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REPLY TO CENTRAL FLORIDA OFFICE

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

October 30, 2006

HAND DELIVERY

Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Labrador Utilities, Inc.; Application for Rate Increase in Pasco County, Florida
Docket No. 060262-WS
Our File No.: 30057.128

CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
RCA _____
SCR _____
SGA _____
SEC 1 _____
OTH _____

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket is the response of Labrador Utilities, Inc., (*Utility*) to Staff's fifth data request dated October 2, 2006:

1) The following items relate to the pro forma plant additions requested on Schedule A-3 of the MFRs. For each pro forma plant item, please provide the following:

i. A copy of the "Capital Project request" sheet from the Integrated Solution System.

RESPONSE: Please refer to Exhibit 1(a) attached hereto, consisting of copies of the project requests. Please note that the project entitled, "WTP improvement to pumps and GST" states declined even though there were dollars spent. However, work was completed under this project. While it was the project that was approved, it was the additional amendment that was declined. The project was completed and placed in service, and is currently benefitting customers.

ii. All retirement entries, as well as the methodology and calculations used to calculate the retirement of any items that are replacements for existing plant.

DOCUMENT NUMBER-DATE

09976 OCT 30 06

EPSC-COMMISSION CLERK

Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
Florida Public Service Commission
October 30, 2006
Page 2

RESPONSE: The Utility used the Handy Whitman index to calculate the retirement, based on the year the original plant was placed in service. Please refer to Exhibit 1(b) attached hereto.

- 2) Within the last three (3) years, has the utility considered or discussed whether the capacity of the water or wastewater treatment plant will need to be increased during the next five (5) years? If so, please provide the utility's conclusions and the basis for those conclusions.

RESPONSE: No.

- 3) In Schedules F-6 & F-7, the utility states its "service area is virtually built out." Please describe the extent to which the utility's service territory is "built out" and whether there is any potential for expansion.

RESPONSE: There are less than a dozen empty lots scattered throughout the Labrador mobile home park. All of these empty lots have water and sewer services in place ready for hookups when service is requested. There have not been any discussions with any adjacent landowners regarding the possibility of providing service. The land surrounding the Utility's system is rural in nature.

- 4) Please provide a breakdown of the amount and description, by sub-category of the items included in Materials and Supplies and Miscellaneous Expenses (Schedule B-5 and B-6 (Lines 8 and 26)).

RESPONSE: Please refer to Exhibit 4 attached hereto.

- 5) According to Schedule F-1, Gallons of Water pumped, Sold & Unaccounted for Water, Labrador sold more water than it pumped in April, May and June 2005. Please explain how this occurred. Also, as shown in column 6, there were several months in which unaccounted for water exceeded 10%. Please explain and document why this occurred.

RESPONSE: It has been difficult to determine the reason for this difference, since there is such a short history of metered customer consumption. As Staff is aware, individual customer meters have been in place for many years, but not used. In accordance with Order No. PSC-04-1281-PAA-WS, The Utility tested all

Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
Florida Public Service Commission
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copies to staff.

RESPONSE: In general, the only flow data available in annual reports is total water sales (Schedule W-11) and total wastewater treated (Schedule S-12). Neither contains information sufficient to prepare MFR Schedule F-9 and F-10. The MFR schedules require the gallons sold to Single Family Residences (SFRs) and total gallons sold. For a breakdown of sales between residential and non-residential for Utilities, Inc. systems can be found on Bldg Reports or Summary Consumption Information by Bill Code. These reports show bills, gallons and adjustments, by month and in total for each billing code. In preparing Schedules F-9 and F-10, the gallons and adjustments are totaled to complete column (7), the residential bill codes and adjustment are totaled to complete column (5) and the December bills for residential bill codes are totaled to complete columns (2) and (3). In preparing the MFRs, no attempt is made to reconcile the total sales to those reported in the annual reports. It serves no useful purpose. The information in MFR Schedules F-9 and F-10 are used solely to determine trends in growth, not revenue reconciliation. The important consideration is that the same source is used for every year to assure consistency.

With specific regard to the Utility, individual customers had historically not been metered and had been billed at a flat monthly rate, although individual meters, installed by the previous owner, have been in place for many years. Individual metering did not officially begin until July, 2004, when the Utility was granted a BFC + gallonage rate. There is no sales consumption data for 2003 and earlier years. However, the Utility did begin reading meters in January, 2004 even though billing did not begin until July. The gallons shown in the 2004 Annual Report, for January through June, reflect the meter readings while still being billed on a flat rate. The total annual gallons shown for 2004 on MFR Schedule F-9 were estimated at two times the gallons billed from July through December, as shown on the Summary Consumption Information. This was done because it was believed to be a better indicator of ongoing residential consumption to use readings taken when customers were getting a price signal from a BFC + gallonage rate. Based on the similar sales in 2005, that assumption appears to be correct. Therefore, for purposes of projecting growth in MFR Schedules F-9 and F-10, no adjustments are

customer meters and replaced about 37% of them found to be inaccurate. Some of these inaccuracies may be a factor in the difference between gallons pumped and sold. In particular, some meters were found to be registering above 100% while others were not functioning at all or registered much lower than 100% before they were replaced. In May, 2006, coincident with a main break repair in the RV Resort, the park meter was replaced. It was reading low. From a comparison of same period readings in 2005 and 2006, it appears that it was reading about 10.5% low or 220,000 gallons annually. The well meters have been tested and found to be accurate. The Utility has not yet found evidence of significant leaks in the system and has not yet been able to find a satisfactory explanation for the erratic and high unaccounted for water. It will continue to monitor the plant, plant meters and customer meter readings and inspect the system until there is a satisfactory resolution.

- 6) Comparing Schedules F-1 and F-2, the schedules show Labrador treated more wastewater than it sold water, ten out of the twelve months of the test year. Please explain how this occurred. In addition, please provide a full explanation of why the utility included out-of-test-year data (January & February 2006) in Schedule F-2.

RESPONSE: It has been difficult to determine the reasons for this difference, for many of the reasons cited in response 5) above. In addition, the Utility does know and has identified in MFR Schedule F-2, that the wastewater plant flow meter had been located upstream of the filter and was, therefore, double counting filter backwash water. The Utility also is aware that the meter, which was uncalibrated, was replaced at the time it was relocated. Indications are that it was reading high, but the Utility does not know the magnitude of the error. As to the use of out of test year data, it was believed that a more accurate picture of wastewater flows would be presented if seasonal month flows after the flow meter replacement were used instead of the test year flows before the meter replacement. The Utility will continue to monitor the plant, plant meters and customer meter readings and inspect the system until there is a satisfactory resolution.

- 7) In Schedules F-9 and F-10, the SFR data (Columns 2 & 3) and the flow data (Column 7) do not match the data in the utility's Annual Reports for the years (2003-2005). Please explain why the data is different and provide staff copies of all reconciled documents for each year. If necessary, revise Schedules F-9 & F-10, and provide

Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
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being made to the schedules. The following is a comparison of the annual report and MFR schedules:

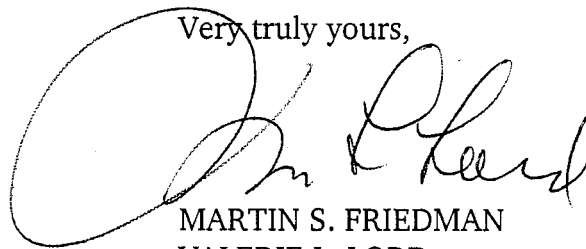
Year	A/R W-11	MFR F-9	Difference	% Difference
2003	----N/A----	----N/A----	-----	-----
2004	35.728	26.887	8.841	-24.75%
2005	25.542	25.541	- 0.000	0.00%

- 8) In Schedule F-3, the utility's "Maximum Day" is February 198, 2005, with 207,000 gallons usage. Was there an anomaly or unusual occurrence on that day?

