

**David B. Erwin
Attorney At Law**

127 Riversink Road
Crawfordville, Florida 32327

Telephone 850.926.9331
Fax 850.926.8448
daveerwin@direcway.com

March 29, 2002

Tim Devlin, Director
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

In re: Docket No. 011073-WS, Application for
Increased Water and Wastewater Rates
In Broward County by Ferncrest Utilities, Inc.

Dear Mr. Devlin:

This is in response to your most recent letter, dated March 26, 2002, citing deficiencies in regard to the related party transaction rule. You specifically mention allocated amounts of \$1000 (Luis Pena, computer support) and \$600 (ADP/Oasis, payroll processing).

With regard to the former, there is attached a schedule from the General Ledger of American Marketing & Management, Inc., that shows a payment received from Ferncrest for computer support of \$200 per month. Of this amount there has been an apportionment of \$1000 for direct work performed by Luis Pena, and \$1400 for work performed by Andrew Trumbach. The \$1400 is part of the \$47,600 expense for Andrew Trumbach for computer services shown on the schedule filed with our letter to you, dated March 21, 2002. The \$1000 is rounded up from the actual bill for services in the amount of \$945 (copy of bill attached).

With regard to the payroll processing fee, the total payroll processing fee was actually \$2603.85, not 3,330, as reflected on the schedule attached to the March 21, 2002, letter to you. See the attached General Ledger of American Marketing & Management. The amount of \$2711.65 on page 2 of the General Ledger was not for payroll processing, but if that amount is subtracted from the \$3,330.40, the balance is \$618.75, and that amount added to the other payroll fees shown at the bottom of page 2, \$1,985.10, equals the true amount of payroll processing fees for the four affiliated American Marketing & Management, Inc. companies. Ferncrest has allocated the processing fees in an amount roughly equal to one quarter for each company. One quarter of the fees would be precisely \$54.25 per month per company. Ferncrest Utilities has used \$50 per month to arrive at the total of \$600. Ferncrest Utilities submits that this is a fair and

DOCUMENT NUMBER-DATE

03666 APR-18

FPSC-COMMISSION CLERK

reasonable allocation method, even though Ferncrest Utilities' employees make up 35.55% of the employees for whom payroll processing is done.

We hope that this information will finally allow us to comply with the related party transaction rule.

Sincerely,

A handwritten signature in black ink, appearing to read "David B. Erwin". The signature is fluid and cursive, with a large initial "D" and "E".

David B. Erwin

Cc: Bob Salerno
Andrew Trumbach
Public Counsel

Ferncrest Utilities, Inc.
Accounts: 732-8020
Monthly Computer Support Fees

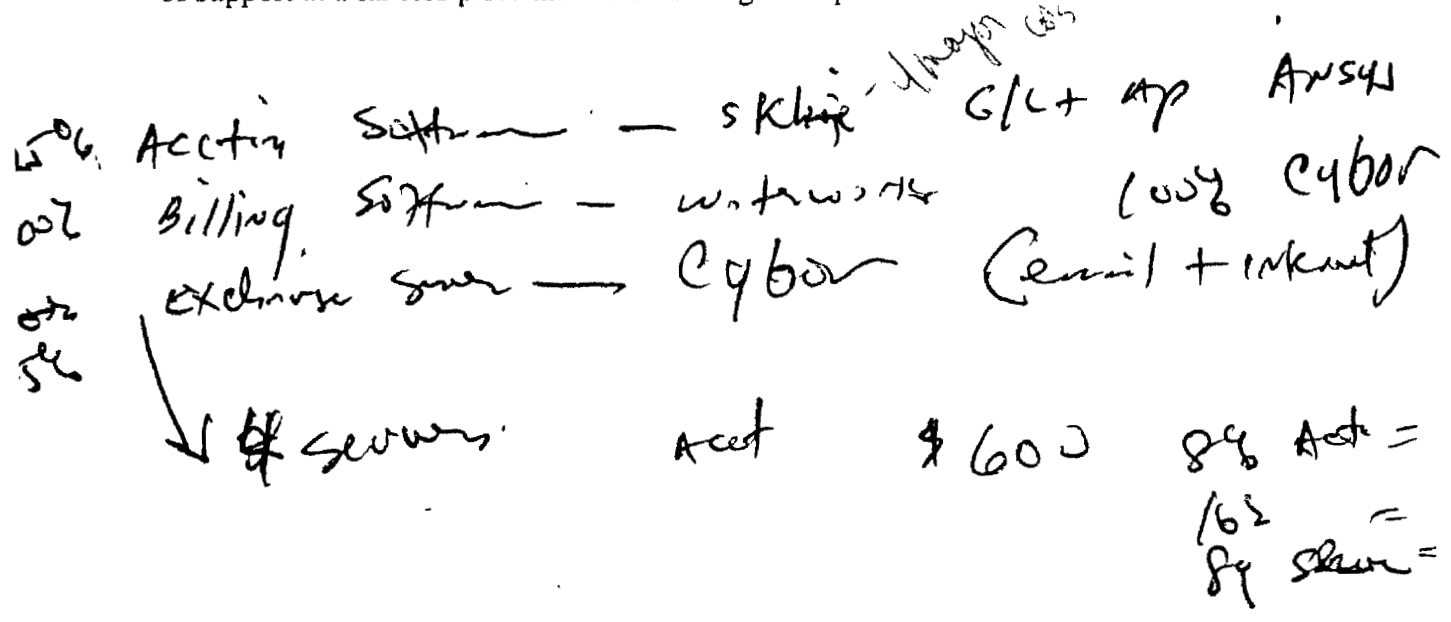
Background:

