

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

010772-WL

I. General Data

A. Name of utility CWS Communities, Inc. DBA: Crystal Lake Club

B. Address 533 E. Crystal Lake Dr.

Avon Park, FL 33825

1. Telephone Nos. () 863/385-7727

2. County Highlands Nearest city Sebring

3. General area served Community of Crystal Lake Club
Section 2, Township 34 south, Range 28 East

C. Authority:

1. Water Certificate No. 525-W Date received 12/12/89

2. Sewer Certificate No. 454-S Date received 7/7/89

3. Date utility started operations: Water 1989 Sewer 1989

D. How system was acquired Tax-Free Trade (Transfer)

If utility was purchased, give date 8/31/00 Amount Paid \$431,500.

1. Name of Seller Crystal Lake Community Limited Partnership

2. Was seller affiliated with present owners? _____

3. Did you purchase: Stock _____ or assets only X

E. Type of legal entity: Corporation, Partnership or Sole

Proprietorship Corporation

F. Ownership & Officers:

	<u>Name</u>	<u>Title</u>	<u>Percent Ownership</u>
1.	<u>CWS Communities Trust</u>	<u>REIT</u>	<u>100%</u>
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

PSC/WAS 2 (Rev. 11/86)

G. List of Associated Companies and Addresses:

1. Security Capital Group at 7777 Market Center Ave. El Paso,
TX 79912

2. _____

3. _____

H. If you have retained an attorney and/or a consultant to represent the utility for this application, furnish the name(s) and address(es):

Not at this time

DOCUMENT NUMBER-DATE

06439 MAY 22 8

PSC-REGISTRATION/REPORTING

II. Accounting Data

A. Outside Accountant

1. Name FredTattersall
2. Firm Tattersall & Tattersall, P.A.
3. Address 333 N. Fren creek Ave. Orlando, FL 32803
4. Telephone () 407/894-2227

B. Individual to contact on accounting matters:

1. Name Paulina Marvan
2. Telephone () 915/877-1720

C. Location of books and records Florida, on site

D. Have you filed an Annual Report with the Commission? Yes

Date last filed 3/24/01

E. Has your latest semiannual regulatory assessment fee payment been made (January 30 or July 30 whichever is applicable)? Yes

F. Basic Rate Base Data (Most recent two years)

1. Water	2000	1999
Cost of Plant In Service:	\$ <u>1,001,290</u>	\$ <u>954,751</u>
Less Accumulated Depreciation:	<u>(372,265)</u>	<u>(332,301)</u>
Less Contributed Plant:	_____	_____
Net Owner's Investment:	\$ <u>629,025</u>	\$ <u>622,360</u>

	20__	19__
2. Sewer *Shows as one on annual report		
Cost of Plant In Service:	\$ _____	\$ _____
Less Accumulated Depreciation:	_____	_____
Less Contributed Plant:	_____	_____
Net Owner's Investment:	\$ <u>_____</u>	\$ <u>_____</u>

G. Basic Income Statement (Most recent two years):

	2000	1999
1. Water		
Revenues (By Class):		
a. Residential	\$ 63,928	\$ 59,290
b. _____	_____	_____
c. _____	_____	_____
Total Operating Revenues:	\$ 63,928	\$ 59,290
Less Expenses:		
a. Salaries & Wages - Employees	\$ 9,889	\$ 8,579
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	0	0
c. Employee Pensions & Benefits	1,698	1,362
d. Purchased Water	5,726	2,755
e. Purchased Power	7,166	15,339
f. Fuel for Power Production	0	0
g. Chemicals	586	4,107
h. Materials & Supplies	5,397	4,759
i. Contractual Services	8,671	5,621
j. Rents	0	0
k. Transportation Expenses	0	0
l. Insurance Expense	445	1,300
m. Regulatory Commission Expense	0	0
n. Bad Debt Expense	(5,508)	(5,285)
o. Miscellaneous Expense	3,147	4,097
p. Depreciation Expense	13,374	12,334
q. Property Taxes	8,101	7,663
r. Other Taxes (Reg. Assessment)	2,619	2,516
s. Income Taxes (Interest Expense)	0	17,349
Operating Income (Loss)	\$ <u>2,617</u>	\$ <u>(23,206)</u>

