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MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

September 29, 2003

RECEIVED 1:00
SEP 30 AM 9:57
COMMISSION
CLERK

Mr. Troy Rendell
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Service Management Systems, Inc.; PSC Docket No. 021228-WS
Application for Staff Assisted Water and Sewer Rate Increase in Brevard County
Our File No. 36082.02

Dear Mr. Rendell:

As promised, I am writing to you to outline some concerns raised after our review of the most recent staff recommendation in the above-referenced case. I apologize for the delay in getting you this information. These are primarily in three categories: insurance, office rent, and customer service. I will discuss these each separately below:

- 1. Insurance - The staff recommendation included a provision for the insurance paid by the Utility for liability insurance. This total should be \$2,382 as outlined in the memo with a check from Service Management Systems to USI for the insurance. However, the staff recommendation failed to include the annual premium of \$4,059 payable to USI for property and equipment insurance. Attached hereto is a copy of the check made payable to the insurance company, USI Florida, and a memo which shows that this is the premium for insurance on the property equipment of Service Management Systems, Inc.

If the staff is in need of anything further in order to recognize this ordinary and necessary insurance cost, please let me know.

- 2. Office Rent - As a result of our conversations several weeks ago, I attempted to provide you an estimate of the value of the office space utilized by the Utility within the clubhouse for the community. However, I was unaware at that time that the Utility's previous arguments to the staff about a separate modular building were based upon the fact that

AUS _____
CAF _____
CMP _____
COM _____
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GCL _____
OPC _____
MMS _____
SEC _____
OTH _____

09348 SEP 30 6

FPSC-COMMISSION CLERK

the Utility was being forced out of the clubhouse, because of an alleged violation of zoning ordinances in continuing to utilize that clubhouse space. As such, the Utility is being forced into new office space and has worked out an arrangement with a builder to take over use of a modular building, formerly utilized as a sales operation center. That totally separate utility space is approximately 200 square feet. If the Utility cannot obtain utilization of those facilities, they will probably have to seek to rent space separately from a third party. Such stand alone space will likely cost the Utility approximately \$500 per month.

Based upon these facts, the Utility requests that the Commission staff recognize and include at a minimum the 200 square feet for the modular building space that it will be required to utilize as a result of the fact that it is no longer allowed to utilize the clubhouse space. This 200 square foot modular space is the cheapest alternative available to the Utility and should be recognized at the price per square foot that the staff utilized in the original recommendation, as a reasonable rental value. The Utility is in the process of obtaining a letter from a local realtor about the alternatives to the Utility outside of the Aquarina development, but as nearby as possible, for Utility headquarters. I will provide that information to you as soon as I receive it within the next few days.

3. Customer Satisfaction and Customer Service - The staff has found the Utility's service to be unsatisfactory, despite the fact that the Utility is in conformance with the regulatory requirements of the DEP and EPA concerning water and wastewater service. There are several different aspects to the staff's review of customer satisfaction and customer service and the major categories of these have been discussed separately below:

- a) Customer Complaints - Members of the staff met with several customers before, during and after the customer meeting, in the Utility's service territory. The persons primarily involved in the discussions with the staff, are the only persons who have filed any recent complaints with the Public Service Commission concerning their utility service. In fact, the Utility's history of complaints is very good. In the last three years, only seven complaints have been filed with the PSC and the majority of those relate almost exclusively to an issue of a broken irrigation line that occurred in the summer of 2002. Five of the seven complaints received over the last three years, dealt with that issue. The last complaint received concerning any other issue was received by the Commission in November of 2001 and was simply related to a billing inquiry.

The issue of the irrigation line break is discussed in depth below. However, it is clear that those persons who complained about that

line break are the same persons who complained to the Commission staff at the customer meeting. They represent a very small minority of the Utility's customers and their major complaint has been related to a break in an irrigation line that they are not even customers of.

The Utility receives, on average, approximately two complaints per year directly to the Utility's offices. These are dealt with promptly by the Utility's management. Within the last 3 3/4 years, the Utility has had a total of seven complaints filed with the PSC and only two which were not related to an irrigation line break, in July of 2002.