RESPONSE: There is no information in the water plant log book indicating that an anomaly occurred on February 18, 2005. This date coincides with the seasonal high occupancy period in the mobile home park. There were five other days in the same month with pumped volume exceeding 170,000 gallons. The peak day the previous month was 191,000 gallons on January 20, 2005.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
VALERIE L. LORD
For the Firm

VLL/tlc
Enclosures

Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
Florida Public Service Commission
October 30, 2006
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cc: Cochran Keating, Esquire, Office of General Counsel (w/o enc. - via hand delivery)
Mr. Troy Rendell, Division of Economic Regulation (w/enc. - via hand delivery)
Ms. Cheryl Bulecza-Banks, Div. of Economic Regulation (w/o enc. - via hand delivery)
Ms. Tiffany Joyce, Division of Economic Regulation (w /o enc. - via hand delivery)
Mr. Gerald Edwards, Division of Economic Regulation (w/o enc. - via hand delivery)
Ms. Frances Lingo, Division of Economic Regulation (w/o enc. - via hand delivery)
Ms. Sonica Bruce, Division of Economic Regulation (w/o enc. - via hand delivery)
Steven M. Lubertozzi, Chief Regulatory Officer (w/enclosures - via U.S. Mail)
John Hoy, Regional Vice President for Operations (w/o enclosures - via U.S. Mail)
Patrick C. Flynn, Regional Director (w/enclosures - via U.S. Mail)
Mr. Frank Seidman (w/o enclosures - via U.S. Mail)
Steven Reilly, Esquire, Office of Public Counsel (w/enclosures - via hand delivery)

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APPROVED



Project Request

Florida FL C106 0693 2297
Region State Co# Sub# ID #

Priority Level: 3 - Cost Reduction

Project Created: 04/02/04

Related to ID #: 1835

Project Name: **Engineering Design for WWTP Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **05/03/2004**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **06/30/2006**

Service(s): Water Sewer Water & Sewer Reuse Other...

Benefits Category: Regulatory Requirement Expand Capacity Ongoing Maintenance
 Improve Service Provide New Service Other (explain below)
 Cost Reduction Improve Safety



Estimated Costs by Component

WO#: 106-0693-116-04-03

PO#: _____ GL#: _____

Component(s)	Component Description	Original Estimate
20002	Capitalized Time	\$560.00
20003	IDC	\$114.00
20105	Surveying	\$1,000.00
20105	Engineering	\$9,000.00

New Asset(s)
 Upgrading Asset(s)
 Repairing Asset(s)
 Replacing Asset(s)

If replacing existing equipment, when (year) was the original asset placed in service?

Cap Plan Estimate: \$10,000.00 Estimate Totals: \$10,674.00

Capitalized Time Estimate: 20 Hours Total # of Customers: 899 # of Affected Customers: 899 Cost per Customer: \$11.87

Annual Offset In Expenses: _____



Signature Authority & Approvals

Submitted by: **Tony Wierzbicki** Title: Construction Manager Date: 04/09/04

\$5,000 - \$25,000 **Patrick Flynn** Regional Director Date: 04/10/04

\$25,001 - \$75,000 _____ Regional VP of Operations Date: _____

\$75,001 - \$100,000 _____ VP of Operations Date: _____

Over \$100,000 _____ Chief Executive Officer Date: _____

APPROVED



Project Request

Florida FL C106 0693 2297
Region State Co# Sub# ID #

Priority Level: 3 - Cost Reduction

Project Created: 04/02/04

Related to ID #: 1835

Project Name: **Engineering Design for WWTP Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **05/03/2004**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **06/30/2006**



Attachment(s) - Ref. # 2297

Fax QuickMail / Email
 Interoffice Mail Hand Delivery

Project Description
List of System Projects

Project Description

See Notes Screen for addt'l info

Estimate Total: **\$10,674.00**

Engineering design efforts are needed to re-pipe the WWTP and design the splitter box. Piping modifications will allow the plant to operate in parallel and more evenly distribute return activated sludge (RAS) to the clarifiers.

Justification & Benefits

The treatment plants are at slightly different elevations. The difference in these elevations needs to be taken into consideration when the flow splitter box is designed and the piping is reconfigured in order to maximize the benefit of the modifications. Drawings of the modifications are needed to distribute to contractors bidding the project so that everyone is bidding to provide the same product. These drawings also enable our utility to possess an accurate, as-built representation of what is actually constructed.

Alternatives

1. PERFORM DESIGN IN-HOUSE

Preparing drawings would require the purchase of autocad equipment and the hiring of staff to operate it. This alternative is not feasible with the present level of staffing and equipment.

2. PERFORM DESIGN IN HOUSE AND SUBCONTRACT DRAFTING

In-house resources are limited to perform this function. The project will require a support system for the splitter box and the distribution piping. The differing elevations of the tanks would need to be ascertained using surveying instruments for accuracy. Surveying and structural design are best left to the experts.

3. ELIMINATE THE DESIGN AND ALLOW THE CONTRACTOR TO BUILD SOMETHING THAT HE THINKS WILL WORK

This option is the least expensive initially because it eliminates the cost of design. Drawbacks to using this approach are that we are not sure what we are getting for the bid price and the modifications may not perform as intended. Changes to the contractor's work could result in change orders because there is insufficient information to accurately verify what materials and layout the contractor proposed in the initial bid. Changes to the materials or layout could ultimately exceed the nominal cost for properly designing the project. Also, upon completion of the project, there would be no updated drawings depicting the plant improvements.

Timing of Project

This project should be initiated soon in order to avoid additional repairs to the return sludge lines.

System Information

• Acquisition Date



Project Request

Florida FL C106 0693 2297
 Region State Co# Sub# ID #

Priority Level: 3 - Cost Reduction

Project Created: 04/02/04

Related to ID #: 1835

Project Name: **Engineering Design for WWTP Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **05/03/2004**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **06/30/2006**

Acquisition Date

05/02/2004

Facility Update

Labrador Utilities, inc. was acquired on May 13, 2002. The water supply consists of two wells, a 6" submersible pump and a 10" verticle turbine pump, on property leased from Forest Lakes Estates Co-Op. After chlorine disinfection, water is pumped into a 34,000 gallon bolted steel storage tank. Treated water is pumped into the distribution system via 10 Hp, 20 Hp, and 30 Hp (fire flow) high service pumps. Capital improvements to the high service pumps and ground storage tank are planned.

The wastewater treatment plant is 0.216 MGD Type II extended aeration treatment plant. Flow is channeled through a series of steel tank trains and split into three clarifiers, then filtered and chlorinated. The effluent is pumped to an offsite 60-acre spray field that is permitted for 0.216 MGD. The WWTP site and the 60-acre spray field property are leased from Forest Lake Estates Co-Op.

Labrador Utilities is nearly at buildout. There are less than 60 empty lots scattered throughout the 894-unit park. The adiacent RV Park constitutes of a single general service account that serves 274 lots and a recreation

Anticipated Growth in Area

As of March 2005, the Labrador Utilities, Inc. service area consists of 900 service connections located in Forest Lake Estates MHP and RV Resort. The population is primarily seasonal with peak flow occuring during November through March. Service area expansion is not expected and customer growth will be minimal. After the acquisition, meters were installed at the recreational facilities, on irrigation systems, and at homes where none existed.

