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REPLY TO CENTRAL FLORIDA OFFICE

April 5, 2007

HAND DELIVERY

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

RECEIVED-1130
07 APR -5 AM 10:41
COMMISSION
CLERK

Ms. Ann Cole
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 060246-WS; Gold Coast Utility Corp.'s Application for an Increase in Water and Wastewater Rates in Polk, County, Florida
Our File No.: 40057.05

Dear Ms. Cole:

Gold Coast Utility Corp., provides the following responses to Staff's third data request dated March 26, 2007:

1. The following items relate to customer's concerns from the February 20, 2007 customer meeting.

(a) It has come to staff's attention that two developers are in the process of developing new homes in your service territory. In addition, staff was informed that one of the developers has paid impact fees. If so, please provide details of the utility's involvement, when construction will begin and the status of the situation.

RESPONSE:

The two developers we believe the customer was referring to are Granada South and East Lake Wales Land Holding Company. The Granada South is in the final stages of being allowed to build 72 multi-family condo units. Their engineers have submitted water and wastewater plans and the Utility has reviewed and accepted those plans. They are now in

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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the process of obtaining final development approval. The Utility has had conversations with the developers and we are being told that they plan to commence construction by the end of this year providing the housing market rebounds. The East Lake Wales Land Holding Company has received preliminary development approval for 538 residential and multi-family units. Their representatives advised the Utility that they do not plan to develop the property themselves but are planning to market the property to area homebuilders. They still have a long process ahead of them until they get a final development order. They have not signed a Developer Agreement or even asked for water and wastewater service to the property. Given the condition of the housing market, this project may not even commence for 5 to 7 years.

(b) Within the last three 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 years? If so, please provide the utility's conclusions and the basis for those conclusions.

RESPONSE:

Yes. The Utility has had preliminary discussions about the need to increase the capacity of the sewer plant. In fact, the Utility has contacted the FDEP about what would need to be done about increasing the current wastewater permit from 250,000 gpd to the plant's designed capacity of 500,000 gpd. The Utility thinks this is prudent planning considering that there are two developers in the area that may or may not be requiring utility service.

(c) A customer expressed concerns regarding one of the new generators. He stated the generator did not automatically switch-on and the installation was improperly done. Is this correct? Please provide a detailed explanation.

RESPONSE:

The Utility believes the customer is talking about the installation of the stand by water plant generator. The generator and the automatic switch over were installed by Central Electric, Inc. The Utility applied for and received permits from Polk County and Peace River Electric for the installation of the equipment in question. The Utility passed all inspections and was given clearance to put the equipment into operation. The installation/workmanship has a one year warranty and the generator itself has a 5 year extended manufacturers' warranty covering every aspect of the generator. The Utility is not aware of any instances where this

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generator did not work properly. In fact, Mr. Gerald Edwards, a FPSC engineer was in the water plant office when the generator's weekly test was automatically performed by the switching gear. He did not express any concerns about the performance of the equipment. See, additional explanation in attached letter.

(d) In addition, the customer expressed concerns regarding black specks in his toilet bowl and stated it was because of the poor water quality. Are you aware of this situation and what would cause black specks to be in his toilet bowl? Please provide a detailed explanation of what may be the cause of this situation and any action the utility intends to take to resolve this situation. See, additional explanation in attached letter.

RESPONSE:

This came to the Utility's attention for the first time at the customer meeting. During the time that Gold Coast Utility Corp., has owned the Utility, it has never received any verbal or written communication from this individual about poor water quality. The Utility is investigating the issue.

2. Regarding pro forma plant additions, did the utility request bids on all of the pro forma items listed in Schedule A-3?

RESPONSE:

No, it did not.

3. If the answer to question 2 is no, which items were not included in the bidding process? Please explain why you did not request bids.

RESPONSE:

On items such as the new trucks, the gator ATV, laptop, backhoe, truck winch, and the disc for tractor, the Utility did obtain multiple verbal bids by calling different equipment dealers and looking at various publications in order to identify the best equipment that fits its needs at the lowest cost possible. For the other plant items, most of the items were under an

emergency basis and needed to be replaced quickly. Those items that were purchased under an emergency basis are the following: a) Chart recorder and meter at water plant; b) 3 phase 2 hp wastewater pump at Granada lift station; c) Reuse pump at wastewater treatment plant; e) Wiring and starters for blower motors at the wastewater plant; k) Check valves at Granada lift station. The remaining two plant items that bids were not obtained are the computer and printer for office and the purchase and installation of the inflow protectors. In the case of the inflow protectors, the Utility did call for the best price from 3 different dealers, but in the instance of installing them, it was easier and cheaper for Reginald Burge who already identified the locations where they needed to be installed than to pay for a contractor by the hour to drive around and locate the manholes that needed inflow protectors. No bids were taken for the office computer and printer because the Utility just valued them on the basis of what the market would bear for a computer and printer along with the various programs that were already installed on the computer.

