

STATE OF FLORIDA

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TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

October 25, 2002

F. Marshall Deterding  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

**Re: Docket No. 010087-WS, Application for Approval of a Reuse Plan by Sun Communities Finance LLC d/b/a Water Oak Utility**

Dear Mr. Deterding:

Staff received your response to staff's Audit Report in the above referenced docket by letter dated October 23, 2002. In your response you requested copies of the utility's invoices from the audit used in Audit Exception No. 5 and Audit Exception No. 6. Attached are copies of the requested utility invoices.

Sincerely,

Troy Rendell  
Public Utilities Supervisor

TR:rf

cc: Division of Economic Regulation (Fitch, Merta, Edwards, Lingo)  
Division of Auditing and Safety (Vandiver, Shepherd)  
Division of Commission Clerk and Administrative Services (010087-WS)

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC
- OTH \_\_\_\_\_

DOCUMENT NUMBER: 11722 OCT 25 02  
FPSC-COMMISSION CLERK

Sun Communities Finance, LLC,  
 d/b/a Water Oak Utilities Dkt # 010087-WS  
*Non-utility invoices*  
 Historical Test Year Ended December 31, 2001

*9/02*  
*M/S*

SSELL AERIAL PHOTOGRAPHY INC

MASSEY RANCH AIRPARK  
 1016 FLYING 'M' COURT  
 EDGEWATER, FLORIDA 32132  
 904-423-0303 \* FAX 904-423-0337



Invoice

DATE	INVOICE #
8/27/01	5724

<b>BILL TO</b>
SUN COMMUNITIES INC 31700 MIDDLEBELT RD SUITE 145 FARMINGTON HILLS, MI 48334

<b>SHIP TO</b>
DONNA BUCKSH

TERMS	REP	PROJECT
NET 15 DAYS	JIM	

DESCRIPTION	QTY	RATE	AMOUNT
USTOM AERIAL FLOWN WATER OAK CC LADY LAKE I,S,E,W CLOSE 5X11 CUSTOM COLOR PRINTS	1 5 1	225.00 15.00 225.00	225.00T 75.00T 225.00T
USTOM AERIAL FLOWN EESBURG LANDING I,S,E,W TIGHT 5X11 CUSTOM COLOR PRINTS	1 5 1	225.00 15.00 14.00	225.00T 75.00T 14.00
HIPPING FED EX	1	0.00	0.00T
ONNA, THANK YOU FOR YOUR ORDER AND HAVE A ICE DAY!!			
IM			
SALES TAX		6.00%	36.00
<b>Total</b>			\$650.00

*Sale of Water Oak Utility*

*Audit Note: These 2 invoices relate to the planned sale of the utility & should be removed from O&M and reclassified as non-utility expense.*

*8/31/01*  
*WAU*  
*Code 1210*  
*OK to pay*

Thank You! We appreciate the opportunity to serve you. Please be assured we will continually strive to earn your confidence. \*\* All photography is copyrighted and may not be reproduced without permission from Russell Aerial Photography\*\* FEDERAL TAX ID#59-2958987

*Acct. 675 \$341.90*  
*" 775 308.10*

<b>SOURCE</b>		Acct. 675	\$341.90	Acct 775	\$308.10
			\$2147.28		\$132.72
			\$489.18		\$440.824
			43		43-2

SSELL AERIAL PHOTOGRAPHY INC

Invoice

MASSEY RANCH AIRPARK  
 1016 FLYING 'M' COURT  
 EDGEWATER, FLORIDA 32132  
 904-423-0303 \* FAX 904-423-0337

DATE	INVOICE #
9/10/01	5737

**BILL TO**

SUN COMMUNITIES INC  
 31700 MIDDLEBELT RD  
 SUITE 145  
 FARMINGTON HILLS, MI 48334

**SHIP TO**

NICOLE

TERMS	REP	PROJECT
NET 15 DAYS		

DESCRIPTION	QT	RATE	AMOUNT
30X40 CUSTOM COLOR PRINT	1	250.00	250.00T
WATER OAKS COMMUNITY	1	15.00	15.00
SHIPPING FED EX		0.00	0.00T
NICOLE, THANK YOU FOR YOUR ORDER AND HAVE A NICE DAY!!			
JIM		6.00%	15.00
SALES TAX			



*WAV  
 Code 1210  
 Spore of Water  
 OAE  
 Mury*

*[Signature]*

**Total** \$280.00

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680 \$ 147.28 - 675  
 780 \$ 132.72 - 775

p 2

Acct. 675	\$ 341.90	Acct. 775	\$ 308.10
	\$ 147.28		\$ 132.72
	\$ 489.18		\$ 440.82
			43

43-c

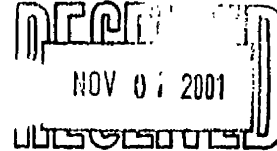
SOURCE



Sun Communities Finance, LLC,  
d/b/a Water Oak Utilities Dkt # 010087-WS  
*Non-Utility Invoices*  
Historical Test Year Ended December 31, 2001