Therefore, the customer service aspect that forms a portion of the basis for the Commission's finding of unsatisfactory quality of service, is not well founded.

- b) Irrigation Line Break - In July of 2002, a 6" PVC saddle on a 14" ductile iron pipe broke within the Utility's irrigation/fire flow system. This break was simply the result of a failure with an approximately 20 year old line and connection. Because of the configuration of the system and the pumping setup designed to meet high fire flow demands, it took some time to isolate the line break and because it was such a large line break, it caused substantial loss of irrigation water. In addition, because of the size of the break, this small Utility Company does not have the personnel to make the needed repairs in-house. The special saddle connector for the PVC to ductile iron pipe of this size had to be obtained, which required a special order and arrangements with an outside contractor had to be scheduled, before the system could be repaired. The system was repaired within a matter of a few days and irrigation/fire flow service was restored.

One of the concerns raised by the staff was the description that fish were found within the spill water coming from the broken line. Customers seemed very concerned with this fact.

As noted by the Utility in discussions with the staff engineer, the Utility has been required by the Water Management District to pump water from a local stormwater pond for use within this system. This is obviously how a few fish entered the system. After this occurrence and the resulting complaints, the Utility informed the Water Management District that despite the requirement from the Water Management District, the Utility no longer utilizes that source of water for irrigation. Since that date, it has not been used as an irrigation water source.

While this appeared to be a major component of several customers' concerns, it was neither a violation of any rule or order or otherwise and was simply a result of being required to receive irrigation water from a holding pond that contains live fish and the nature of that line.

The second concern raised by customers with the break of this line, was the time it took to repair the line. Because configuration of the irrigation system and the fact that this is a very large line and an unusual connection between a PVC and a ductile iron pipe, the connection was difficult to isolate and repair. In addition, as noted above, the Utility does not have the manpower or equipment in-house to undertake such a major line repair and as such, had to contract out that service. The Utility had arranged for the line to be repaired as quickly as possible, with an outside contractor. No significant interruption in service to customers occurred and only irrigation service was affected.

The individual homeowners who complained of this line break within the Utility's service territory are not customers of the irrigation service. Only homeowners associations and common areas golf courses and a few single family homes are direct customers of that service.

- c) Other General Line Breaks and Outages - The customers reported to the staff that there had been water line breaks "every two to three weeks" and that the duration of service interruption as the result of these line breaks is reported to last "several days and sometimes a week." The issuance of the staff recommendation represented the first opportunity for the Utility to respond to these allegations. In fact, there have been very few line breaks within the service area for the Utility in recent years, and when there have been they have been repaired promptly and have never resulted in an interruption of potable water or sewer service for one full day, much less for several days or weeks. The few line breaks that have occurred have primarily been the result of construction, not the fault of the Utility, and none have occurred within the areas that service the customers who complained to the PSC staff of these problems. The DEP staff can attest to these facts as well.
- d) Sewer Service - At least one customer complained to the PSC staff engineer of problems with the Utility's absorption field. Through the staff engineer's own inspections and his discussions with the local DEP office, there have been no violations cited for the Utility related to these ponds and no noxious odors were detected.

- e) Compliance with Fire Flow Requirements - The staff notes that the complaints about the broken irrigation line lead to a thorough inspection of the fire flow systems and that several deficiencies were noted by the Fire Marshall. The Utility has since corrected all of those deficiencies. The staff recommendation states the staff's proposal for finding that

“the quality of service provided by Service Management Systems, Inc. should be considered not satisfactory until the Utility upgrades the fire flow/irrigation pump plants, distribution system, hydrants, and associate of record keeping in accordance with the “code” requirements in the NFPA Code Book.”

The Utility has now complied with all of those requirements. Attached hereto is a letter from the Utility's Consulting Engineer certifying that the construction of the necessary facilities has now been completed as of early September. The Utility is now in full compliance with the requirements of the Fire Marshall and the NFPA Code Book.

- f) Utility Newsletter - The staff has recommended, as part of their overall finding of the unsatisfactory quality of service, that the Utility prepare a newsletter to accompany each Utility bill for the next six months. The Utility is utilizing a card billing with an outside billing service. The cost to incorporate a newsletter would be substantial. In addition, based upon the above facts, we do not believe that such a newsletter is appropriate or necessary under the circumstances.