4. For the items that the utility obtained estimates for, i.e. the steel buildings for the wastewater plant and the rehabilitation of the manholes, did the utility obtain more than one bid?

RESPONSE:

No, the Utility did however ask the circuit rider from the FRWA his opinion of what kinds of methods he has seen done and the corresponding cost for that method for the rehabilitation of the manholes. Regarding the steel buildings, the Utility did call several manufacturers of wooden buildings and steel buildings and found different costs. Mr. Spears from Elite Services does have experience in putting up steel buildings.

5. If not, why not?

RESPONSE:

The Utility did not obtain written bids because it is a better business practice to give the first opportunity to contractors that the Utility uses in the daily operation of the Utility. If that estimate falls within what the Utility thinks, based on calling around to different contractors, is a good bid then the Utility would rather give the contract to contractors that perform

services for it on a routine basis. It makes sense to develop business relationships with the contractors the Utility uses because these are the same people that we call on in an emergency basis sometimes at 2 or 3 in the morning and they actually answer the phone.

6. According to Schedule F-1, the utility pumped 35.128 million gallons of water and sold 12.013 million gallons of water during the test year. In addition, your records show there were no "other uses". Please provide a detailed explanation of why your records indicate that there is a difference of 23.115 million gallons of water which is unaccounted for.

RESPONSE:

There is actually a very logical reason for this anomaly. The Utility has two venturi tubes that measure the raw water that is pumped out of the ground and also the finished water that is sold to the customers. The finished water meter was found and was calibrated by Mr. Al Klutz of AWK Industries, Inc., many years ago. The previous ownership and management could not find the raw water meter and therefore it had never been calibrated for the last 20 or 30 years. When the current owners installed the new control panel at the water plant, they took it upon themselves to go on a mission to find this raw water meter. It took almost a week of digging, but they found the meter in February, 2007, some 18 feet away from where the as-built plan showed it. Mr. Klutz from AWK Industries, Inc., has since calibrated it and it is now in line with the finished water meter. Further explanation was also addressed in the MFRs.

7. Comparing Schedules F-1 and F-2, the schedules show Gold Coast treated more wastewater than it sold water, all twelve months of the test year. Please explain how this occurred. Is there a problem with excessive inflow and infiltration (I&I)? If so, what is the utility doing to resolve the problem?

RESPONSE:

This was addressed in the MFRs.

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8. In Schedule F-3, the utility's "Maximum Day" is March 18, 2005, with 229,000 gallons used. Was there an anomaly or unusual occurrence on that day?

RESPONSE:

No. See, additional explanation in attached letter.

9. What is age/manufacturer's operation date of the desk top computer that you included in pro forma plant?

RESPONSE:

The Utility believes it is 2005. A supplemental response will be filed if a more exact date can be established.

10. Provide copies of the health insurance plans or proposals for all employees and officers.

RESPONSE:

See, attached proposal from Blue Cross Blue Shield of Florida.

11. Provide justification for the pro forma expense for the "employee leasing company."

RESPONSE:

The Utility tried to get workers' compensation coverage for all of the employees of the Utility. The Utility called 3 insurance brokers and they could not find any insurance companies willing to provide workers' compensation coverage. One of the brokers suggested employee leasing companies. The Utility has been with Enterprise HR leasing company since January 1, 2006. They provide the Utility with workers' compensation coverage in a package that includes payroll services. They will not under any circumstances just provide workers'

compensation coverage. Since the State of Florida has mandated that all businesses have workers' compensation coverage, the Utility had little choice but to go to an "employee leasing company." A copy of an Invoice form the employee leasing company is attached. Also attached is a schedule of the annualized expense, excluding the new employee.

12. Has the utility advertised for the pro forma addition for the new employee position?

RESPONSE:

No, but by word of mouth several people have learned of the potential position and have had initial interviews with the Utility.