	20 <u>00</u>	19 <u>99</u>
2. Sewer		
Revenues (By Class):		
a. Residential	\$ <u>52,957</u>	\$ <u>51,512</u>
b. _____	_____	_____
c. _____	_____	_____
Total Operating Revenues:	\$ <u>52,957</u>	\$ <u>51,512</u>
Less Expenses:		
a. Salaries & Wages - Employees	\$ <u>8,504</u>	\$ <u>7,693</u>
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	<u>0</u>	<u>0</u>
c. Employee Pensions & Benefits	<u>1,460</u>	<u>1,222</u>
d. Purchased Sewage Treatment	<u>0</u>	<u>0</u>
e. Sludge Removal Expense	<u>5,450</u>	<u>7,010</u>
f. Purchased Power	<u>20,190</u>	<u>8,996</u>
g. Fuel for Power Production	<u>0</u>	<u>0</u>
h. Chemicals	<u>8,198</u>	<u>3,683</u>
i. Materials & Supplies	<u>4,961</u>	<u>9,988</u>
j. Contractual Services	<u>4,463</u>	<u>0</u>
k. Rents	<u>0</u>	<u>0</u>
l. Transportation Expenses	<u>0</u>	<u>0</u>
m. Insurance Expense	<u>379</u>	<u>1,107</u>
n. Regulatory Commission Expense	<u>0</u>	<u>0</u>
o. Bad Debt Expense (CIAC)	<u>(6,729)</u>	<u>(6,392)</u>
p. Miscellaneous Expense	<u>2,572</u>	<u>4,120</u>
q. Depreciation Expense	<u>19,471</u>	<u>17,784</u>
r. Property Taxes	<u>6,901</u>	<u>6,527</u>
s. Other Taxes (Regulatory Ass.)	<u>2,380</u>	<u>2,357</u>
t. Income Taxes (Interest Expense)	<u>0</u>	<u>15,424</u>
Operating Income (Loss)	\$ <u>(25,243)</u>	\$ <u>(29,007)</u>

H. Outstanding Debt:

	<u>Creditor</u>	<u>Date Borrowed</u>	<u>Balance Due</u>	<u>Interest Rate</u>	<u>Expiration Date</u>
1.	<u>NONE</u>	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____

I. Indicate Type of Tax Return Filed:

<u>X</u>	Form 1120 - Corporation
_____	Form 1120S - Subchapter S Corporation
_____	Form 1065 - Partnership
_____	Form 1040 - Schedule C - Individual (Proprietorship)

A. Outside Engineering Consultant:

1. Name Polston, Dale
2. Firm Polston Engineering
3. Address 2925 Kenilworth Blvd. Sebring, FL 33872
4. Telephone () 863/385-5564

B. Individual to contact on engineering matters:

1. Name Dale Polston
2. Telephone () 863/385-5564

C. Is the utility under citation by the Department of Environmental Regulation (DER) or county health department? If yes, explain. _____

NO

D. List any known service deficiencies and steps taken to remedy problems. Exhibits 1 & 2 (attached)

E. Name of plant operator(s) and DER operator certificate number(s) held. Pugh Utilities - Jim Hickman DER# C9014

F. Is the utility serving customers outside of its certificated area? NO If yes, explain. N/A

G. Wastewater:

1. Gallons per day capacity of treatment facilities existing .090
_____ under construction _____ proposed _____
2. Type and make of present treatment facilities _____
DAVCO, Ext. air, concrete
3. Approximate average daily flow of treatment plant effluent _____
.035
4. Approximate length of sewer mains:
Size (diameter) 6" 6" _____
Linear feet 5042 13,264 _____
5. Number of manholes 1
6. Number of liftstations 2
7. How do you measure treatment plant effluent? Meters
8. Is the treatment plant effluent chlorinated? Yes If yes, what is the normal dosage rate? 2 ppm

9. Tap in fees - Sewer \$700.00
10. Service availability fees - Sewer \$ N/A
11. Note DER Treatment Plant Certificate Number and date of expiration: Number DC-38-124473 Expiration Date _____
12. Total gallons treated during most recent twelve months 51,434
13. Sewage treatment purchased during most recent twelve months None