The original W&S tariff provided service at a flat rate. After implementing the 2005 Final Order, a usage rate was established.

Rate Case Information

Last Order Date:

Order Number:

Type:

Docket:

Test Year:

List of Other Projects for System - by Project Status

Sub	Status	Proj ID	Project Name	Date	Estimate	Spent
0693	Placed In Service	255	WTP improvements to pumps and GST	06/01/04	\$218,544	\$48,751
0693	Placed In Service	1835	WWTP Improvements	07/01/04	\$61,000	\$54,996
0693	Placed In Service	3380	Labrador Water Meter Replacement	04/03/05	\$20,000	\$35
0693	Placed In Service	3597	2005 Labrador Sanitary Sewer Cleaning	12/01/05	\$8,000	\$1,971
0693	Placed In Service	3876	Labrador WTP GST Improvements	05/01/06	\$48,000	\$41,176
0693	*Completed	2181	Electrical Design for WTP Improvements -	05/01/04	\$25,000	\$2,136
0693	*Completed	2297	Engineering Design for WWTP	05/03/04	\$10,000	\$15,315
0693	Closed	3056	Master Lift Station Modification	04/01/05	\$9,500	\$12,916
0693	Closed	2925	Repair/Replace Labrador Sprayfield Force	04/03/05	\$10,000	\$4,633

APPROVED



Project Request

Florida FL C106 0693 2297
Region State Co# Sub# ID #

Priority Level: 3 - Cost Reduction

Project Created: 04/02/04

Related to ID #: 1835

Project Name: **Engineering Design for WWTP Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **05/03/2004**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **06/30/2006**

0693 Closed	3099	Labrador Spray Field Fence Installation	06/20/05	\$6,200	\$5,324
0693 Closed	3556	Labrador V-Notch Weir Box	08/15/05	\$13,000	\$7,522
0693 Closed	3557	Chlorine Bleach Conversions	09/15/05	\$6,395	\$6,308
0693 Proposed	4274	Labrador WTP HSP Improvements	07/01/07		
0693 Rescinded	4224	Labrador Plant Safety Improvements	03/15/06	\$25,000	



Project Request

Florida FL C106 0693 4224
 Region State Co# Sub# ID #

Priority Level: 6 - Security

Project Created: 03/02/06

Related to ID #:

Project Name: **Labrador Plant Safety Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **03/15/2006**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **06/30/2006**

Service(s): Water Sewer Water & Sewer Reuse Other...

Benefits Category: Regulatory Requirement Expand Capacity Ongoing Maintenance
 Improve Service Provide New Service Other (explain below)
 Cost Reduction Improve Safety



Estimated Costs by Component

WO#: _____
 PO#: _____ GL#: _____

Component(s)	Component Description	Original Estimate	Asset Designation
	Capitalized Time		<input type="radio"/> New Asset(s) <input type="radio"/> Upgrading Asset(s) <input checked="" type="radio"/> Repairing Asset(s) <input type="radio"/> Replacing Asset(s) If replacing existing equipment, when (year) was the original asset placed in service? _____
	IDC		
	Labor and Materials	\$25,000.00	

Cap Plan Estimate: \$25,000.00 Estimate Totals: \$25,000.00

Capitalized Time Estimate: 120 Hours Total # of Customers: 1,178 # of Affected Customers: 1,178 Cost per Customer: \$21.22

Annual Offset In Expenses: _____



Signature Authority & Approvals

Submitted by: Richard W. Retz Title: Regional Manager Date: 03/10/06

\$5,000 - \$25,000 Patrick Flynn Regional Director Date: _____

\$25,001 - \$75,000 _____ Regional VP of Operations Date: _____

\$75,001 - \$100,000 _____ VP of Operations Date: _____

Over \$100,000 _____ Chief Executive Officer Date: _____



Project Request

Florida FL C106 0693 4224
 Region State Co# Sub# ID #

Priority Level: 6 - Security

Project Created: 03/02/06

Related to ID #:

Project Name: **Labrador Plant Safety Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: 03/15/2006

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: 06/30/2006



Attachment(s) - Ref. # 4224

- Fax
- QuickMail / Email
- Interoffice Mail
- Hand Delivery

Project Description
 List of System Projects

Project Description

See Notes Screen for addt'l info

Estimate Total: \$25,000.00

Cure all of the safety issues that Bob Gilroy identified in his March 2006 inspection report.

Justification & Benefits

Project needs to be completed to comply with safety regulations.

Alternatives

1. DO NOT CORRECT THE SAFETY ISSUES: This alternative will subject employees to unsafe working conditions.
2. CORRECT SEVERE ISSUES ONLY: The items listed as severe need to be completed immediately. The other items need to be completed within 60 days.

Timing of Project

Projects can be completed 4-8 weeks after work order approval

System Information

● Acquisition Date

05/02/2004

● Facility Update

Labrador Utilities, Inc. was acquired on May 13, 2002. The water supply consists of two wells, a 6" submersible pump and a 10" verticle turbine pump, on property leased from Forest Lakes Estates Co-Op. After chlorine disinfection, water is pumped into a 34,000 gallon bolted steel storage tank. Treated water is pumped into the distribution system via 10 Hp, 20 Hp, and 30 Hp (fire flow) high service pumps. Capital improvements to the high service pumps and ground storage tank are planned.

The wastewater treatment plant is 0.216 MGD Type II extended aeration treatment plant. Flow is channeled through a series of steel tank trains and split into three clarifiers, then filtered and chlorinated. The effluent is pumped to an offsite 60-acre spray field that is permitted for 0.216 MGD. The WWTP site and the 60-acre spray field property are leased from Forest Lake Estates Co-Op.

Labrador Utilities is nearly at buildout. There are less than 60 empty lots scattered throughout the 894-unit park. The adjacent RV Park constitutes of a single general service account that serves 274 lots and a recreation

Anticipated Growth in Area



Project Request

Florida FL C106 0693 4224
 Region State Co# Sub# ID #

Priority Level: 6 - Security

Project Created: 03/02/06

Related to ID #:

Project Name: **Labrador Plant Safety Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **03/15/2006**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **06/30/2006**

▼ **Anticipated Growth in Area**

As of March 2005, the Labrador Utilities, Inc. service area consists of 900 service connections located in Forest Lake Estates MHP and RV Resort. The population is primarily seasonal with peak flow occurring during November through March. Service area expansion is not expected and customer growth will be minimal. After the acquisition, meters were installed at the recreational facilities, on irrigation systems, and at homes where none existed.

The original W&S tariff provided service at a flat rate. After implementing the 2005 Final Order, a usage rate was established.