American Marketing & Management, Inc currently maintains a server and the Skyline Accounting Software as well as a host of other programs including creative solutions for depreciation and fixed assets tracking, a real estate software for tracking the real estate taxes and values, etc.

The cost of the technical support of these software are paid from AMM and a small portion is allocated to the various companies based on benefit. AMM paid over \$8,000 per year on annual support fees paid to these vendors for telephone support.

Ferncrest pays AMM \$200.00 per month as their allocated portion. This is a fixed fee basis that guarantees Ferncrest unlimited technical support for those software. In particular is the hardware and waterworks billing telephone software support provided by CyberTech Solutions.

This centralized sharing of technological resources has allowed Ferncrest to purchase this level of support at a far less price than if it had to go and purchase these resources on its own.



Property/Company : AMEMAN
American Marketing & Management, Inc.
01/01/00 to 12/31/00

Account #	Description	Jrnl Ref	Debit	Credit	Balance
8330-0001	Computer Support Fees				0.00

01/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
01/01/00	FERCREST COMP. FEE	RC 49		200.00	
01/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
01/01/00	GCA COMP SUPP FEE	RC 49		125.00	
01/01/00	UPGRADE DIAGNOSE COM	AP CYSOL	945.00		
02/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
02/01/00	FERCREST COMP. FEE	RC 49		200.00	
02/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
02/01/00	GCA COMP SUPP FEE	RC 49		125.00	
02/05/00	SILVER OAKS NETWORK	AP CYSOL	225.00		
02/05/00	GOLD COAST SERVICE	AP CYSOL	202.50		
02/05/00	VARIOUS COUMPUTER SE	AP CYSOL	607.50		
03/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
03/01/00	FERCREST COMP. FEE	RC 49		200.00	
03/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
03/01/00	GCA COMP SUPP FEE	RC 49		125.00	
03/02/00	REIMB CYBERTECH SOL	GJ 1		202.50	
03/23/00	15 1/2 HRS 3/21-3/23	AP JAMCI	97.50		
04/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
04/01/00	FERCREST COMP. FEE	RC 49		200.00	
04/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
04/01/00	GCA COMP SUPP FEE	RC 49		125.00	
04/01/00	VARIOUS COMPUTER WOR	AP CYSOL	90.00		
05/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
05/01/00	FERCREST COMP. FEE	RC 49		200.00	
05/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
05/01/00	GCA COMP SUPP FEE	RC 49		125.00	
05/01/00	INTERNET/EMAIL/ISDN	AP CYSOL	810.00		
05/08/00	1 YR SUPPORT 6/1/00-	AP ANSYS	1,325.00		
05/12/00	UPGRADE AND INSTALL	AP CYSOL	887.00		
06/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
06/01/00	FERCREST COMP. FEE	RC 49		200.00	
06/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
06/01/00	GCA COMP SUPP FEE	RC 49		125.00	
07/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
07/01/00	FERCREST COMP. FEE	RC 49		200.00	
07/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
07/01/00	GCA COMP SUPP FEE	RC 49		125.00	

Costly by phone

bill

?