The Utility would be willing to provide a one time notice to the customers along with the notice of the change in rates which result from this case, informing them of the upgrades to the Utility's fire flow system and that it is in conformance with all applicable standards and to provide some other general information as the Commission may see fit. We would also provide information concerning how to contact the Utility in the case of any concerns or questions in order to guarantee that the complaint will reach the Manager's desk and that a response will be forthcoming in an expeditious manner.

Based upon all of the above, we believe that the Utility's quality of service does not fall to the level of unsatisfactory. While there may have been some issues with a few customers and some issues with a line break in the irrigation system, overall the Utility has provided good quality of service, especially for a system that employs only part-time personnel and is as small as this one. Some of the problems that have been

Mr. Troy Rendell
September 29, 2003
Page 6

experienced by the customers in the past are likely related to the prior ownership of the system. The system was transferred to new ownership approximately 1 ½ years ago. The new owners intend to increase the level of service and ensure that the Utility maintains at all times a well operated system in conformance with all regulatory standards.

The addition of a newsletter is not only a very rare requirement of the Commission, but is not necessary under these circumstances, especially given the above facts. In any case, no allowance has been authorized within the proposed rates to allow for drafting, copying and mailing such an additional item to the customers.

In conclusion, if the staff is willing to recognize the above three changes to the staff recommendation, the Utility is willing to accept the staff proposed disposition of the staff assisted rate case as filed, but with these three changes.

We very much appreciate the staff's indulgence in allowing us the opportunity to present this additional information and to respond to some of the concerns raised in the staff recommendation. Hopefully, these minor changes can be made to the staff recommendation, the matter can be approved by the Commissioners and the Utility can move forward expending its time, efforts and money on improving the system and increasing the quality of service provided to its customers.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD\tms
cc: Blanca S. Bayo, Director
James Bates
Robert Frazier, Esquire
Marty Sadkin
Robert C. Nixon, CPA
indian\4rendell.ltr

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
02LX750780		5/14/03	4,059.00		4,059.00

CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT
7/21/03	1280.	USI FLORIDA		\$4,059.0

SERVICE MANAGEMENT SYSTEMS INC.
 235 HAMMOCK SHORE DR.
 MELBOURNE BEACH, FL 32951
 PH. (407) 723-2522

SUNTRUST BANK
 CENTRAL FLORIDA, N.A.
 INDIAN HARBOUR BEACH, FL
 63-215/631

1280

CHECK NO. 1280 DATE Jul 21, 2003 AMOUNT *****\$4,059.00

Four Thousand Fifty-Nine and 00/100 Dollars

PAY TO THE ORDER OF:
 USI FLORIDA
 8100 SW 10th STREET
 SUITE #2000
 PLANTATION, FL 33324
 Memo:02LX75078010

 AUTHORIZED SIGNATURE

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈001280⑈ ⑆063102152⑆0650000112224⑈

SERVICE MANAGEMENT SYSTEMS INC.

1280

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
02LX750780		5/14/03	4,059.00		4,059.00

CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT
7/21/03	1280	USI FLORIDA		\$4,059.

USI FLORIDA		
Please respond to:		
()	(X)	()
301 Yamato Road Suite 3110 Boca Raton, FL 33431 Tel: (561) 999-0232 Fax: (561) 999-9526	8100 S.W. 10 th Street Suite #2000 Plantation, FL 33324 Tel: (954) 474-9700 Fax: (954) 474-2101	90 Almeria Avenue Coral Gables, FL 33134 Tel: (305) 447-8600 Fax: (305) 447-0209

FAX TRANSMITTAL

Date: May 12, 2003
 To: Jim Bates
 Company: Service Mngmt Systems, Inc.
 Fax #: 321-725-0804
 From: Dora Villavicencio, Ext. 230

RE: Commercial Package
 Policy Number: BINDER/02LX75078010

MAY 15 2003

Number of pages in this transmission: 1

Jim,

As requested I have received a quotation to add the inland marine equipment totaling \$506,500. The annual premium would be an additional \$4059.00.