13. If so, provide a copy of the advertisement, and the date the ad was published.

RESPONSE:

Not Applicable.

14. If the utility has not advertised for the new employee position, please explain why not.

RESPONSE:

The Utility has not advertised for the new position because it is awaiting the Staff's recommendation on this proforma expense before proceeding. The Utility needs to know the salary of the position since that is an important element to any prospective employee.

15. Has the utility interviewed and/or selected a candidate for the additional position?

RESPONSE:

The Utility has interviewed and/or collected information about three potential candidates. The Utility has not selected any candidate at this time.

16. If so, provide his/her name and start date, as well as starting salary.

RESPONSE:

Not applicable.

17. Provide a copy of the retirement plan for the officer.

RESPONSE:

There is currently no retirement plan for any officer or employee. The Utility has asked for, as a proforma expense, a retirement plan for all employees of the Utility, which would include the officers. That retirement plan would entail a contribution from the Utility to the employee's IRA in the amount of \$2,000.00 per year regardless of what the employee's salary is.

18. Is there one officer for Gold Coast? If not, provide the name and salary of the additional officer.

RESPONSE:

There are two officers of Gold Coast Utility Corp. They are Mr. Reginald J. Burge (President) and Mr. Keith A. Burge (Vice President/Secretary/Treasurer). There are no salaries for these positions as officers.

19. How much time does Keith Burge spend on a weekly and/or annual basis in the position of Director for Laniger Utility?

RESPONSE:

Mr. Keith Burge does not spend any time in the position of Director for the Laniger Utility.

20. How much compensation did Keith Burge receive in his role of Director for Laniger Utility in 2006?

RESPONSE:

Mr. Keith Burge did not receive any compensation for his role of Director for the Laniger utility in 2006.

21. What duties does Keith Burge perform in his position of Director of Laniger Utility?

RESPONSE:

Mr. Keith Burge does not perform any duties in his position as a Director for the Laniger utility. He is appointed as a Director in case something were to happen to his Father and Mother so he then could step in and run the Utility on an emergency basis. He does not receive any compensation for being a Director of Laniger.

22. Did Gold Coast perform an employee wages and salary analysis for the Lake Wales area?

RESPONSE:

No. It will be hard to do an analysis since the employees of Gold Coast Utility Corp., would do much more than just an ordinary operator would do that works at a municipality. The Utility employees are on call 24 hours 7 days a week. They do not receive overtime or have as many benefits as the employees of municipalities. They also do repair work, mow and maintain lawns, read meters, and any and all other maintenance that may be required in the course of the work day. Operators at municipalities do not do any of the above mentioned duties. See, additional explanation in attached letter.

23. If so, provide a copy.

RESPONSE:

Not applicable.

24. If not, how did Gold Coast determine the amount of pro forma salary increases for its employees?

RESPONSE:

The Utility endeavors to pay a sufficient wage to encourage the retention of employees and instill dedication to the Utility and the customers it serves.

25. How did Gold Coast determine these amounts were necessary in order to retain its employees?

RESPONSE:

The Utility determined these amounts based upon necessary salary increases on a yearly basis going forward. Typically, a company would like to reward good working habits, loyalty, and hard work for an employee on a yearly basis. It was also determined by the fact that each of the employees is currently working on obtaining additional licenses in their fields. For example, Mr. David Pearce has already passed the course for upgrading his wastewater "C" license to a "B" license and he will sit for the exam in August 2007. He is currently working on the water course to obtain a "B" license in that field. Mr. John Ridgway has a "C" license in wastewater, he has already passed the course for the Class "C" license for water and is expected to sit for the exam in August 2007. This will make him dual certified in the areas of water and wastewater. Mr. Nathan Eckstein is also trying to complete the courses to do the same thing as John Ridgway. When these employees reach these goals, then it will become necessary to upgrade their pay scale to recognize their diligence in their studies outside of the work place and also their achievements when they pass their exams and are awarded their additional licenses.

26. What type of business services does Elite Services, located in Bartow, Florida provide?

RESPONSE:

Elite Services provides the Utility with underground services, installation of new water and wastewater services, repairs, and other services that are beyond the expertise of the employees.

27. Is there any type relationship between Reginald Burge and Ronnie Spears?

RESPONSE:

None.

28. Is there any type relationship between Keith Burge and Ronnie Spears?

RESPONSE:

None.

