidential, material or important. None of the restrictions stated in this paragraph shall apply to testimony, records, documents, information or materials which are required to be disclosed pursuant to law; disclosures to and communications with third parties which are necessary to perform the work required by this Agreement. Notwithstanding the provisions of this paragraph, AUSI shall have the right to list Client, a general description and magnitude of Services expressed in terms of number of utility customer accounts served by Client and/or the total revenue accruing to AUSI from Services for purposes of business promotion.

7. **USE AND OWNERSHIP.** All materials, reports and documents directly related to Services shall be the property of Client and AUSI shall treat such as confidential and shall not use such except on Client's behalf. The computer programs developed for Services shall remain the property of AUSI.
  
8. **INDEMNIFICATION**
  - a. AUSI agrees to exercise due care and take responsible safety precautions that are necessary or advisable for the prevention of accidents. Except as otherwise provided in this Agreement, Client agrees to hold harmless AUSI, its parent corporation and their officers, directors, employees, agents, successors and assigns from and against any and all claims, demands, losses, damages, charges, expenses (including attorneys fees at all judicial levels) for any damage or loss which may be caused by, arise out of, or result directly or indirectly from this Agreement.
  
  - d. Notwithstanding anything to the contrary herein contained, each party hereby waives all claims for recovery from the other party for any loss or damage to its property caused by fire or other insured casualty. This waiver shall apply, however, only where the insurance covering the loss of damage will not be prejudiced by reason of such waiver.
  
9. **COMPLIANCE WITH LAWS AND REGULATIONS.** The parties hereto shall keep, observe and perform all requirements for applicable local, State and Federal laws, rules regulations, or ordinances in connection with the performance of the work hereunder.
  
10. **EVENTS OF DEFAULT.** In the event of default or breach by either party with respect to performance of its duties and obligations established by this Agreement, the other party will have available to it all remedies permitted by the laws of the State of Florida. Notwithstanding the aforesaid, it is understood and agreed that this Agreement may be terminated for default or breach. Before such termination shall become effective, the non-defaulting party must provide written notice and a reasonable cure period to the defaulting party. In the event that a dispute arises under this Agreement between the parties and such dispute results in legal proceedings, the prevailing party in any such legal proceedings shall be entitled to recover all reasonable costs and expenses, court cost, attorney's fees at all judicial levels. It is further agreed that any such

legal proceedings shall be brought only in the Courts of Sarasota County, Florida and in any appropriate appellate court, if an appeal is filled.

11. **CUSTOM AND USAGE**. It is hereby agreed, any, law, custom or usage to the contrary notwithstanding, that AUSI shall have the right at all times to enforce the conditions and agreements herein contained in strict accordance with terms hereof, notwithstanding any conduct or custom of AUSI in refraining from so doing; and further, that the failure of AUSI at any time or times to strictly enforce its rights hereunder shall not be construed as having created a custom in any way or manner contrary to the specific conditions and agreements hereof, or as having in any way modified or waived the same.
12. **SUCCESSORS**. This Agreement shall inure to the benefit of and be binding upon the successors, and assigns of the parties hereto, except as expressly limited herein.
13. **ASSIGNMENT**. Unless stated differently herein, this Agreement and the services thereunder are non-assignable by either party without the other party's written approval which shall not be unreasonably withheld.
14. **INDEPENDENT CONTRACTOR**. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between AUSI and Client. Neither party shall have any right to obligate or bind the other party in any manner whatsoever and nothing herein shall give, or be intended to give, any rights of any kind to any third party. AUSI and Client recognize and agree that they are independent parties with no express or implied authority to act for the other, except as expressly provided in this Agreement or any addendum thereto.
15. **HEADINGS**. The headings used in this Agreement are for reference only, and shall not be relied upon nor used in the interpretation of same.
16. **INTERPRETATION**
  - a. If Client be a partnership or corporation, all words in this Agreement referring to Client shall be read as though written in the plural or in the neuter gender, as the case may be.
  - b. This Agreement and all of the terms and provisions shall be interpreted and construed according to the laws of the State of Florida. Should any clause, paragraph or other part of this Agreement be held or declared to the void or illegal, for any reason, by any Court having competent jurisdiction, all other clauses, paragraphs or part of this Agreement, shall nevertheless remain in full force and effect.
17. **NOTICE**. Any notice provided by this Agreement to be served in writing upon either of the parties shall be deemed sufficient if hand delivered to any authorized representative of either of the parties, or if mailed by registered, to the address of the party above written or to such other

addresses as the parties hereto may designate in writing. Such notice shall be effective from the date received.

