



# Public Service Commission

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**DATE:** February 23, 2005  
**TO:** Division of Commission Clerk and Administrative Services  
**FROM:** Division of Economic Regulation (Tracey Biggins, Professional Accountant)  
**RE:** Docket No. 041371-WU Application for a Staff Assisted Rate Case by The Colinas Group, Inc., receivers for Lazy S Utility Company

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COMMISSION  
CLERK

Please enter this in the docket file. Thanks.

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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**THE COLINAS GROUP, INC.**  
ENGINEERING AND ENVIRONMENTAL CONSULTANTS

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**Receivers for the Lazy S Utility Company  
2031 E. Edgewood Drive Suite 5  
Lakeland, FL 33803  
863-669-9141  
February 18, 2005**

Mahnaz Massoudi  
Florida Public Service Commission  
Division of Economic Regulations  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0865

Re: Lazy S Utility Docket No. 041371-WU

Dear Ms. Massoudi:

We have the following information for you regarding your January 28, 2005 letter about the Lazy S Utility Company.

We were in the field with Carl Wright on the day of his inspection and completely agree with his analysis of the system.


- 1) Since we agree with Mr. Wright's findings and have nothing to dispute we have used his letter for reference and have not properly responded.
- 2) The deficiencies will only be resolved when sufficient monies are made available to correct the problems. The entire system needs to be rebuilt with 6" lines, fire hydrants, a new master meter from the City of Lakeland and new customer meters.
- 3) The area is economically depressed. The only way to have sufficient funds to rebuild the system will be have some agency provide a grant. We do not believe the residence in the area will accept any kind of a loan to be paid back. A loan will mean some type of assessment against the property. In reality we must ask whether any institute would loan money on such a project knowing the situation.
- 4) In the event grant money would become available, we will prepare plans, specifications and the necessary regulatory permits. Upon receiving approvals we will submit them to at least three contractors to bid. We propose to do this project in two phases. The survey and plan preparation of the first phase will take nine months. The bidding one-month, and the construction six months. The second phase could follow immediately and will take a bit longer due to the fact that all the existing lines are on

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private property and individual easements will have to be prepared. An estimate of the construction cost is enclosed.

We believe this satisfies the comments in your letter.

Very truly yours,

  
Charles S. Freed, P.E.

**CAPITAL IMPROVEMENT PROGRAM  
FOR  
LAZY S UTILITY COMPANY**

The project is to replace all the water lines within the Lazy S Utility Company service area. The work will be completed in two phases.

PRELIMINARY ESTIMATE

PHASE I: From Ariana south to Faye Street and from Westgate to Wabash.

6,600' of 6" pvc C-900 water line	@ \$ 20.00	\$132,000
12 fire hudsons	@ 1500	18,000
Relocate meter and install 6" meter	l.s.	25,000
15 - 6" valves	@ 800	12,000
60 Meters	@ 150	9,000
Directional bores 170'	@ 90	15,300
Surveying	l.s.	20,000
Engineering and permitting	l.s.	<u>25,000</u>
Total		\$256,300

PHASE II From Faye Street south and Westgate to Wabash.

4,900' of 6" C-900 water line	@ \$ 20	\$ 96,000
4 fire hydrants	@ 1500	6,000
6 - 6" valves	@ 800	4,800
40 meters	@ 150	4,000
Surveying	l.s.	40,000
Engineering and permitting	l.s.	<u>15,000</u>
Total		\$165,000

Total Phase I and phase II                      \$421,000