29. Describe the equipment that was traded in to Pippin Tractor for the purchase of the backhoe?

RESPONSE:

There was no equipment that was traded in to Pippin Tractor for the purchase of the backhoe. The reference to trading on the Invoice was how the dealer reflected the discount negotiated by Reg Burge on behalf of the Utility.

30. Who is Leonard Burge, and what is his relationship to Keith Burge?

RESPONSE:

Mr. Leonard Burge is the uncle to Mr. Keith Burge. Due to this relationship, the Utility received a discount on the purchase.

31. Reginald Burge is listed as a Director of Gold Coast Utility, Corp. Does Reginald receive compensation for this position?

RESPONSE:

Mr. Reginald J. Burge does not receive any compensation for being a Director of Gold Coast Utility Corp.

32. What duties does Reginald Burge perform in the capacity of Director of Gold Coast Utility, Corp?

RESPONSE:

Mr. Reginald Burge provides typical director services, such as guidance upon his financial and business expenses. Attached is a copy of Mr. Burge's Consulting Agreement which Staff requested in the teleconference on March 30, 2007.

33. What percentage of time does Keith Burge spend in his position as Director of Utility Operations for Gold Coast Utility Corp.?

RESPONSE:

Mr. Keith Burge spends 100% of his time as Director of Utility Operations for Gold Coast Utility Corp.

34. How often does Keith Burge travel from his residence to the utility's service area?

RESPONSE:

Mr. Keith Burge travels to the Utility's service area on average of about two to three times a week. He also spends nights over at the Utility in a motor home that is parked at the water plant. (Incidentally, at no cost to the Utility.) Mr. Keith Burge works out of his home and that is where the financial records of the Utility are filed and kept. He also works extensively by cell phone, email, and fax to complete the daily business of the Utility.

35. What percentage of time does Keith Burge spend in his position as Director of Laniger Utility?

RESPONSE:

Mr. Keith Burge does not spend any time in his position as Director of the Laniger utility. Mr. Keith Burge and Mr. Reginald Burge do talk about utility business when they get together as family on weekends and dinners at night that may happen on occasion. Mr. Keith Burge does not do any work on a regular basis for the Laniger utility.

36. What percentage of time does Keith Burge utilize on a personal basis in the new truck purchased in 2006?

RESPONSE:

Mr. Keith Burge maybe uses the 2006 truck 5% of the time for his personal business. The family has another vehicle for family use.

37. Why was the laptop computer purchased under the business name of Laniger Enterprises?

RESPONSE:

The laptop computer was purchased under the business name of Laniger Enterprises of America, Inc., because Gold Coast Utility Corp., was too new a corporation to get its own account. By using Laniger's account, the Utility saved approximately \$150.00 on the purchase of the new laptop.

38. Provide a salary history by year for David Pearce for the past 5 years.

RESPONSE:

The historical wages for all employees is set forth in the attached letter.

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39. When did John Ridgeway receive an increase in pay from \$29,236.50 to \$35,100?

RESPONSE:

Mr. John Ridgeway received that increase in March of 2006.

40. When did Nathan Eckstein receive an increase in pay from \$29,236.50 to \$30,200?

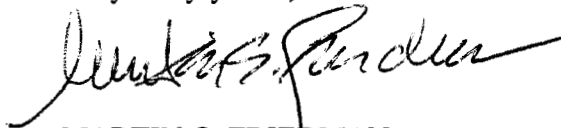
RESPONSE:

Mr. Nathan Eckstein did not start work until December 1, 2006. The position received that increase in pay in March of 2006.

The Staff in the teleconference on March 30, 2007, requested substantiation of the reasonableness of the invoices for work that was performed by a related party and that substantiation is attached.

Please do not hesitate to contact me if you should have any questions.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/mp

cc: Katherine E. Fleming, Esquire, Office of General Counsel
Mr. Troy Rendell, Economic Regulation
Ms. Cheryl Bulecza-Banks, Economic Regulation
Ms. Tracey Biggins, Economic Regulation
Mr. Keith Burge
Robert C. Nixon, CPA
Mr. Frank Seidman

GOLD COAST UTILITY CORP.