● **Rate Case Information**

Last Order Date:

Order Number:

Type:

Docket:

Test Year:

● **List of Other Projects for System - by Project Status**

Sub	Status	Proj ID	Project Name	Date	Estimate	Spent
0693	Placed In Service	255	WTP improvements to pumps and GST	06/01/04	\$218,544	\$48,751
0693	Placed In Service	1835	WWTP Improvements	07/01/04	\$61,000	\$54,996
0693	Placed In Service	3380	Labrador Water Meter Replacement	04/03/05	\$20,000	\$35
0693	Placed In Service	3597	2005 Labrador Sanitary Sewer Cleaning	12/01/05	\$8,000	\$1,971
0693	Placed In Service	3876	Labrador WTP GST Improvements	05/01/06	\$48,000	\$41,176
0693	*Completed	2181	Electrical Design for WTP Improvements -	05/01/04	\$25,000	\$2,136
0693	*Completed	2297	Engineering Design for WWTP	05/03/04	\$10,000	\$15,315
0693	Closed	3056	Master Lift Station Modification	04/01/05	\$9,500	\$12,918
0693	Closed	2925	Repair/Replace Labrador Sprayfield Force	04/03/05	\$10,000	\$4,633
0693	Closed	3099	Labrador Spray Field Fence Installation	06/20/05	\$6,200	\$5,324
0693	Closed	3556	Labrador V-Notch Weir Box	08/15/05	\$13,000	\$7,522
0693	Closed	3557	Chlorine Bleach Conversions	09/15/05	\$6,395	\$6,308
0693	Proposed	4274	Labrador WTP HSP Improvements	07/01/07		
0693	Rescinded	4224	Labrador Plant Safety Improvements	03/15/06	\$25,000	

APPROVED



Project Request

Florida FL C106 0693 3380
Region State Co# Sub# ID #

Priority Level: 1 - Regulatory

Project Created: 03/10/05

Related to ID #:

Project Name: **Labrador Water Meter Replacement**

Company: **Labrador Utilities, Inc**

Expenses to Start: **04/03/2005**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **03/31/2006**

Service(s): Water Sewer Water & Sewer Reuse Other...

Benefits Category: Regulatory Requirement Expand Capacity Ongoing Maintenance
 Improve Service Provide New Service Other (explain below)
 Cost Reduction Improve Safety



Estimated Costs by Component

WO#: 106-0693-115-05-01

PO#:

GL#:

Component(s)	Component Description	Original Estimate	Asset Designation
10002	Capitalized Time	\$17,920.00	<input type="radio"/> New Asset(s) <input type="radio"/> Upgrading Asset(s) <input type="radio"/> Repairing Asset(s) <input checked="" type="radio"/> Replacing Asset(s) If replacing existing equipment, when (year) was the original asset placed in service? <u>1/1/1990</u>
10003	IDC	\$380.00	
11108	Meters	\$10,000.00	
11108	Materials	\$10,000.00	

Cap Plan Estimate: \$20,000.00 Estimate Totals: \$38,300.00

Capitalized Time Estimate: 640 Hours Total # of Customers: 900 # of Affected Customers: 300 Cost per Customer: \$42.56

Annual Offset In Expenses:



Signature Authority & Approvals

Submitted by: Michael Dunn Title: Regional Manager Date: 04/05/05

\$5,000 - \$25,000 Patrick Flynn Regional Director Date: 04/07/05

\$25,001 - \$75,000 _____ Regional VP of Operations Date: _____

\$75,001 - \$100,000 Lisa Crossett VP of Operations Date: 06/17/05

Over \$100,000 _____ Chief Executive Officer Date: _____

APPROVED



Project Request

Florida FL C106 0693 3380
Region State Co# Sub# ID #

Priority Level: 1 - Regulatory

Project Created: 03/10/05

Related to ID #:

Project Name: **Labrador Water Meter Replacement**

Company: **Labrador Utilities, Inc**

Expenses to Start: **04/03/2005**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **03/31/2006**



Attachment(s) - Ref. # 3380

Fax

QuickMail / Email

Interoffice Mail

Hand Delivery

Project Description

Estimate(s) Required

List of System Projects

Project Description

See Notes Screen for addt'l info

Estimate Total: \$38,300.00

Replace approximately 300 defective water meters throughout the distribution system. All meters are 5/8" size. Replace service lines, meter boxes and associated material as needed.

Justification & Benefits

The Public Service Commission (PSC) in the Final Order for Docket #030443-WS required that all water meters be tested for accuracy in order to avoid inaccurate consumption values used for billing. Meter testing to date indicates that 33% of the meters are outside of the range required for accuracy. Replacing defective meters is necessary to comply with the 2005 PSC Final Order that mandates the comprehensive meter testing effort.

Water meters were installed with each phase of the development beginning with Phase 1 in the mid-1980's. The age, brand, and type of meter varies. The average age of the meters is estimated to be 15 years. Before 2005, the meters were not used for billing purposes; customers were billed a flat rate for water and sewer service. Therefore, the operating condition and accuracy of each individual meter is not identifiable solely from a review of billing information.

Alternatives

- 1) **REPLACE ALL METERS:** This alternative would eliminate the meter testing requirement imposed by the PSC in the Final Order. Meters are now being tested with utility staff to identify which meters are defective, substantially reducing labor costs by avoiding the use of contractors. Test results to date indicate that about two-thirds of the meters are accurate. Replacing all meters would increase the capital costs three fold and is not cost-effective or warranted.
- 2) **TEST AND REPLACE METERS IN RESPONSE TO CUSTOMER COMPLAINTS:** This alternative would reduce the number of meters being replaced because customers with low usage are unlikely to complain. The utility would end up billing for less than actual consumption resulting in revenue being less than authorized. The variance report does not provide an adequate indicator by itself of low consumption (and possibly inaccurate meters) because of the recent conversion from flat rate to metered rate. The customer base is also extremely seasonal; approximately 80% of the units are vacant through the summer making zero consumption a common occurrence at those units and thereby masking meter inaccuracies.

Timing of Project

The 2005 Final Order issued by PSC requires that all meters be tested for accuracy by July 2005 in order to avoid inaccurate consumption values used for billing. Defective meters should be replaced when they are discovered to minimize labor costs and increase revenues. It will reduce the frequency and amount of credit posted to accounts



Project Request

Florida FL C106 0693 3380
 Region State Co# Sub# ID #

Priority Level: 1 - Regulatory

Project Created: 03/10/05

Related to ID #:

Project Name: **Labrador Water Meter Replacement**

Company: **Labrador Utilities, Inc**

Expenses to Start: **04/03/2005**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **03/31/2006**

where the meter is found to over-register.

System Information

● **Acquisition Date**

05/02/2004

● **Facility Update**

Labrador Utilities, Inc. was acquired on May 13, 2002. The water supply consists of two wells, a 6" submersible pump and a 10" verticle turbine pump, on property leased from Forest Lakes Estates Co-Op. After chlorine disinfection, water is pumped into a 34,000 gallon bolted steel storage tank. Treated water is pumped into the distribution system via 10 Hp, 20 Hp, and 30 Hp (fire flow) high service pumps. Capital improvements to the high service pumps and ground storage tank are planned.

The wastewater treatment plant is 0.216 MGD Type II extended aeration treatment plant. Flow is channeled through a series of steel tank trains and split into three clarifiers, then filtered and chlorinated. The effluent is pumped to an offsite 60-acre spray field that is permitted for 0.216 MGD. The WWTP site and the 60-acre spray field property are leased from Forest Lake Estates Co-Op.

Labrador Utilities is nearly at buildout. There are less than 60 empty lots scattered throughout the 894-unit park. The adjacent RV Park constitutes of a single general service account that serves 274 lots and a recreation

● **Anticipated Growth in Area**

As of March 2005, the Labrador Utilities, Inc. service area consists of 900 service connections located in Forest Lake Estates MHP and RV Resort. The population is primarily seasonal with peak flow occuring during November through March. Service area expansion is not expected and customer growth will be minimal. After the acquisition, meters were installed at the recreational facilities, on irrigation systems, and at homes where none existed.

The original W&S tariff provided service at a flat rate. After implementing the 2005 Final Order, a usage rate was established.