?

~

g/l

387
~~1707.50~~

1847.50

945.00

796.75

X.25 = 495

exchange serv

GLA .25 = 462

7/100% = 945

2203.75

Property/Company : AMEMAN
American Marketing & Management, Inc.
01/01/00 to 12/31/00

Account #	Description	Jrnl Ref	Debit	Credit	Balance
07/10/00	INSTALL AT's COMP &	AP CYSOL	450.00		
07/31/00	VARIOUS REPAIRS & UP	AP CYSOL	477.50		
08/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
08/01/00	FERCREST COMP. FEE	RC 49		200.00	
08/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
08/01/00	GCA COMP SUPP FEE	RC 49		125.00	
09/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
09/01/00	FERCREST COMP. FEE	RC 49		200.00	
09/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
09/01/00	GCA COMP SUPP FEE	RC 49		125.00	
09/09/00	VARIOUS COMPUTER WOR	AP CYSOL	315.00		
09/25/00	INSTALL SOFTWARE	AP CRTEC	33.75		
10/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
10/01/00	FERCREST COMP. FEE	RC 49		200.00	
10/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
10/01/00	GCA COMP SUPP FEE	RC 49		125.00	
10/23/00	2000 ENHANCEMENT TO RE	AP WIGRE	500.00		
11/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
11/01/00	FERCREST COMP. FEE	RC 49		200.00	
11/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
11/01/00	GCA COMP SUPP FEE	RC 49		125.00	
11/09/00	INSTALL SKYLINE II	AP CRTEC	297.50		
12/01/00	S.O. COMP SUPP FEE	RC 49		100.00	
12/01/00	FERCREST COMP. FEE	RC 49		200.00	
12/01/00	FL VOTER-COMP SUPP	RC 49		100.00	
12/01/00	GCA COMP SUPP FEE	RC 49		125.00	
12/13/00	UPGRADE SKYLINE TO V	AP CRTEC	191.25		
*** Total			7,454.50	6,502.50	952.00

Account #	Description	Jrnl Ref	Debit	Credit	Balance
1330-0002	Computer Support Fees				0.00

02/05/00	VARIOUS COMPUTER SE	AP CYSOL	922.50		
03/23/00	15 1/2 HRS 3/21-3/23	AP JAMCI	135.00		
04/01/00	VARIOUS COMPUTER WOR	AP CYSOL	45.00		
05/12/00	UPGRADE AND INSTALL	AP CYSOL	562.50		
07/31/00	VARIOUS REPAIRS & UP	AP CYSOL	450.00		
09/09/00	VARIOUS COMPUTER WOR	AP CYSOL	180.00		
09/25/00	RECON JR TO NETWK,DS	AP CRTEC	315.00		

Downtown office

2/07/02

American Marketing & Management, Inc.

10:29 am

User: JUDY

Year-to-Date General Ledger

Page: 3

Property/Company : AMEMAN
American Marketing & Management, Inc.
01/01/00 to 12/31/00

Account #	Description	Jrnl Ref	Debit	Credit	Balance
10/10/00	ONSITE HARDWARE & SO	AP CRTEC	258.75		
11/13/00	CMPTRS NOT LOGGING I	AP CRTEC	85.00		
11/30/00	SET UP AOL-MAF & WOR	AP CRTEC	212.50		
11/30/00	VICKI: AOL,WORD MACR	AP CRTEC	510.00		
*** Total			3,676.25	0.00	3,676.25
<hr/>					
8330-0003	Computer Support Fees				0.00
<i>Fla Notes Magazine</i>					
02/05/00	VARIOUS COOMPUTER SE	AP CYSOL	562.50		
03/04/00	LAP TOP INTERNET TRA	AP CYSOL	832.50		
04/01/00	VARIOUS COMPUTER WOR	AP CYSOL	937.45		
07/31/00	VARIOUS REPAIRS & UP	AP CYSOL	67.50		
*** Total			2,399.95	0.00	2,399.95