**The Company**

Avatar Utility Services, Inc.  
4837 Swift Rd, Suite 200  
Sarasota, Florida 34231

**With Copy to:**

Avatar Utility Services, Inc  
Attention: General Counsel  
255 Alhambra Circle  
Coral Gables, Florida 33134

**The Client**

Florida Cities Water Company  
Attention: Paul Bradtmiller  
4837 Swift Road, Suite 100  
Sarasota, Florida 34231

**With Copy to:**

Florida Cities Water Company  
Attention: General Counsel  
255 Alhambra Circle  
Coral Gables, Florida 33134

**18. AUTHORITY AND ENTIRE UNDERSTANDING.**

- a. The parties hereto represent and warrant that they have every legal right to enter into this Agreement.
- b. This agreement contains the entire understanding between the parties and no modification or alteration of this Agreement shall be binding, unless endorsed in writing by the parties hereto.

**19. BINDING EFFECT. This Agreement shall not be binding until executed by both parties.**


IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives in two (2) counterparts each which shall be deemed an original on the day and year first above written.

Attest:

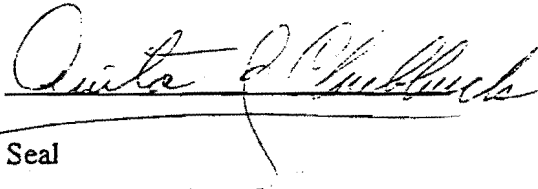


Seal

AVATAR UTILITY SERVICES, INC.

By: 

Title: Executive Vice President



Seal

FLORIDA CITIES WATER COMPANY

By: 

Title: Executive Vice President

## EXHIBIT A

### SERVICES PROVIDED BY AUSI ("SERVICES") & RATES & CHARGES

A. Pre-Authorized Services. Client authorizes AUSI to perform the following services under this Agreement, at the rates and charges shown, without the necessity of any further authorization.

#### 1. Utility Customer Related Services

a. Maintain Client's master customer records on AUSI IBM AS/400 computer (hereinafter called Computer System) and provide report formats and reports described in Paragraphs (1) and (2) below at \$0.412 per customer record per month:

(1) Provide the following report formats accessible to Client by way of client's computer terminals interconnected to said computer:

- (a) Daily Transaction Journal - a documentation of all monetary and non-monetary transactions that have been posted to a customers account (available daily or as transactions occur).
- (b) Preliminary Meter Reading Report - a report indicating the meter readings entered for each account prior to billing. Error in readings and/or consumption will be indicated for correction.
- (c) Account Balance Report - a report indicating each customers current and past due balance.
- (d) Alpha-Cross Reference - report listed in alphabetic order by customers last name with a cross index to the customers account number.
- (e) Aged Trial Balance - a report listing each customers account with total balance, current, 30, 60, 90, and 120 day balances (available once monthly).
- (f) Delete Report - a report listing all accounts which should be deleted from Clients file (available once monthly).
- (g) Past Due Report - a report indicating all delinquent accounts that have a balance other than current.
- (h) Meter Aging Report - a report that lists every account that had a meter installed between a range of dates that you select.

- (i) Consumption History Report - a report listing meter usages for up to 24 months past by rate classification and meter size.
- (2) Provide the following computer generated reports monthly:
  - (a) Billing Register - a report indicating each customer account billed with all pertinent information contained on the customer bill.
  - (b) Monthly Activity Report - a report indicating a summary of all billings, adjustments and payments recorded during a particular calendar month. Specifically, it indicates:
    - billing by rate class by service,
    - charges/adjustments by rate class,
    - total payments received, and
    - total bills printed.
- b. Customer Billing. Compute, prepare and mail customer bills at the following rates including first class postage for U.S. addresses:
  - (1) Postcard bill form - \$0.262 per bill.
  - (2) Bill form in envelope - laser printed bill form with return envelope - \$0.406 per bill.
- c. Termination and Final Notices. Prepare and mail late-payment reminders and final bills including first class postage for U.S. addresses - \$0.65 per bill.

## 2. Employee Payroll

- a. Maintain Client's employee payroll records on Computer System.
- b. Maintain payroll report formats and provide payroll reports, including payroll distribution, required by Client.
- c. Print employee payroll checks twice monthly.
- d. Print Internal Revenue Service Form W-2 (furnished by Client).
- e. Charge - \$ 750.00 per month.

## 3. General Ledger.

- a. Maintain Client's general ledger on Computer System and integrate with accounts payable and customer billing.