H. Water

1. Gallons per day capacity of treatment facilities existing 432,000
 _____ under construction _____ proposed _____
2. Type of treatment Right Angle
3. Approximate average daily flow of treated water 143,452 (Dec. 2000)
4. Source of water supply Deep Well
5. Types of chemicals used and their normal dosage rates _____
Gas Chlorine 4 ppm
6. Number of wells in service 1 res. Total capacity in gallons per
 minute (gpm) 300
 Diameter/Depth 8" / 375' _____/_____/_____
 Motor horsepower 20 _____
 Pump capacity (gpm) 300 _____
7. Reservoirs and/or hydropneumatic tanks:
 Description N/A _____
 Capacity _____
8. High service pumping:
 Motor horsepower NONE _____
 Pump capacity (gpm) _____
9. How do you measure treatment plant production? Metered
10. Approximate feet of water mains:
 Size (diameter) 6" _____
 Linear feet 30,454 _____

11. Note any fire flow requirements and imposing government agency
N/A
12. Number of fire hydrants in service 20
13. Do you have a meter change out program? As Needed
14. Meter installation or tap in fees - Water \$ 475.00
15. Service availability fees - Water \$ N/A
16. Has the existing treatment facility been approved by DER?
Yes
17. Total gallons pumped during most recent twelve months 30,455
18. Total gallons sold during most recent twelve months 31,626
19. Gallons unaccounted for during most recent twelve months 20,824
20. Gallons purchased during most recent twelve months 2,344

IV. Rate Data

A. Individual to contact on tariff matters:

1. Name Gena F Larison
2. Telephone Number (____) 863/385-7727

B. Schedule of present rates (Attach additional sheet if more space is needed):

1. Water:

- | | |
|----------------------|---|
| a. Residential Water | <u>\$2.78 base + \$1.29 per 1,000 gallons</u> |
| b. General Service | _____ |
| c. Special Contract | _____ |
| d. Other | _____ |

2. Sewer:

- | | |
|----------------------|---|
| a. Residential Sewer | <u>\$3.63 Base + \$1.42 per 1,000 gallons</u> |
| b. General Service | _____ |
| c. Special Contract | _____ |
| d. Other | _____ |

Sewer caps at 6,000 gallons

C. Number of Customers (Most recent two years):

	<u>2000</u>	<u>1999</u>
1. Water Metered		
a. Residential	<u>457</u>	<u>444</u>
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____
	_____	_____
2. Water Unmetered	<u>2000</u>	<u>1999</u>
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____
	_____	_____
3. Sewer	<u>2000</u>	<u>1999</u>
a. Residential	<u>457</u>	<u>444</u>
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____
	_____	_____

V Affirmation

I, Joseph H. Serwood, III the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge and belief.

Signed Joseph H. Serwood, III S.V.P.
 Title Senior Vice President

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.



Jeb Bush
Governor

Department Environmental Protection

EXHIBIT

1

South District
P.O. Box 2549
Fort Myers, Florida 33902-2549

David B. Struhs
Secretary

April 6, 2000

CWS Communities, LP DBA
Joseph Sherwood, Senior Vice President
2500 Maitland Center Parkway, Suite 105
Maitland, FL 32751

Re: Highlands County - DW
Crystal Lake WWTP
FLA014342

Dear Mr. Sherwood:

A field inspection of the above referenced WWTP on March 13, 2000 indicates that you may be in violation of Chapter 403, Florida Statutes and the rules promulgated thereunder. The resulting observations are listed below:

1. The East floating aerator was loosely secured. The East stilling well was full of dried sludge and vegetation. The chlorine feed drum contained sludge residue. The effluent quality was questionable due to its cloudy appearance. F.A.C. Rule 62-600.410(6) requires that all facilities and equipment necessary for the treatment, reuse, and disposal of domestic wastewater or domestic wastewater residuals shall be maintained at a minimum, so as to function as intended.
2. The percolation ponds and berms are heavily overgrown with vegetation. Deposited solids were also observed in the ponds. F.A.C. 62-610.523(6) states that rapid infiltration basins, percolation ponds, basins, trenches, or cells shall be routinely maintained to control vegetation growth and to maintain percolation capability by scarification or removal of deposited solids.
3. The operator log book indicates that residuals were hauled on February 17, 2000. There was no complete record indicating that the Residuals had received proper stabilization. F.A.C. Rule 62-640.600(1)B and (2)A state that residuals will be classified as

*Scrap
& Reshape*

*Stabilized
properly*

Continued . . .