I know you declined terrorism on the package policy but AIG has provided you a quote to include Terrorism coverage for the equipment, the additional premium would be \$960. As you know this is optional, please advise if you still would like to exclude or include.

If you would like to add the equipment, please forward the \$4059.00 payable to USI Florida via Federal Express to be received by 5/14/03. Upon receipt I will have the equipment added.

If you have any questions, please feel free to call me.
Thank you.

CONFIDENTIALITY NOTE: The information contained in this facsimile message is legally privileged and confidential and is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original message to us at the address above via the United States Postal Service. Thank you.

DISCLAIMER: We do not accept binding instructions via facsimile. Please call the office and speak to your Agent or Customer Service Representative.



FLORIDA Plantation

A USI INSURANCE SERVICE CORP PARTNER

8100 SW 10 Street Suite 2000
Plantation, FL 33324-3335
Phone: (954) 474-9700
Fax: (954) 474-2101

FAX COVER SHEET

DATE: 5/12/03

TO: Service Management Systems
COMPANY: Jim Bates
FAX#: (321) 725-0804
PHONE: () -

FROM: Dora Villevencio
FAX#: (954) 474-2101

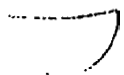
SUBJECT: Quote to Add Equipment

PAGES: 2

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REMARKS:



SERVICE MANAGEMENT SYSTEMS INC.

1254

INVOICE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
6729		5/7/03	2,376.00		2,376.00

CHECK DATE	CHECK NO.	PAYEE	DISCOUNT TAKEN	CHECK AMOUNT
/7/03	1254	USI FLORIDA		\$2,376.00

USI FLORIDA		
Please respond to:		
()	(X)	()
301 Yamato Road Suite 3110 Boca Raton, FL 33431 Tel: (561) 999-0232 Fax: (561) 999-9526	6100 S.W. 10 th Street Suite #2000 Plantation, FL 33324 Tel: (954) 474-9700 Fax: (954) 474-2101	90 Almeria Avenue Coral Gables, FL 33134 Tel: (305) 447-8800 Fax: (305) 447-0209

FAX TRANSMITTAL

Date: May 2, 2003
 To: Stacey
 Company: Service Mngmt Systems, Inc.
 Fax #: 954-370-9771
 From: Dora Villavicencio, Ext. 230

RE: Commercial Package
 Policy Number: 02LX75078010

Number of pages in this transmission: 15

Attached please find a proposal for the renewal policy. Please forward the following to my attention no later than Monday, 5/12/03. I will need originals of everything.

- Signed Client Authorization to Bind
- Signed Acord Application
- Signed Windstorm waiver
- Signed Terrorism Waiver or \$656 additional premium for the coverage
- Full premium in full of \$2376 payable to USI Florida

If you have any questions, please let me know.
 Thank you.

Dora

Jim - please review

SMS

approved

JVB 5/6/03

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DISCLAIMER: We do not accept binding instructions via facsimile. Please call the office and speak to your Agent or Customer Service Representative.

USI Florida - Plantation
8100 SW Tenth Street, #2000
Plantation, FL 33324-3335
Phone: 954-474-9700 954-474-2101

INVOICE #		20255	Page 1
ACCOUNT NO.	DT	DATE	
SERVI-9	DL	05/02/03	
BALANCE DUE ON			
05/02/03			

Service Mngmt Systems, Inc.
Dan Feinstein
7860 Peters Road
Plantation, FL 33324

Item #	Due Date	Trn	Description		Amount
646729	05/02/03	MEM	2003-2004 Package Policy	\$	2,379.00
			Invoice Balance:	\$	2,379.00