P.O. Box 9076 • Lakeshore, Florida 33854 • (863) 696-0584 • Fax (863) 696-0584 • e-mail: lwuco@mcn.com

March 30, 2007

Mr. Keith Burge
Director of Utility Operations
Gold Coast Utility Corp.
2340 N.E. Dixie Highway
Jensen Beach, FL 34957

Re: Narratives

A. Emergency Power Generation

1. Water Treatment Plant

- a. On May 5, 2006 at 0900 electrical power was shutdown to to the Water Treatment Plant by Peace River Electric to install new service feed to transfer switch to complete 125KW back-up generator automatic switching system. At 1530 utility power was restored. Systems were tested satisfactorily and placed in service.
- b. System was programmed to run automatically, under load, each Tuesday at 0900 for 1 hour.
- c. Generator battery is charged via transfer switch system.
- d. Since start-up system has functioned normally without failure.

2. Wastewater Treatment Plant

- a. On July 25, 2006 accepted delivery of 125KW mobile generator set with 15 amp trickle charger for purpose of operating sewer collection and wastewater treatment systems.
- b. Generator is manually started and ran for 1 hour each week on Tuesday at 0900. It is run 1 hour under load each month at

WWTP or lakeshore liftstation.

3. Each week fluid and fuel levels are checked and recorded on Generators O&M log prior to scheduled operation.
4. Upgrade installation of automatic switching system was permitted and approved by Polk Count Building Division.
5. New utility electric service , i.e. transformers, jacks, etc., was completed by Peace River Electric Co-Op.
6. Generator, metering, disconnect and transfer switch installation was completed by Central Electric Motor, Inc. of Haines City, FL with one year warranty.

B. Finish Water for March 18, 2005.

1. 229,000 gallons of water use indicative of lawn sprinkler usage at Walden Shores MHP and Granada Condos.

C. Comparative Salaries

1. City of Lake Wales

W/WW class C operators 22,689.00 – 34063.00 plus Health, Life, Dental and vision. *STARTING*

2. Polk County

W/WW class C operators 28142.40 – 36585.12 plus Health, Life, Dental, and Vision. *starting*

D. Total Wages Years 2000-2005

	David Pearce	John Ridgway	Kent Hardee
2000	52,000.00	23,599.00	23,599.00
2001	52,000.00	26,756.00	26,756.00
2002	56,500.00	28,967.00	28,967.00
2003	57,200.00	29,380.00	29,380.00

2004	57,200.00	31,361.00	31,361.00
2005	53,900.00	31,222.00	31,222.00

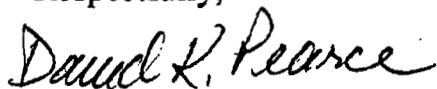
E. Benefits 2000-2005

- 2000 - 8541.53
- 2001 - 10,534.13
- 2002 - 12,453.89 - Health for David Pearce dropped - cost prohibitive when Florida 1st dropped small groups. Coverage switched to United Health Care.
- 2003 - 12536.81
- 2004 - 10365.41 - disability income dropped on David Pearce
- 2005 - 10387.36 - 10 months coverage - all dropped under GCUC ownership.

F. Mr. Robert Herrick complaint

The complaint expressed by Mr. Herrick at the customer meeting was The first time that the utility was made aware of an alleged problem. Prior to the customer meeting no verbal or written complaint was Received at the utility even though frequent contact is made with Numerous residents at Walden Shores MHP with no mention by Anyone of a problem. Since the customer meeting no verbal or Written complaint has been received from any customer at Walden Shores MHP or any other complex. Casual investigation throughout The community resulted in no problems whatsoever.

Respectfully,



David K. Pearce
General Manager

Gold Coast Utility Corp.

2340 Ne Dixie Hwy
Jensen Beach, FL 34957

November 18, 2005

Utility will pay management fees of \$36,000 to Mr. Reginald J. Burge, which are to compensate Mr. Burge for services rendered to Gold Coast Utility Corp. Mr Burge spends Thirty Five percent of his time in the management of the Utility and is responsible for the continued operations of the company in providing acceptable utility services to its customers. This contract commences on November 18, 2005 and will continue until such time as either party terminates this agreement. Either party may terminate this agreement by providing 30 days written notice.

Listed below are the major duties, responsibilities, and services rendered to the Utility by Mr. Reginald J. Burge.