● **Rate Case Information**

Last Order Date:

Order Number:

Type:

Docket:

Test Year:

● **List of Other Projects for System - by Project Status**

<u>Sub</u>	<u>Status</u>	<u>Proj ID</u>	<u>Project Name</u>	<u>Date</u>	<u>Estimate</u>	<u>Spent</u>
0693	Placed In Service	255	WTP improvements to pumps and GST	06/01/04	\$218,544	\$48,751
0693	Placed In Service	1835	WWTP Improvements	07/01/04	\$61,000	\$54,996
0693	Placed In Service	3380	Labrador Water Meter Replacement	04/03/05	\$20,000	\$35

APPROVED



Project Request

Florida FL C106 0693 3380
Region State Co# Sub# ID #

Priority Level: 1 - Regulatory

Project Created: 03/10/05

Related to ID #:

Project Name: **Labrador Water Meter Replacement**

Company: **Labrador Utilities, Inc**

Expenses to Start: **04/03/2005**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **03/31/2006**

0693	Placed In Service	3597	2005 Labrador Sanitary Sewer Cleaning	12/01/05	\$8,000	\$1,971
0693	Placed In Service	3876	Labrador WTP GST Improvements	05/01/06	\$48,000	\$41,176
0693	Completed	2181	Electrical Design for WTP Improvements -	05/01/04	\$25,000	\$2,136
0693	Completed	2297	Engineering Design for WWTP	05/03/04	\$10,000	\$15,315
0693	Closed	3056	Master Lift Station Modification	04/01/05	\$9,500	\$12,916
0693	Closed	2925	Repair/Replace Labrador Sprayfield Force	04/03/05	\$10,000	\$4,633
0693	Closed	3099	Labrador Spray Field Fence Installation	06/20/05	\$6,200	\$5,324
0693	Closed	3556	Labrador V-Notch Weir Box	08/15/05	\$13,000	\$7,522
0693	Closed	3557	Chlorine Bleach Conversions	09/15/05	\$6,395	\$6,308
0693	Proposed	4274	Labrador WTP HSP Improvements	07/01/07		
0693	Rescinded	4224	Labrador Plant Safety Improvements	03/15/06	\$25,000	



-- Amendment -- APPROVED

Project Request

Florida FL C106 0693 1835
 Region State Co# Sub# ID #

Related to ID #:

Project Name: **WWTP Improvements**

Company: **Labrador Utilities, Inc**

Work Order Opened: **05/13/2004**

System: **Labrador Utilities, Inc (Forest Lakes)**

Estimated Finish Date: **07/30/2006** *

Service(s): Water Sewer Water & Sewer Reuse Other...

Benefits Category: Regulatory Requirement Expand Capacity Ongoing Maintenance
 Improve Service Provide New Service Other (explain below)
 Cost Reduction Improve Safety



Estimated Costs by Component

WO#: **106-0693-116-04-04**

Components & Descriptions	* Spent to Date	Original Estimate	Additional Costs	Amended Estimate
20002 Capitalized Time	\$1,812.00	\$1,120.00		
20003 IDC	\$2,433.07	\$568.00		
20112 Plant	\$54,996.20	\$25,000.00	\$21,000.00	\$46,000.00
20112 Engineering		\$5,000.00	\$10,000.00	\$15,000.00
Capitalized Time Estimate: Totals:	* \$59,241.27	\$31,688.00	\$31,000.00	\$61,000.00

60 Hours * Spent as of:08/31/06 # of Customers: 899 Cost per Customer: \$67.85



Signature Authority & Approvals

Submitted by: **Michael Dunn** Title: Regional Manager Date: 08/15/05
 \$5,000 - \$25,000 **Patrick Flynn** Regional Director Date: 09/29/05
 \$25,001 - \$75,000 _____ Regional VP of Operations Date: _____
 \$75,001 - \$100,000 **Lisa Crossett** VP of Operations Date: 01/10/06
 Over \$100,000 **Jim Camaren** Chief Executive Officer Date: 01/12/06



-- Amendment -- APPROVED
Project Request

Florida FL C106 0693 1835
 Region State Co# Sub# ID #

Related to ID #:

Project Name: **WWTP Improvements**

Company: **Labrador Utilities, Inc**

System: **Labrador Utilities, Inc (Forest Lakes)**

Work Order Opened: **05/13/2004**

Estimated Finish Date: **07/30/2006** *



Attachment(s) - Ref. # 1835

- Fax
- QuickMail / Email
- Interoffice Mail
- Hand Delivery

Project Description

Estimate(s) Required

* = Estimated Finish Date has been Amended

Orig. Estimate (Incl. Cap. Time & IDC): \$31,688.00

See Notes Screen for addt'l info

Additional Costs Requested: \$31,000.00

Amended Total: \$61,000.00

Project Description

Replace piping within the WWTP to allow plant flow to be split in parallel rather than series. Reconfigure the sludge return lines to evenly distribute return activated sludge (RAS) evenly into each clarifier, improving settling. The flow will be divided so that equal flow will be treated in each train of the plant.

Justification & Benefits

Parallel flow within the WWTP allows a portion of the plant to be taken out of service for maintenance or emergency repairs without severely impacting the treatment efficiency. The overall plant operation is enhanced by better process control because flows through the process trains are more stable.

Off-season flow rates drop off to 0.035 mgd from high season flows of 0.135 mgd maximum monthly average. After plant modifications are completed, plant operating expenses will be reduced through reduced use of process blowers and a resulting drop in power bills.

Reason for Amendment

The plant component was increased by \$21,000 because the original project scope did not take into account the varying elevations of the tanks on the plant site. In order to utilize one of the empty tanks, additional piping modifications were needed along with structural supports to raise the piping elevation. The project was re-bid and the bid cost increased because of the structural supports needed along with a 15% increase in materials since the original bid proposal. \$12,000 of this increase was charged to this project which should have been charged instead to the previous WWTP improvement project, which has been closed out. The total amended price of \$21,000 includes this misallocated \$12,000 and \$9000 additional material and labor costs for the revised design. The engineering component was increased by \$10,000 because the original design to utilize all the tankage was based upon all tanks having the same elevation. The differing elevations of the tanks required additional engineering services to be performed to design a splitter box capable of properly dividing flow between the tanks. Survey the site to determine elevations needed for pipe construction and the design of structural support systems to raise the pipe to a higher elevation. Utilizing this additional tankage to split flow between the parallel process trains will eliminate the need to construct additional clarification for process control. The capital plan item #1361 for an additional clarifier at a cost of \$150,000 can therefore be cancelled.



-- Amendment -- APPROVED

Project Request

Florida	FL	C106	0693	1835
Region	State	Co#	Sub#	ID #

Related to ID #:

Project Name: **WWTP Improvements**

Company: **Labrador Utilities, Inc**

System: **Labrador Utilities, Inc (Forest Lakes)**

Work Order Opened: **05/13/2004**

Estimated Finish Date: **07/30/2006** *

Timing of Project

This project should be initiated soon in order to avoid additional repairs to the return sludge lines and to take advantage of the lower plant flow during the summer.

WO Amendment History

System Information

● Facility Update

Labrador Utilities, Inc. was acquired on May 13, 2002. The water supply consists of two wells, a 6" submersible pump and a 10" verticle turbine pump, on property leased from Forest Lakes Estates Co-Op. After chlorine disinfection, water is pumped into a 34,000 gallon bolted steel storage tank. Treated water is pumped into the distribution system via 10 Hp, 20 Hp, and 30 Hp (fire flow) high service pumps. Capital improvements to the high service pumps and ground storage tank are planned.