PLEASE MAKE CHECK PAYABLE TO USI FLORIDA

03/02/2003 03:31 3043703771

ACORD APPLICANT INFORMATION SECTION

Open dtl 03/02/03

PRODUCER ACORD No. 125: 954-474-9700 954-474-2101	CARRIER AIG	RATE CODE:	UNDERWRITER
POLICIES OR PROGRAM REQUESTED			
Package			
INDICATE SECTIONS ATTACHED		EQUIPMENT FLOATER	GARAGE AND DEALERS
PROPERTY	GLASS AND SIGN	INSTALLATION/BUILDERS RISK	VEHICLE SCHEDULE
ACCOUNTS RECEIVABLE	VALUABLE PAPERS	ELECTRONIC DATA PROC	BOILER & MACHINERY
CRIME/MISCELLANEOUS CRIME	TRANSPORTATION	COMMERCIAL GENERAL LIABILITY	WORKERS COMPENSATION
NON-TRUCK CARGO	TRUCKS/MOTOR CARRIAGE	BUSINESS AUTO	UMBRELLA
AGENCY CUSTOMER #	SUB CODE:		

STATUS OF SUBMISSION		PACKAGE POLICY INFORMATION			
<input checked="" type="checkbox"/> QUOTE	<input checked="" type="checkbox"/> ISSUE POLICY	ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES OR FOR MONOLINE POLICIES.			
BOUND (Give Date and/or Attach Copy)		PROPOSED EFF DATE	PROPOSED EXP DATE	BILLING PLAN	PAYMENT PLAN
DATE	TIME			DIRECT BILL	ANNUAL
		05/14/03	05/14/04	<input checked="" type="checkbox"/> AGENCY BILL	

APPLICANT INFORMATION		NAME (First Name, Last Name & Other Name(s))		MAILING ADDRESS (INCL ZIP-5 (if First Name Inverted))	
Service Management Systems, Inc.		Type of Insured (if First Name Inverted)		Stacy Mahaffy	
		Type of Insured (if First Name Inverted)		7050 Peters Road, Ste. F-111	
		Type of Insured (if First Name Inverted)		Plantation FL 33324	

INDIVIDUAL	<input checked="" type="checkbox"/> CORPORATION	PARTNERSHIP	JOINT VENTURE	NOT FOR PROFIT ORG	CR WITHHOLD NAME	CREDIT BUREAU ID NUMBER	TRUCK STARTS
						(See page 3 for business type other description.)	2001

INSPECTION CONTACT	PHONE	ACCOUNTING RECORDS CONTACT	PHONE
James Bates	321-723-2522		

LOC#	BLDG	STREET, CITY, COUNTY, STATE, ZIP#	CITY LIMITS	INTEREST	TR BULT	PART OCCUPIED
001	001	235 Hammock Shore Drive Melbourne Beach FL 32951	INSIDE OUTSIDE	OWNER TENANT		
			INSIDE OUTSIDE	OWNER TENANT		
			INSIDE OUTSIDE	OWNER TENANT		

NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS BY PREMISE(S)	
001 001	Water and Sewage Treatment Plant for small community of 250 customers. Insured just purchased the utility. Partially operated by contract operat
001 1	
001 1	

GENERAL INFORMATION			
EXPLAIN ALL "YES" RESPONSES		YES	NO
1. IS THE APPLICANT A MEMBER OF AN OTHER ENTITY OR DOES THE APPLICANT HAVE ANY SUBSIDIARIES?			<input checked="" type="checkbox"/>
2. IS A FORMAL SAFETY PROGRAM IN OPERATION?		<input checked="" type="checkbox"/>	
3. ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?		<input checked="" type="checkbox"/>	
4. ANY CATASTROPHIC EXPOSURE?		<input checked="" type="checkbox"/>	
5. ANY OTHER INSURANCE WITH THIS COMPANY OR BEING SUBMITTED?		<input checked="" type="checkbox"/>	
6. ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR 3 YEARS? (NOT APP. CARR. PLAN)		<input checked="" type="checkbox"/>	
EXPLAIN ALL "YES" RESPONSES		YES	NO
7. ANY FURTHER LITIGATION OR COMPLAINTS RELATING TO BEHAVIOR OR MISFEASANCE, ALLEGATIONS, DISCRIMINATION OR FRAUDULENT PRACTICES?			<input checked="" type="checkbox"/>
8. DURING THE LAST TEN YEARS, HAS ANY APPLICANT BEEN CONVICTED OF ANY DEGREE OF THE CRIME OF ARSON? (In FL, this question must be answered by any applicant for property insurance. Failure to disclose to a licensee of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment.)			<input checked="" type="checkbox"/>
9. ANY UNEXPECTED FIRE CODE VIOLATION?			<input checked="" type="checkbox"/>
10. ANY BANKRUPTCY, LIQUIDATION OR CREDIT CRISIS AGAINST THE APPLICANT IN THE PAST 3 YEARS?			<input checked="" type="checkbox"/>
REMARKS Contract operator is insured			