9/02  
MS

EN ROZNOWSKI CONSTRUCTION  
BALMORAL CIRCLE  
SBURG FL 34748  
2) 326-9196



CONTRACT PROPOSAL

WATER OAKS UTILITIES  
106 EVERGREEN LANE  
LADY LAKE FL 32159

JOB NAME: SEWER TREATMENT SPRAY FIELD  
LOCATION: SAME

NE: (352) 753-3000

FAX: (352) 259-0101

AND REMOVE CONCRETE AND TRASH FROM SPRAY FIELD  
REMOVE WOODEN POSTS FROM IN FRONT OF MAINTENANCE BUILDING

*Prepare property for  
start of January*

FOR THIS WORK SHALL BE: ONE THOUSAND & 00/100\*\*\*\*\*\$ 1,000.00  
PAYMENT TERMS: UPON COMPLETION

43  
ACCT. # 736

EN ROZNOWSKI

1210

*[Signature]*

Water Oak Utility	Comm Code: WAU
Account #:	Amount: \$\$
<del>1210</del>	
Description:	1000.00
Community Charge:	cleaning up debris
Initials:	from spray field
Date:	4/18
A/P Use Only	G/L Month:

DATE: 10/26/01

ACCEPTANCE

DATE:

Audit Note: This invoice was related to the planned sale of the utility and should be removed from O&M and reclassified as Non-utility expense,



**Water Oak Utilities**  
**Docket # 010087-WS**  
**Test Year End 12/31/01**  
**Conservation Activities**

Sun Communities Finance, LLC,  
d/b/a Water Oak Utilities Dkt # 010087-WS  
*Conservation Expense*  
Historical Test Year Ended December 31, 2001

9/08  
MB

Description	Estimated Cost	Frequency	Company Filing 01/01 - 06/01	Company Filing 07/01 - 12/01	Total Conservation Expense Per Company	Adjustment	Per Audit (2)	
<i>Company Proposed Activities</i>								
	44-1							
Water Audit/ Leak Detection	5,000	Annually	6,831	0	6,831	0	6,831	
Xenscape Consulting	5,000	Annually	0	0	0	0	0	
Conservation Tips as Bill Enc.	2,500	Annually	600	600	1,200	0	1,200	
Low Flow Shower Kits	2,500	One Time	0	0	0	0	0	
Examine Water Using Data	5,000	Annually	300	400	700	0	700	
Attend Annual Conf. on Cons.	1,500	Annually	0	0	0	0	0	
Moisture Sensors for Irrigation	1,500	Annually	0	0	0	0	0	
Low Flow Toilet Flow Rebate Program	1,000	Annually	0	0	0	0	0	
Sponsor Education Programs	1,000	Annually	500	300	800	0	800	
Retrofit Wastewater Plant for washdown w/reuse	5,000	One Time	0	0	0	0	0	
<b>Proposed Annual Expenditure</b>	<b>30,000</b>							
<i>Additions Per Order</i>								
	44-2p2							
Meter Replacement Program	14,400	Annually	13,170	13,170	26,340	(13,889)	44-4 12,451	
Irrigation Audits	5,000	Annually	3,458	768	4,226	0	4,226	
<b>Additional Expenditures Per Order</b>	<b>19,400</b>							
			44-2p2 24,859	44-3p2 15,238	40,097	(13,889)		
<b>Total Conservation Expenditures</b>	<b>49,400 (1)</b>						26,208 (2)	
<b>Minimum Amt. Required by Order</b>	<b>49,400 (1)</b>							
<b>Total Cost Per Audit</b>	<b>26,208</b>							
<b>Difference</b>	<b>(23,192)</b>							

Note (1) Order No. PSC-00-1165-PAA-WS, required a minimum of \$49,400 be spent for conservation in the first year after the final (consumating) order date which was 7/19/00 See WP 44-2p2  
Note (2) Audit staff has verified all invoices pertaining to these expenses.

SOURCE As Indicated

INTEGRITY BUSINESS COPY - BR  
ART 1001-20-0 FAX 01/26/01

44

9/08  
MS

Water Oak Utilities Company, Inc.  
Schedule of Conservation Related Activities and Estimated Costs



Line No.	Description	Estimated Cost	Frequency
1	Annual Water Audit/Leak Detection	\$5,000	Annually
2	Xeriscape Consulting/Rebate Program	\$5,000	Annually
3	Publish Conservation Tips as Bill Stuffers	\$2,500	Annually
4	Purchase Low Flow Shower Kits and Distribute	\$2,500	One Time
5	Examine Water Using Data and Conservation Rates	\$5,000	Annually
6	Attend Annual Conference/Seminar on Conservation	\$1,500	Annually
7	Purchase/Install Rain/Moisture Sensors For Irrigation	\$1,500	Annually
8	Low Flow Toilet Rebate Program	\$1,000	Annually
9	Sponsor Local Education Programs @ Schools	\$1,000	Annually
10	Retrofit Wastewater Plant for Washdown w/reuse	\$5,000	One Time
* 11	Proposed Annual Expenditure For First Year	\$30,000	To 44
12	Proposed Annual Expenditure Thereafter	\$22,500	