The wastewater treatment plant is 0.216 MGD Type II extended aeration treatment plant. Flow is channeled through a series of steel tank trains and split into three clarifiers, then filtered and chlorinated. The effluent is pumped to an offsite 60-acre spray field that is permitted for 0.216 MGD. The WWTP site and the 60-acre spray field property are leased from Forest Lake Estates Co-Op.

Labrador Utilities is nearly at buildout. There are less than 60 empty lots scattered throughout the 894-unit park. The adjacent RV Park constitutes of a single general service account that serves 274 lots and a recreation center/clubhouse complex.

In 2005, as required by the Final Order of the recent rate filing, all 900 meters are to be tested and the results reported to the FPSC. Approximately 90% were tested by November 30 with the remainder to be tested after the vacant units are reoccupied. PF

● Anticipated Growth in Area

As of March 2005, the Labrador Utilities, Inc. service area consists of 900 service connections located in Forest Lake Estates MHP and RV Resort. The population is primarily seasonal with peak flow occuring during November through March. Service area expansion is not expected and customer growth will be minimal. After the acquisition, meters were installed at the recreational facilities, on irrigation systems, and at homes where none existed.

The original W&S tariff provided service at a flat rate. After implementing the 2005 Final Order, a usage rate was established.

● Rate Case Information

Last Order Date:

Order Number:



-- Amendment -- APPROVED
Project Request

Florida FL C106 0693 1835
Region State Co# Sub# ID #

Related to ID #:

Project Name: **WWTP Improvements**

Company: **Labrador Utilities, Inc**

System: **Labrador Utilities, Inc (Forest Lakes)**

Work Order Opened: **05/13/2004**

Estimated Finish Date: **07/30/2006** *

Order Number:

Type:

Docket:

Test Year:

-- Amendment -- Declined

Project Request

Florida FL C106 0693 255
 Region State Co# Sub# ID #

Related to ID #: 2181

Project Name: **WTP improvements to pumps and GST**

Company: **Labrador Utilities, Inc**

Work Order Opened: **04/21/2004**

System: **Labrador Utilities, Inc (Forest Lakes)**

Estimated Finish Date: **10/31/2005** *

Service(s): Water Sewer Water & Sewer Reuse Other...

Benefits Regulatory Requirement Expand Capacity Ongoing Maintenance
 Category: Improve Service Provide New Service Other (explain below)
 Cost Reduction Improve Safety



Estimated Costs by Component

WO#: **106-0693-115-04-01**

Components & Descriptions		* Spent to Date	Original Estimate	Additional Costs	Amended Estimate
10002	Capitalized Time	\$6,164.25	\$1,120.00		
10003	IDC	\$2,824.00	\$2,446.00		
10719	Pumps/Equipment	\$48,750.82	\$72,000.00		
10719	WTP Tank Painting		\$8,000.00		
				\$138,544.00	
Capitalized Time Estimate: Totals:		* \$57,739.07	\$83,566.00	\$138,544.00	

40 Hours

* Spent as of: 08/31/06

of Customers: 899

Cost per Customer:



Signature Authority & Approvals

Submitted by: **Tony Wierzbicki**

Title: Construction Manager

Date: 08/08/05

\$5,000 - \$25,000 **Patrick Flynn**

Regional Director

Date: 08/23/05

\$25,001 - \$75,000

Declined

Regional VP of Operations

Date: _____

\$75,001 - \$100,000 **Lisa Crossett**

VP of Operations

Date: 11/15/05

Over \$100,000 **Jim Camaren**

Chief Executive Officer

Date: 11/15/05



-- Amendment -- Declined
Project Request

Florida FL C106 0693 255
 Region State Co# Sub# ID #

Related to ID #: 2181

Project Name: **WTP Improvements to pumps and GST**

Company: **Labrador Utilities, Inc**

Work Order Opened: **04/21/2004**

System: **Labrador Utilities, Inc (Forest Lakes)**

Estimated Finish Date: **10/31/2005 ***



Attachment(s) - Ref. # 255

Fax QuickMail / Email
 Interoffice Mail Hand Delivery

Project Description

Estimate(s) Required

* = Estimated Finish
 Date has been Amended

Orig. Estimate (incl. Cap. Time & IDC): \$83,566.00

See Notes Screen for addt'l info

Additional Costs Requested: \$138,544.00

Project Description

Amended Total:

Upgrade one 10 horsepower (hp) high service pump to 20 hp. Install Variable Frequency Drives (VFD's) on the two 20 hp high service pumps, upgrade electrical controls for high service pumps, and paint exterior of ground storage tank at WTP.

SCOPE OF WORK:

Replace 10 hp high service pump motor with a 20 hp unit. Install two (2) VFD's for both 20 hp high service pumps, once the existing 10 hp pump system is replaced. Locate VFD units inside the adjacent equipment storage building. Relocate and upgrade high service pump electrical controls inside this building. Sandblast and paint 34,000 gallon bolted steel ground storage tank.

Justification & Benefits

Presently, system pressure is maintained by three high service pumps (10 hp, 20 hp & 30 hp-Fire Flow). To maintain adequate pressure, the 10 hp pump needs to operate continually. As water demand increases, the 20 hp pump cycles on and off frequently in order to maintain system pressure. This causes repeated short cycling of the 20 hp service pump due to the higher capacity of this pump. The additional water demands are readily met by this pump, resulting in a short run time before the system pressure is met. This causes chronic system pressure fluctuation. Additionally, the electrical components and panel box for the high service pumps are not reliable and do not meet electrical code. Upgrading the 10 hp pump to 20 hp and installing VFD's on both 20 hp high service pumps will eliminate the existing short cycling condition and will stabilize water pressure throughout the system. One of the 20 hp pumps will be utilized as a lead pump and will ramp up or down to meet system demand. The second 20 hp pump will be used as a lag pump and will ramp up only if the lead pump can not meet system pressure demand at 100% output. Utilizing this operational scheme will reduce power consumption and improve system pressure fluctuation. This control system will also enable both pumps to be alternated, extending the life span of the lead pump.

Sandblasting and coating the exterior of the ground storage tank will improve aesthetics and protect the tank from corrosion. The tank has not been painted in over ten years and has visible areas of corrosion.

Reason for Amendment



-- Amendment -- Declined

Project Request

Florida	FL	C106	0693	255
Region	State	Co#	Sub#	ID #

Related to ID #: 2181

Project Name: **WTP Improvements to pumps and GST**Company: **Labrador Utilities, Inc**Work Order Opened: **04/21/2004**System: **Labrador Utilities, Inc (Forest Lakes)**Estimated Finish Date: **10/31/2005** *

The project originally budgeted \$80,000 to perform the work involved with replacing the high service pumps and rehab the ground storage tank (GST). The original work order did not include a provision for an electrical room necessary for variable frequency drives (VFD's) to be installed on the high service pumps. This electrical room needs to be climate controlled, which means an HVAC system and ductwork will be installed.

The water plant does not have an office on site for record storage and a location for the operator to perform his duties. It was decided since an HVAC system was to be installed and a room built for the VFD's, that an office could be constructed utilizing one of the newly constructed walls and with the addition of some additional ductwork, could be climate controlled as well. The HVAC system could be expanded to include this additional office space and bathroom facility. A new field office was proposed in the Capital Plan for \$40,000. This project, in conjunction with the electrical room, can be done more economically as part of the open project.