"More Protection, Less Process"

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Mr Joseph Sherwood, Senior Vice President
April 6, 2000
Page Two

Class B if one of the pathogen reduction requirements described in section 503.32(b) is met, and that all residuals applied to land shall meet one of the vector attraction reduction requirements in section 503.32(b)(11) and section 503.33(b)(12).

do all

- 4 Department records indicate that nine (9) Discharge Monitoring Reports between January 1999 and January 2000, were not submitted in a timely manner. F.A.C. Rule 62-601.300(1)(b) requires that Parts A and B of DEP Form 62-620.910(10) be submitted in a timely manner so as to be received by the appropriate District Office of the Department by the 28th of the month following the month of operation.
- 5 The DMRs for every month in 1999 indicate the Three-month Average Daily Flow is exceeding fifty percent. The flows range from 81% high to 62% low. F.A.C. Rule 62-600.405(3) states when the three-month average daily flow for the most recent three consecutive months exceeds 50 percent of the permitted capacity of the treatment plant or reuse and disposal systems, the permittee shall submit to the Department a capacity analysis report.

2 flow meters more exact flow

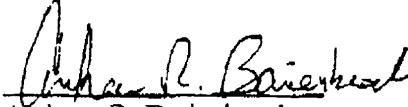
you need engineer ?

You are advised that any activity that may contribute to violations of the above described statutes and rules should cease immediately. Continued operation of a facility in violation of state statutes or rules may result in liability for damages and restoration, and the judicial imposition of civil penalties pursuant to Sections 403.141 and 403.161, Florida Statutes.

Please notify the Department in writing within fifteen (15) days as to what actions you intend to take in order to address these deficiencies.

If you have any questions, please do not hesitate to call Jennifer Ricks at (941) 332-6975 ext. 176. Your cooperation is appreciated.

Sincerely,


Andrew R. Brienbrock
Environmental Manager

ARB/JJR/klm
cc: Joe Hickman

PUGH UTILITIES SERVICE, INC.
760 HENSCRATCH ROAD
LAKE PLACID, FLORIDA 33852
(863) 465-6911

APRIL 19, 2000

FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION
P.O. BOX 2549
FORT MYERS, FLORIDA 33902-2549
ATTN: JENNIFER RICKS
RE: CRYSTAL LAKE WWTP FLA014342

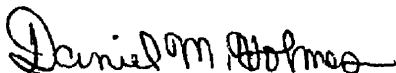
DEAR MS. RICKS:

THE FOLLOWING IS IN REFERENCE TO THE DEFICIENCIES FOUND AT THE ABOVE-MENTIONED WWTP.

1. THE ROPES ON THE EAST AERATOR WERE TIGHTENED UP, THE EAST STILLING WELL VEGETATION WAS PULLED OUT. THE DRIED SLUDGE IS IN THE PROCESS OF BEING BROKEN, HOWEVER IT DOES APPEAR TO BE WORKING AS INTENDED. THE EFFLUENT HAS CLEARED UP AS THE OPERATOR WAS WASTING SLUDGE, HOWEVER I DIDN'T SEE ANY SLUDGE RESIDUE ON THE CHLORINE FEED BARREL, POSSIBLE THE OPERATOR WASHED IT DOWN WITH A WATER HOSE.
2. THE PONDS ARE SCHEDULED TO BE SCARIFIED & CLEANED WITHIN THE NEXT 60 DAYS.
3. THE EMPLOYEE THAT STABILIZED THE SLUDGE DID NOT SIGN IN THE LOG BOOK, BUT THE SAME EMPLOYEE THAT STABILIZED THE SLUDGE, PUMPED THE SLUDGE THE NEXT DAY AND ASSURED ME THAT IT WAS PROPERLY STABILIZED.
4. THE DMR'S ARE MAILED TO YOUR FACILITY BETWEEN THE 20TH & 24TH OF EACH MONTH, DEPENDING ON WHEN WE RECEIVE OUR RESULTS FROM THE LAB. OTHER THAN A PUGH UTILITIES EMPLOYEE DRIVING TO FORT MYERS TO HAND DELIVER THE DMR'S, WE ARE OPEN TO ANY SUGGESTIONS YOU MAY HAVE.
5. WE HAVE MADE PLANS TO INSTALL 2 NEW FLOW METERS ON THE PLANTS FOR A BETTER HANDLE ON THE AMOUNT OF FLOW THROUGH EACH PLANT, THIS IS IN THE PERMIT RENEWAL ALONG WITH A CAPACITY ANALYSIS REPORT.