- b. Maintain chart of accounts, print financial statements (various formats), trial balances, account analysis, and account history.
  - c. Process accounts payable checks.
  - d. Charge - \$800.00 per month plus \$0.55 per each accounts payable check printed (Client furnished check forms).
4. **Equipment Rental and Maintenance**. AUSI shall furnish the following equipment at the rates shown at Client's request:
- a. IBM 3196 Workstations - \$69.00 per month per each.
  - b. Modems for connecting to Computer System:
    - (1) Lee County, Carrollwood, and Golden Gate Divisions - \$85.00 per month per each.
    - (2) Barefoot Bay Division - \$74.37 per month per each.
  - c. Radix hand-held meter reading devices:
    - (1) Device Maintenance - \$27.68 per month per each.
    - (2) Cradle Maintenance - \$ 4.28 per month per each.
    - (3) Radix Site Maintenance License fee - \$23.00 per month per location.

5. **Technical Support and Services**

- a. **Technical Support Retainer**. Technical advice and troubleshooting by telephone on matters pertaining to meter reading devices, Computer System software and procedures, and diagnosing PC hardware/software problems. Charge - \$75.00 per month per Client utility operating division.

6. **Miscellaneous Services**

- a. **Inventory** - maintain Client's material and supply inventory on Computer System which tracks material and supply usages, receipts and cost. Charge - \$150.00 per month.
- b. **Backflow Prevention/Cross Connection Control Program Records** - maintain file for program records. Charge - \$0.045 per customer with backflow prevention device.

B. **Special Services.** The following services will be provided upon Client's request:

1. **Utility Customer Related Services**

- a. **Special Customer Notices.** Prepare or use Client prepared special notices and mail to customers - charge quoted for each notice.
- b. **Rate Analysis Report** - a report using historical usage information to analyze periods of 1-24 months past and consolidates totals by rate class and meter size. Charge - \$0.07 per customer record (\$150.00 minimum charge).
- c. **Proposed Rate Billing Register** - produces a billing register with proposed rates instead of current rates. This report is generated at time of normal billing; thus providing the Client with "side by side" registers. Charge - \$150.00 plus \$0.16 per customer record.
- d. **Rate Change** - changes to rates and charges applicable to customer billing as requested by Client. Charge - \$60.00 per hour (programmer).
- e. **Customer Message** - adding or changing a special "customer message" on the customer bill form as requested by Client. Charge - \$20.00 per each addition or change..
- f. **Bill Stuffers** - Include client furnished single page "bill stuffer" for mailing with customer bills (available for bills mailed in envelopes only). Charge - \$0.03 per stuffer. AUSI furnished "stuffer" will be quoted on a per job basis.
- g. **Mailing Labels** - print mailing labels from Client's master customer records. Charge - \$0.06 per each.

2. **Technical Support**

- a. **Technical Support.** Diagnose, repair, replace, service hardware; diagnose and correct software defects; and install new hardware and software (or change software). Charge - \$60.00 per hour per technician including travel.
- b. **Computer Consulting Services.** Consult with Client on matters related to computer hardware and software. Charge - \$60.00 per hour or as quoted per assignment.
- c. **Programming Services.** Develop and/or modify Computer System and PC software programs for Client' special requirements. Charge - \$60.00 per hour or as quoted per assignment.



- d. **Training** - provide training to Client employees pertaining to Computer System, including ancillary components, and its use. Charge - quoted on a per assignment or hourly basis.

**C. Supplemental Provisions Applicable to Rates and Charges**

- a. All charges for preparing and mailing customer bills and notices include first class postage for U.S. addresses. An extra charge in the amount of postage in excess of first-class U.S. postage plus a special handling fee of \$0.05 per piece will be applicable to bills and notices mailed to non-U.S. addresses.
- b. Computer System program and report format changes requested by Client's requiring less than one (1) hour programmer time will be made without extra charge; however, extra charges will be applicable to changes to AUSI's standard programs and formats requiring more than one (1) hour programmer time (see rates above for Programming Services).
- c. The rates and charges shown herein are exclusive of any sales or use taxes which may be applicable to the services provided by AUSI and are subject to increases in the amount of any such taxes.
- d. All handling and delivery charges pertaining to reports and other documents are at Client's expense.

## **EXHIBIT B**

### **RESPONSIBILITIES OF CLIENT**

1. Maintain up-to-date information on Client's customers accounts by entering data into Computer System.
2. Provide meter readings on a consistent monthly time frame.
3. Provide periodic payments, changes, adjustments, and miscellaneous changes in a consistent time frame (at least weekly).
4. Notify AUSI in writing at least thirty (30) days prior to effective date of change of Client's return address and/or zip code, changes to rates, and any other material change. Client is responsible for verifying the accuracy of any changes requested and made by AUSI.
5. Train new Client employees on Computer system, including ancillary components, and its use or request that AUSI provide training.
6. Provide source data pertaining to customer accounts. With respect to initial conversion from Client system to Computer System, provide source data pertaining to customer accounts. Any tapes, forms, media, or other source data to be furnished by Client must be compatible with Computer System and be in good condition for machine processing.