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO FRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND (NY: SUBSTANTIAL) CIVIL PENALTIES. (NOT APPLICABLE IN CO, HI, NE, OH, OR; IN ME AND VA, INSURANCE BENEFITS MAY ALSO BE DENIED)

APPLICANT'S SIGNATURE	PRODUCER'S SIGNATURE	Mark Schwartz
-----------------------	----------------------	---------------

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
20801		6/2/03	7.00		7.00

CHECK DATE	CHECK NO.	PAYEE	DISCOUNT TAKEN	CHECK AMOUNT
6/10/03	1268	USI FLORIDA		\$7.00

USI Florida - Plantation
 8100 SW Tenth Street, #2000
 Plantation, FL 33324-3335
 Phone : 954-474-9700 954-474-2101

INVOICE #		20801	Page 1
<small>ACCOUNT NO.</small>	<small>OF</small>	<small>DATE</small>	
SERV1-9	DL	06/02/03	
<small>BALANCE DUE ON</small>			
06/02/03			

Service Mngmt Systems, Inc.
 Stacey Mahaffy
 7860 Peters Rd. Ste F11
 Plantation, FL 33324

Itm #	Due Date	Trn	Description	Amount
652114	06/02/03	MEI1	Balance on 2003-2004 Pckg Del	\$ 7.00
			Invoice Balance:	\$ 7.00

PLEASE MAKE CHECK PAYABLE TO USI FLORIDA



An employee-owned company

September 11, 2003

James Bates
Service Management Systems, Inc.
235 Hammock Shore Drive
Melbourne Beach, Florida 32951

Dear Jim,

The new non-potable water pumping system at the Aquarina utilities site consists of two pumps designed for 1500 gallons per minute at 120 feet of head, one pressure transmitter at the pump pad and a control panel in a nearby building with the motor control center and variable speed drives built into it.

On September 8, 2003, the new non-potable water pumps were tested and performed satisfactorily in the automatic mode. Present at the tests were Robert Segerson of Derrico Construction Company (contractor) and his crew, C. J. Beimers, P.E. of PBS&J (engineer of record), Dixon Electric Co. (electrical subcontractor), Leslie Hardigree of Sta-Con, Inc. (controls supplier), Skip Dorton of Custom Pump & Controls, Inc. (pump supplier) and members of the Aquarina staff.

The initial pressure set-point was 75 psi, which was satisfied by each pump running at less than 100% of its full speed. When a nearby hydrant was opened fully, the pump ran up to 100% as expected. The system was left in the automatic mode overnight.

A punch-list of minor items observed during the test is attached. The contractor has already begun addressing these items.

On the basis of the foregoing, PBS&J hereby certifies that the construction has been substantially completed as designed, with only the punch-list items remaining.

If you have any questions, please feel free to call.

Respectfully,

The logo for PBS&J, featuring the letters 'PBS' in a large, bold, serif font, with an ampersand and the letter 'J' in a smaller, stylized font to the right.

A handwritten signature in black ink, appearing to read 'CJ Beimers'.

Charles J. Beimers, P.E.
Project Engineer

Aquarina Non-Potable Water Pumps
Punch List as of September 8, 2003

Paint the piping and valves.

Remove old unused wiring from the existing stainless steel cabinet on the pad.

Make the pipe support on the west pump's piping fit the pipe diameter.

Clean up the construction debris.

Regrade where holes have been dug in the ground.

Replace the 1/8" copper tubing at the Rosemont pressure transmitter with 1/4". Add a purge tee and valve at the instrument end of the tubing.

Remove the old pressure transmitter.

Remove the old hydro-pneumatic tank piping and plug it at the header.

Remove the old high service pump.

Label the new pumps with their numbers vis-à-vis the labels in the control panel.

Pipe the seal water leakage to the grass.