IF YOU HAVE ANY FURTHER QUESTIONS CONCERNING THESE MATTERS, PLEASE FEEL FREE TO CONTACT THIS OFFICE.

SINCERELY,


DANIEL M. HOLMES, AS PRESIDENT
PUGH UTILITIES SERVICE, INC.

CC: GINA LARISON



Jeb Bush
Governor

Department of Environmental Protection

EXHIBIT

2

South District
P.O. Box 2549
Fort Myers, Florida 33902-2549

David B. Secula
Secretary

January 17, 2001

Joseph H. Sherwood, Sr. Vice President
Crystal Lake Golf Club
2500 Maitland Center Pkwy., Suite 105
Maitland, Florida 32751

*Dora
Pls correct
these
violations*

DC

Re: Highlands County - DW
Crystal Lake WWTP
FLA014342

Dear Mr. Sherwood:

A field inspection of the above referenced WWTP on January 5, 2001 indicates that you may be in violation of Chapter 403, Florida Statutes and the rules promulgated thereunder. The resulting observations are listed below:

1. The stilling wells were full of solids. The blower guard was missing. The walkways were rusted. Florida Administrative Code (F.A.C.) Rule 62-600.410(6) requires that all facilities and equipment necessary for the treatment, reuse, and disposal of domestic wastewater or domestic wastewater residuals shall be maintained at a minimum, so as to function as intended.
2. The lift stations lids were not locked. F. A. C. Rule 62-604.400(2)(d) states that pumping stations shall be enclosed with a fence or otherwise designed with appropriate features that discourage the entry of animals and unauthorized persons.

*Pls
send me
a copy of
letter
to addie
as reqd
on pg 2*

A file review of the above referenced permit revealed the following:

The Department has not received an application for permit modification for the installation of the flow equalization (surge) tank required in Condition VI~~G~~ of the above referenced permit. This condition required the expansion to be designed, permitted and installed by December 31, 2001.

You are advised that any activity that may contribute to violations of the above described statutes and rules should cease immediately. Continued operation of a facility in violation of

Continued . . .
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James H. Sherwood
January 17, 2001
Page Two

state statutes or rules may result in liability for damages and restoration, and the judicial imposition of civil penalties pursuant to Sections 403.141 and 403.161, Florida Statutes.

Please notify the Department in writing within fifteen (15) days as to what actions you intend to take in order to address these deficiencies.

If you have any question, please do not hesitate to call Elin "EJ" Jackson at (941) 332-6975, ext. 176. Your cooperation is appreciated.

Sincerely,



Andrew R. Barienbrock
Environmental Manager

ARB/EJ/cap

cc: Pugh Utilities

PUGH UTILITIES SERVICE, INC.
760 HENSCRATCH ROAD
LAKE PLACID, FLORIDA 33852
(863) 465-6911

January 29, 2001

Florida Department of
Environmental Protection
P.O. Box 2549
Fort Myers, Florida 33902-2549
Attention: Elin Jackson

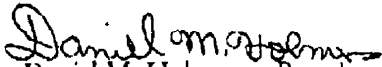
Dear Miss Jackson:

This letter is in response to the recent field inspection at the above referenced WWTP.

- 1a. The stilling wells are there for the purpose of trapping floating solids, therefore they are doing their job. We do plan to clean them out & break up the solids within the next 30 days.
- 1b. The blower guard was off due to some maintenance being done on that particular blower, therefore it is already back in place.
- 1c. We are in the process of having a replacement walkway made for the East plant, and plan to sand and paint the walkway on the West plant. The items are to be completed within 90-120 days.
2. Arrangements are being made to put hasps and locks on all of the lift stations within the next 30 days.
3. Crystal Lake Club has hired Polston Engineering to go ahead and design and apply for the permits for the flow equalization tanks.

If you have any further questions regarding these matters, please feel free to contact this office.

Sincerely,


Daniel M. Holmes, as President
Pugh Utilities Service, Inc.