1. Administrative Services:

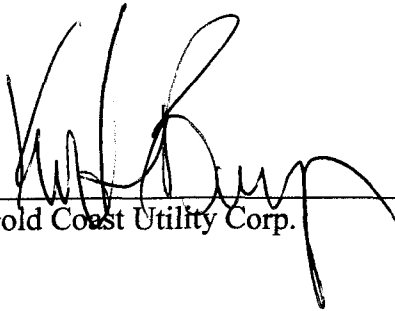
- a.) Review the overall quality of utility services rendered and review field operations.
- b.) Review and assist in the negotiations for contracts for the purchase of materials, supplies, and outside services required for day to day operation.
- c.) Review and assist in the personnel requirements of the Utility and discuss and/or recommend to the Director of Utility Operations the appropriate salary and employee benefit levels. Also assists in the recruitment, hiring, and firing of employees.
- d.) Supervise employee training programs such as operator training. Review employee progress reports.

2. Engineering Services:

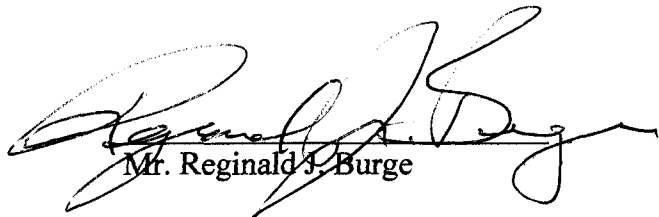
- a.) Prepare plans and specifications and supervise all Utility's treatment plant construction including wells, pumps, raw water mains, storage tanks, aeration and chlorination equipment, high service pumps, transmission mains, emergency generators, electrical control equipment, sewage gravity and force mains, sewage lift and pumping stations, sewage treatment plant and associated equipment, monitoring wells, associated treatment plant buildings with laboratories, operator office space, maintenance and storage areas, etc..

- b.) Review shop drawings prepared for the utility for technical compliance with Utility's standards.
- c.) Review plans and specifications prepared by developer's engineers for technical compliance with Utility's standards.
- d.) Review FDEP rules and regulations and help prepare compliance schedules and strategies.
- e.) Review South Florida Water Management District rules and regulations and help prepare compliance schedules and strategies.
- f.) Assist in preparing master plans for utility expansions.
- g.) Coordinate Utility's compliance with county fire flow requirements.
- h.) Assist in the decision making process regarding the repair or replacement of existing equipment or mains
- i.) Inspect developer installed mains and appurtenances for compliance with Utility's standards.

This contract entered into this 18th day of November, 2006 between Gold Coast Utility Corp. and Mr. Reginald J. Burge.

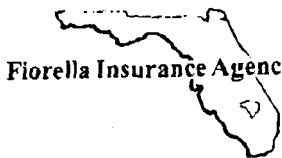


Gold Coast Utility Corp.



Mr. Reginald J. Burge

772-334-6757



Fiorella Insurance Agency, Inc.



A CONTRACTED GENERAL AGENCY

BlueCross BlueShield of Florida

An Independent Licensee of the Blue Cross and Blue Shield Association

PORT ST. LUCIE WEST/TRADITION
10420 Village Center Drive • Port St. Lucie, FL 34987
Tel: 772-336-8886

Dear Keith,

Thank you for your interest in Blue Cross / Blue Shield for your health insurance needs. Per your request I'm enclosing information on our Blue Options PPO plan # 11 with \$1000 Deductible, and plan # 3 with a \$1500 deductible. I made some notes on the benefits I think are important. The difference between these plans is the total out of pocket cost. Plan #3 maximum calendar year out of pocket is just the \$1500 deductible, then the plan pays 100% of all in network covered expenses. Plan #11 has a maximum calendar year out of pocket of \$5000. Premiums for plan #3 are \$374.00 per month for John. \$ 646.00 per month for Nathan and family. (Sorry I quoted you the wrong premium for Nathan on the phone) Premiums for plan #11 are \$351.00 for John and \$623.00 for Nathan and family. The PPO plan takes about 4 to 6 weeks to underwrite an application. Please take this in consideration if time is a factor. After reviewing the information, should you have any questions please call me.

Sincerely
Jim Vicari

PS also included is a list of other products I can help you with.

Marty,

I am planning to offer plan #3 with a \$1500 deductible. The cost for

John is \$374.00/month and \$646.00/month for Nathan.

These prices are indicated in the above paragraph.