The pressure control system needs to be installed in order to monitor system pressure using one of the wells, when the GST is taken out of service for interior coating using epoxy, to prevent a system outage.

The original work order did not include a provision to increase the intake header and discharge piping. In order to maximize the effectiveness of increasing the upsized high service pump output, the intake and discharge piping will need to be upsized. Pump cavitation is occurring now because of improperly sized intake and discharge piping resulting in poor performance and a shorter service life of the pump impeller. Upsizing the pumps without changing the piping produces no benefits and would increase pump wear.

The project included rehabilitation of the GST. The work to be performed involved applying a coating to the tank interior for increased service life and decrease water quality issues due to the tank interior rusting. Upon inspection by the coating contractor, it was discovered that the roof could not be rehabilitated and needed to be replaced. The Contractor informed us of an epoxy that can be used that will decrease the downtime of the GST from two weeks to one. The epoxy is more durable than the interior wax coating originally proposed.

The following is a detailed price breakdown:

Original Quote:	\$131,208
Office and Bathroom:	\$ 42,000
Pressure Controls:	\$ 4,886
Piping Modifications:	\$ 8,450
Tank Rehab/Coating:	\$ 32,000
 Total:	 \$218,544
 Original Budget:	 \$ 80,000
 Amendment Total:	 \$138,544

Timing of Project



-- Amendment -- Declined
Project Request

Florida FL C106 0693 255
 Region State Co# Sub# ID #

Related to ID #: 2181

Project Name: **WTP improvements to pumps and GST**

Company: **Labrador Utilities, Inc**

Work Order Opened: **04/21/2004**

System: **Labrador Utilities, Inc (Forest Lakes)**

Estimated Finish Date: **10/31/2005** *

Proposals will be accepted upon approving design plans and specifications from an engineering consultant. The project will take approximately 4-6 weeks to complete once the contractor is mobilized.

WO Amendment History

System Information

● **Facility Update**

Labrador Utilities, Inc. was acquired on May 13, 2002. The water supply consists of two wells, a 6" submersible pump and a 10" verticle turbine pump, on property leased from Forest Lakes Estates Co-Op. After chlorine disinfection, water is pumped into a 34,000 gallon bolted steel storage tank. Treated water is pumped into the distribution system via 10 Hp, 20 Hp, and 30 Hp (fire flow) high service pumps. Capital improvements to the high service pumps and ground storage tank are planned.

The wastewater treatment plant is 0.216 MGD Type II extended aeration treatment plant. Flow is channeled through a series of steel tank trains and split into three clarifiers, then filtered and chlorinated. The effluent is pumped to an offsite 60-acre spray field that is permitted for 0.216 MGD. The WWTP site and the 60-acre spray field property are leased from Forest Lake Estates Co-Op.

Labrador Utilities is nearly at buildout. There are less than 60 empty lots scattered throughout the 894-unit park. The adjacent RV Park constitutes of a single general service account that serves 274 lots and a recreation center/clubhouse complex.

In 2005, as required by the Final Order of the recent rate filing, all 900 meters are to be tested and the results reported to the FPSC. Approximately 90% were tested by November 30 with the remainder to be tested after the vacant units are reoccupied. PF

● **Anticipated Growth in Area**

As of March 2005, the Labrador Utilities, Inc. service area consists of 900 service connections located in Forest Lake Estates MHP and RV Resort. The population is primarily seasonal with peak flow occuring during November through March. Service area expansion is not expected and customer growth will be minimal. After the acquisition, meters were installed at the recreational faciilities, on irrigation systems, and at homes where none existed.

The original W&S tariff provided service at a flat rate. After implementing the 2005 Final Order, a usage rate was established.

● **Rate Case Information**

Last Order Date:

Order Number:

Tvne:



**-- Amendment -- Declined
Project Request**

Florida FL C106 0693 255
Region State Co# Sub# ID #

Related to ID #: 2181

Project Name: **WTP improvements to pumps and GST**

Company: **Labrador Utilities, Inc**

System: **Labrador Utilities, Inc (Forest Lakes)**

Work Order Opened: **04/21/2004**

Estimated Finish Date: **10/31/2005** *

Docket:

Test Year:

APPROVED



Project Request

Florida FL C106 0693 3876
Region State Co# Sub# ID #

Priority Level: 1 - Regulatory

Project Created: 01/26/06

Related to ID #:

Project Name: **Labrador WTP GST Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **05/01/2006**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **07/01/2006**

Service(s): Water Sewer Water & Sewer Reuse Other...

Benefits Category: Regulatory Requirement Expand Capacity Ongoing Maintenance
 Improve Service Provide New Service Other (explain below)
 Cost Reduction Improve Safety



Estimated Costs by Component

WO#:

PO#:

GL#:

Component(s)	Component Description	Original Estimate	Asset Designation
	Capitalized Time		<input type="radio"/> New Asset(s) <input type="radio"/> Upgrading Asset(s) <input type="radio"/> Repairing Asset(s) <input type="radio"/> Replacing Asset(s) If replacing existing equipment, when (year) was the original asset placed in service? <input type="text"/>
	IDC		
	Tank Repairs/Upgrades	\$48,000.00	

Cap Plan Estimate: Estimate Totals:

Capitalized Time Estimate: Hours Total # of Customers: # of Affected Customers: Cost per Customer:

Annual Offset In Expenses:



Signature Authority & Approvals

Submitted by: **Tony Wierzbicki** Title: Project Manager Date: 04/24/06

\$5,000 - \$25,000 **Patrick Flynn** Regional Director Date: 04/27/06

\$25,001 - \$75,000 **John Hoy** Regional VP of Operations Date: 05/01/06

\$75,001 - \$100,000 _____ VP of Operations Date: _____

Over \$100,000 _____ Chief Executive Officer Date: _____

APPROVED



Project Request

Florida FL C106 0693 3876
Region State Co# Sub# ID #

Priority Level: 1 - Regulatory

Project Created: 01/26/06

Related to ID #:

Project Name: **Labrador WTP GST Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: 05/01/2006

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: 07/01/2006



Attachment(s) - Ref. # 3876

- Fax
- QuickMail / Email
- Interoffice Mail
- Hand Delivery

Project Description	Estimate(s) Required	_____
List of System Projects		_____

Project Description

See Notes Screen for addt'l info

Estimate Total: \$48,000.00

- The project consists of the following modifications to the ground storage tank (GST):
- Sandblast, clean and apply an epoxy coating to the interior
 - Remove any rust and paint the exterior
 - Remove the deteriorated existing roof and replace with a self supporting welded roof
 - Install a handrail around the top circumference of the tank

All proposed High Service Pump equipment improvements will be proposed in a separate work order so that the GST improvements can be completed within the limited timeframe available.

Justification & Benefits

The GST has not been painted in over ten years and has visible areas of corrosion. The work to be performed involves applying an epoxy coating to the tank interior for increased service life and decrease water quality issues due to the rusting of the tank interior. The epoxy that will be used will decrease the downtime of the GST from two weeks to one week because it only requires a seven day cure time and is more durable than the interior waxing normally used to coat tank interiors.

Upon inspection of the roof, it was determined it could not be rehabilitated and needed to be replaced. The new self supporting welded roof should have a hatch and vent built in for access to the tanks' interior.

The proposed handrail is for safety reasons. Periodically, the operators need to access the top of the tank via the hatch. The handrail will aid the operators ability to safely access the roof and reduce the potential for an accidental fall.