Property/Company : AMEMAN
 American Marketing & Management, Inc.
 01/01/00 to 12/31/00

Account #	Description	Jrnl Ref	Debit	Credit	Balance
09/01/00	S.O. P/R FEES	RC 44		50.00	
10/01/00	GCA P/R FEES	RC 44		50.00	
10/01/00	FL VOTER P/R FEES	RC 44		50.00	
10/01/00	S.O. P/R FEES	RC 44		50.00	
11/01/00	GCA P/R FEES	RC 44		50.00	
11/01/00	FL VOTER P/R FEES	RC 44		50.00	
11/01/00	S.O. P/R FEES	RC 44		50.00	
12/01/00	GCA P/R FEES	RC 44		50.00	
12/01/00	FL VOTER P/R FEES	RC 44		50.00	
12/01/00	S.O. P/R FEES	RC 44		50.00	
12/31/00	RECLASS TO 8020-0001	PY 117	2,711.65		
*** Total			3,330.40	3,330.40	0.00

P/R

8090-0002	Payroll Processing Fees				0.00

01/14/00	ADP PAYROLL FEES	GJ 26	125.29		
01/21/00	ADP PAYROLL FEES	GJ 26	15.75		
01/28/00	ADP PAYROLL FEES	GJ 26	135.54		
02/04/00	ADP PAYROLL FEES	GJ 33	161.50		
02/11/00	ADP CHARGES 1/28	GJ 2	121.01		
02/24/00	ADP CHARGES	GJ 21	154.60		
02/25/00	ADP CHARGES	GJ 22	30.55		
07/26/00	ADP PAYROLL FEES	GJ 31	1,240.86		
12/31/00	RECLASS TO 8020-0002	PY 117		1,985.10	
*** Total			1,985.10	1,985.10	0.00

P/R



234 E Riverbend Dr.
Sunrise, FL 33326
Phone:954-384-7999 Fax:

Invoice Number:
1066
Invoice Date
Dec 31, 1999
Page
1

Sold To:
American Marketing & Managemen
6081 SW 30 CT
FT. lauderdale,, FL 33144

Ship to:

Customer ID
AMM

Customer PO

Payment Terms
C.O.D.

Sales Rep ID

Shipping Method
Hand Deliver

Ship Date

Due Date
12/31/99

Quantity	Item	Description	Unit Price	Extension
1.00	service	12/14 Diagnose Bob's computer why it would note connect to internet	45.00	45.00
4.00	service	12/15 Upgrade waterworks and back up on CD	45.00	180.00
2.00	service	12/16 Upgrade Ecco on all pc's in FC office	45.00	90.00
8.00	service	12/18 intall wordperfect 9.0 on all pc's in office in FC office	45.00	360.00
3.00	service	12/21 purchcase PC and transfer All Data	45.00	135.00
4.50 3.00	service	12/30 Check FC tape Backup. instal virus scan on all PC's	45.00	202.50 135.00

Subtotal ~~945~~ 1,012.50
Sales Tax
Total Invoice Amount 1,012.50
Payment Received 0.00
TOTAL ~~945~~ 1,012.50

Check No:

Reorder from: Forms & Supplies Direct for **SKYLINE**, 800-992-1970 FORM# 703 Copyright 1993

Invoice No.	Inv. Date	Amount	Discount	Description	Voucher No.	Net Amount
1366	01/01/00	945.00	0.00	UPGRADE DIAGNOSE COMPUTER	05953	945.00
TOTAL		<u>945.00</u>	<u>0.00</u>			<u>945.00</u>

(AMEMAN)

American Marketing & Management, Inc.
P.O. Box 292037
Davie, FL 33329

NationsBank
One Financial Plaza
Fort Lauderdale, FL 33394

63-27
631

DATE: 01/21/00 CHECK NO.: 050581 AMOUNT: \$*****945.00*

NINE HUNDRED FORTY-FIVE AND NO/100 DOLLARS *****

TO THE ORDER OF

CYBERTECH SOLUTIONS, INC.
234 E. RIVERBEND DRIVE
SUNRISE, FL 33326

NON-NEGOTIABLE