*Thanks,
Keith.*

PORT ST. LUCIE
9116 N. Federal Highway
Port St. Lucie, FL 34952
Tel: 772-335-0900
Fax: 772-335-0922

STUART
515 S.E. Central Parkway
Stuart, FL 34994
Tel: 772-283-0003
Fax: 772-283-0110

VERO BEACH
914 20th Place
Vero Beach, FL 32984
Tel: 772-774-1091
Fax: 772-774-0477

BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.
P.O. BOX 2913
JACKSONVILLE FLORIDA 32231-0024



**Blue Cross BlueShield
of Florida**

An Independent Licensee of the
Blue Cross and Blue Shield Association

NOTICE OF PAYMENT DUE



RD1A2831006539K
KEITH A BURGE
12292 FLORIDA AVE
STUART FL 34994-9141

DUE DATE	11/08/06
TOTAL PAYMENT DUE	<u>\$1068.00</u>
Name KEITH A BURGE	
Contract No H66934973	Invoice No 84350586
Type Coverage FAMILY	
Coverage Period from 11/08/06 to 01/08/07	
Protection Plan BLUEOPTIONS	

THIS NOTICE WAS GENERATED: 10/10/06

THIS IS YOUR NOTICE OF PAYMENT DUE FOR YOUR HEALTH INSURANCE COVERAGE PROVIDED BY **BLUE CROSS AND BLUE SHIELD OF FLORIDA**. FOR YOUR PROTECTION, DO NOT SEND CASH. WRITE YOUR CONTRACT NUMBER ON YOUR CHECK OR MONEY ORDER, AND MAKE PAYABLE TO **BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.** THE TOTAL PAYMENT DUE IS REQUIRED IN FULL ON OR BEFORE THE DUE DATE.

PLEASE SEE THE BACK OF THIS NOTICE FOR ADDITIONAL INFORMATION.

IF YOU HAVE ANY QUESTIONS PLEASE CALL 1-800-888-6758
KEEP THIS PORTION FOR YOUR RECORDS

TEAD UEDC

Marty,

Gold Coast pays my Health Insurance. The \$1068.00 premium payment due represents two months.

ENTERPRISE HR
PAYROLL INVOICE REGISTER

For: 4198 Gold Coast Utility Corp
Order: Client Invoice Detail Report

Page: 1
Run Date: 07/19/06
Run Time: 11:11 a
Pgm Name: PR_INVR

Clnt No	Div No	Invoice Number	Invoice Date	Payroll Date	Pr No	Invoice Amount	Gross Wages	Fica and Medc	FUTA	SUTA	Worker Comp	Admin Fee	Employee Benefits	Less Tips Returned	Adjust Other
From: 01/01/06 Thru: 07/31/06 From Client: 4198 Thru: 4198															
4198	0	125593	01/17/06	01/17/06	1	5,441.02	4,600.00	351.90	36.80	39.10	255.50	141.22	0.00	0.00	16.50
4198	0	126964	01/30/06	01/30/06	1	5,462.30	4,600.00	351.90	36.80	39.10	255.50	162.50	0.00	0.00	16.50
4198	0	128685	02/15/06	02/15/06	1	4,264.58	3,550.00	271.58	28.40	30.18	205.42	162.50	0.00	0.00	16.50
4198	0	129959	02/28/06	02/28/06	1	4,264.58	3,550.00	271.58	28.40	30.18	205.42	162.50	0.00	0.00	16.50
4198	0	131537	03/15/06	03/15/06	1	5,653.10	4,750.00	363.38	38.00	40.38	282.34	162.50	0.00	0.00	16.50
4198	0	133136	03/31/06	03/31/06	1	5,653.10	4,750.00	363.38	38.00	40.38	282.34	162.50	0.00	0.00	16.50
4198	0	134939	04/14/06	04/14/06	1	5,636.41	4,750.00	363.38	38.00	40.38	260.68	167.47	0.00	0.00	16.50
4198	0	136545	04/28/06	04/28/06	1	5,636.41	4,750.00	363.38	38.00	40.38	260.68	167.47	0.00	0.00	16.50
4198	0	138239	05/15/06	05/15/06	1	5,636.41	4,750.00	363.38	38.00	40.38	260.68	167.47	0.00	0.00	16.50
4198	0	139484	05/31/06	05/31/06	1	5,636.41	4,750.00	363.38	38.00	40.38	260.68	167.47	0.00	0.00	16.50
4198	0	141145	06/12/06	06/12/06	1	4,923.73	4,150.00	317.48	33.20	35.28	225.16	146.11	0.00	0.00	16.50
4198	0	141500	06/15/06	06/15/06	1	6,104.72	5,145.82	393.67	41.17	43.74	282.40	181.42	0.00	0.00	16.50
4198	0	143219	06/30/06	06/30/06	1	6,104.72	5,145.82	393.67	41.17	43.74	282.40	181.42	0.00	0.00	16.50
4198	0	144631	07/14/06	07/14/06	1	6,104.72	5,145.82	393.67	41.17	43.74	282.40	181.42	0.00	0.00	16.50
4198			Client Totals:			76,522.21	64,387.46	4,925.73	515.11	547.34	3,601.60	2,313.97	0.00	0.00	231.00
						67,151.92	56,604.02	4,330.74	442.84	481.74	3,106.50	1,995.02			181.50
			Grand Totals:			76,522.21	64,387.46	4,925.73	515.11	547.34	3,601.60	2,313.97	0.00	0.00	231.00
						193,672.13	120,991.78	10,266.10	967.98	1,028.98	8,708.00	3,309.59			472.50