MAJOR CAPITAL EXPENDITURES FOR DISCUSSION

13	Upgrade Wastewater Plant to Provide Reuse to Golf Course	\$300,000+	One Time
14	Provide reuse to other public access areas, if feasible	\$100,000	One Time

2.5  
49,420

SOURCE



*9/10*  
*MB*

Conservation Jan 2001 through June 2001  
Water Oak Utility

Meter Replacements, 6 month period		
20 meters/month @ \$100 per meter and related parts	\$12,000	
1 man hour/meter @ 9.75/hr (120 man hours)	1,170	
Irrigation Audits		
Residential home sites		
Environmental Care Co.	2,790	✓
Common Area Irrigation Leak Checks		
16 manhours every second month	468	
48 man hours @ \$9.75/hr	200	
parts and supplies		
Supply Line Leak Detection, Complete Water Distribution System		
Hydro Tech	5,400	✓
* Waste Water Reuse Project		
Planning, filing (ongoing)		
Excel Engineering	6,600	*
Water Distribution System		
As-Built plans		
Excel Engineering	1,431	✓
Conservation Messages on monthly billings		
Set up and printing, \$100/month	600	✓
High Water Usage Letters		
Average 67 letters/month x 6 months		
Supplies, copies, postage	300	✓
Newsletter inserts, Articles, Closing package inserts re. irrigation, water restrictions, conservation, drought proofing, etc., St. Johns River WMD flyers, Welcome to Florida! (Grasses and Plants)	300	✓
Gardening/Conservation Educational Seminars		
University of Florida Master Gardener program		
Meeting room, set up, distribution of flyers, Native planting give-aways, etc	200	✓
TOTAL COST	\$31,459	
	<del>6,600</del> *	
	\$24,859	44

\* This amt. pertains to WW reuse plans and should not be included in the minimum expense required by order for water conservation

44-3p

*9/102*  
*MB*

Conservation July 2001 through December 2001  
Water Oak Utility

Meter Replacements, 6 month period		
20 meters/month @ 100 per meter and related parts	\$12,000	
1 man hour/meter @ 9.75/hr (120 man hours)	1.170	
Irrigation audits		
Residential home sites, scheduling/coordination	100	✓
Common Area Irrigation Leak Checks		
8 man hours/month @ 9.75/hr	468	
Parts and supplies	200	
* Waste Water Reuse Project		
Excel Engineering	5,031	*
Conservation Messages on monthly billings		
Set up and printing, \$100/month	600	✓
High Water Usage Letters		
Average 86 letters/month x 6 months		
Supplies, copies, postage	400	✓
Educational Materials		
Supplies, printing, copying, collating, etc.		
Newsletter inserts & Articles, Closing package		
inserts re. irrigation, Water restrictions, conservation,		
drought proofing, etc., St Johns River WMD flyers	300	✓
TOTAL COST	\$20,269	
	< 5,031 > *	
	\$15,238	44

\* This amt. pertains to the reuse plan and should be separated from the minimum expenses, required by order, for water conservation.

✓ = auditor verified invoices

44-3p2



*mws*  
*9/02*

Sun Communities Finance, LLC  
d/b/a Water Oak Utility  
Limited Proceeding Docket No. 010087-WS  
Audit Document /Record Request Number Nineteen



Based on Document Request No. Nineteen, we have enclosed the following:

- A. The Utility's general ledger for the twelve-month period ended December 31, 2001. Cost transactions identified by vendor, invoice number, date, and general ledger account have been identified by an "\*" symbol relating to the conservation cost expenditures.
- B. Replacement meter and associated costs capitalized have been submitted to the Commission in Document Request response Numbers Eleven and Twelve, Schedule No. 3. For your convenience, we have summarized the following related to Schedule No. 3.

Total costs capitalized - meters '01	\$13,723	<i>@ \$55 per meter</i>
Factor for replacement meters (225 replacements/248 total meters)	<u>90.73%</u>	
Cost of replacement meters	\$12,451	<i>44</i>

- C. Employee costs not segregated as conservation cost in account 601 are as follows:

Common area irrigation leak checks 8 man hour/month @\$9.75 for 12 months (1)	\$ 936
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Note (1): Labor costs do not include payroll taxes and employee benefits. No costs associated to transportation have been allocated to the conservation program.

Should you have any additional questions, please do not hesitate to contact us.

Very truly yours,

*Thomas Farn*  
*Senior V.P.*  
*8/19/02*  
*248-932-7416*