Alternatives

1. APPLY NO OXIDE WAX

This alternative is less expensive than an interior epoxy finish but is not recommended. Using a wax is applicable for systems where it is not feasible to take the tanks off line for the 14-day curing period needed for certain epoxies. Although waxing the interior is about half the cost of applying an epoxy finish, the life span of the epoxy far exceeds the cost differential, ultimately resulting in higher costs for the wax interior finish.

2. CONSTRUCT NEW GST

The tank is structurally sound, with the exception of the roof. The surface rust on the exterior can be effectively removed and be painted to preserve the exterior. The interior can be sandblasted and an epoxy coating applied to preserve the interior. Replacing the roof, painting the exterior and coating the interior would be much less expensive and could be accomplished in a much shorter time frame. This is an important consideration since the system will be



Project Request

Florida	FL	C106	0693	3876
Region	State	Co#	Sub#	ID #

Priority Level: 1 - Regulatory

Project Created: 01/26/06

Related to ID #:

Project Name: **Labrador WTP GST Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **05/01/2006**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **07/01/2006**

operating off well pressure only while the tank is offline. The tank will be offline while the tank is being painted, but this period of time is only 7 days versus many weeks if a new GST is constructed.

3. DELAY GST COATING AND PAINTING

The tank is structurally sound but has interior and exterior corrosion. Delaying maintenance would increase the rate of corrosion in the tank, reducing its life span and increasing water quality issues.

Timing of Project

The project will take approximately 6-8 weeks to complete once the contractor has mobilized and should be performed during off peak months, preferably May and June.

System Information

● **Acquisition Date**

05/02/2004

● **Facility Update**

Labrador Utilities, Inc. was acquired on May 13, 2002. The water supply consists of two wells, a 6" submersible pump and a 10" verticle turbine pump, on property leased from Forest Lakes Estates Co-Op. After chlorine disinfection, water is pumped into a 34,000 gallon bolted steel storage tank. Treated water is pumped into the distribution system via 10 Hp, 20 Hp, and 30 Hp (fire flow) high service pumps. Capital improvements to the high service pumps and ground storage tank are planned.

The wastewater treatment plant is 0.216 MGD Type II extended aeration treatment plant. Flow is channeled through a series of steel tank trains and split into three clarifiers, then filtered and chlorinated. The effluent is pumped to an offsite 60-acre spray field that is permitted for 0.216 MGD. The WWTP site and the 60-acre spray field property are leased from Forest Lake Estates Co-Op.

Labrador Utilities is nearly at buildout. There are less than 60 empty lots scattered throughout the 894-unit park. The adjacent RV Park constitutes of a single general service account that serves 274 lots and a recreation

● **Anticipated Growth in Area**

As of March 2005, the Labrador Utilities, Inc. service area consists of 900 service connections located in Forest Lake Estates MHP and RV Resort. The population is primarily seasonal with peak flow occuring during November through March. Service area expansion is not expected and customer growth will be minimal. After the acquisition, meters were installed at the recreational facilities, on irrigation systems, and at homes where none existed.

The original W&S tariff provided service at a flat rate. After implementing the 2005 Final Order, a usage rate was established.

● **Rate Case Information**

Last Order Date:

Order Number:

Type:

APPROVED



Project Request

Florida FL C106 0693 3876
Region State Co# Sub# ID #

Priority Level: 1 - Regulatory

Project Created: 01/26/06

Related to ID #:

Project Name: **Labrador WTP GST Improvements**

Company: **Labrador Utilities, Inc**

Expenses to Start: **05/01/2006**

System: **Labrador Utilities, Inc (Forest Lakes)**

Expenses to End: **07/01/2006**

Docket:

Test Year:

● List of Other Projects for System - by Project Status

<u>Sub</u>	<u>Status</u>	<u>Proj ID</u>	<u>Project Name</u>	<u>Date</u>	<u>Estimate</u>	<u>Spent</u>
0693	Placed In Service	255	WTP improvements to pumps and GST	06/01/04	\$218,544	\$48,751
0693	Placed In Service	1835	WWTP Improvements	07/01/04	\$61,000	\$54,996
0693	Placed In Service	3380	Labrador Water Meter Replacement	04/03/05	\$20,000	\$35
0693	Placed In Service	3597	2005 Labrador Sanitary Sewer Cleaning	12/01/05	\$8,000	\$1,971
0693	Placed In Service	3876	Labrador WTP GST Improvements	05/01/06	\$48,000	\$41,176
0693	*Completed	2181	Electrical Design for WTP Improvements -	05/01/04	\$25,000	\$2,136
0693	*Completed	2297	Engineering Design for WWTP	05/03/04	\$10,000	\$15,315
0693	Closed	3056	Master Lift Station Modification	04/01/05	\$9,500	\$12,916
0693	Closed	2925	Repair/Replace Labrador Sprayfield Force	04/03/05	\$10,000	\$4,633
0693	Closed	3099	Labrador Spray Field Fence Installation	06/20/05	\$6,200	\$5,324
0693	Closed	3556	Labrador V-Notch Weir Box	08/15/05	\$13,000	\$7,522
0693	Closed	3557	Chlorine Bleach Conversions	09/15/05	\$6,395	\$6,308
0693	Proposed	4274	Labrador WTP HSP Improvements	07/01/07		
0693	Rescinded	4224	Labrador Plant Safety Improvements	03/15/06	\$25,000	

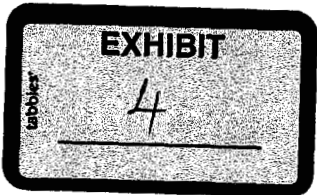
EXHIBIT
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Retirements

Sub #	Sub Name	Project #	Project Name
693	Labrador Utilities, Inc.	3380	Labrador Water Meter Replacement
693	Labrador Utilities, Inc.	3876	WTP Improvements

Cap Plan Est	Retirements	AcqDir	Handy MTR Index Factor	Retirement Cost
\$ 20,000	Y	1982	61.84	12,367
\$ 100,000	Y	1989	61.35	61,351



Account Number - TB	Description	Amount
7754003	Sewer - Maintenance Supplies	4,593
6755070	Water Permits	-
6755090	Water - Maintenance Expense	2,483
6759503	Water - Maintenance Supplies	2,421
6759506	Water - Maintenance Repairs	1,656
6759507	Water - Main Breaks	-
6759509	Water - Electrical Equipment Repair	-
7754006	Sewer - Maintenance Repairs	8,823
7754009	Sewer - Electric Equipment Repair	1,009
7755070	Sewer Permits	380
7758490	Sewer - Other Maintenance Expense	2,266
7754011	Sewer - Rodding	2,871
6759080	Maintenance Deferred Charges	852
6759405	Communication Expenses	-
6759081	Hurricane/Storm Cost	1,130
6759412	Uniforms	-
6759402	Part-Time Operators	-
6759415	Mowing/Snowplowing	14,925
6759430	Sales/Use Tax Expense	124
6759490	Garbage Removal Wtr/Swr	585
6205003	Operators Expenses	41
6759017	Operators - Cleaning Supplies	273
6759018	Operators - Other Office Expense	1,660
6759019	Operators - Publications/Subscriptions	8
6759410	Operator Education Expenses	275
6355010	Water Tests	1,085
6759413	Operators - Postage	137
6759414	Operators - Office Supply Stores	548
6759416	Operators - Memberships	464
6355030	Testing Equipment & Chemicals	566
7352020	Sewer Tests	5,971
		<u>55,147</u>