Note: the company locates its employees. Leasing provides an advantage in reducing insurance and payroll administration costs.

Payroll Taxes: 0.00

Contract serv - other

9-256-1

967-98

1-028-73

11-252-56

0.00

0.00

14,509-55

412-5

4,722-09

0.00

Gold Coast Utility Corp.
 Annualized Enterprise HR Expense
 12/31/2005

	Invoice Amount	Gross Wages	Fica and Medc	FUTA	SUTA	Workers Comp	Admin Fee	Other / Adj.
Grand total amount per payroll invoice register	76,522.21	64,387.46	4,925.73	515.11	547.34	3,601.60	2,313.97	231.00
Amount for period ended 7/14/05	6,104.72	5,145.82	393.67	41.17	43.74	282.40	181.42	16.50
Remaining periods in 25 period year	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
Amount to annualize	67,151.92	56,604.02	4,330.37	452.87	481.14	3,106.40	1,995.62	181.50
Total annualized expense	143,674.13	120,991.48	9,256.10	967.98	1,028.48	6,708.00	4,309.59	412.50

Mr. John Essenwine

General Contractor
License #CGC 008705
2591 SW Estella Terrace
Palm City, FL 34990
(772) 530 9409

April 3, 2007

Gold Coast Utility Corp.
Attn: Mr. Keith Burge
2340 NE Dixie Hwy
Jensen Beach, FL 34957

Re: Review of Invoices and Estimates

Dear Mr. Burge:

I have reviewed the following invoices and have talked to Mr. Reginald Burge about the types of jobs that he did at your utility. I have more than 30 years of experience in the water and wastewater industry and have done, on many occasions, similar types of jobs. The invoices that I have reviewed are the following:

Invoice 1017 dated April 14, 2006
Invoice 1019 dated March 22, 2006
Invoice 1006 dated June 5, 2006
Invoice 1018 dated May 10, 2006
Invoice 1005 dated June 5, 2006
Invoice 1016 dated August 13, 2006
Estimate E103 dated January 8, 2007
Estimate E102 dated January 8, 2007

In my professional opinion the amounts in the above mentioned invoices and estimates are at or below the market prices that you would find in the water and wastewater industry. If you should have any questions please do not hesitate to call.

Sincerely,



Mr. John Essenwine.

Mr. Reginald J. Burge

1616 NE Darlich Avenue
Jensen Beach, FL 34957
(772) 334-1656

ESTIMATE

Number: E102

Date: January 08, 2007

Bill To:

David Pearce
Gold Coast Utility Corp.
10389 West Leisure Lane
Nalcrest, FL 33856 USA

Ship To:

[Empty box for shipping address]

Description	Amount
Install a cover or shed over water plant standby generator.	10,000.00
Total	\$10,000.00

Mr. Reginald J. Burge

1616 NE Darlich Avenue
Jensen Beach, FL 34957
(772) 334-1656

ESTIMATE

Number: E103

Date: January 08, 2007

Bill To:

David Pearce
Gold Coast Utility Corp.
10389 West Leisure Lane
Nalcrest, FL 33856 USA

Ship To:

[Empty box for shipping information]

Description	Amount
Provide a secure building over the generator at wastewater plant. This is a remote location and the generator is on a trailer with a hitch. It would be very easy for someone to steal the generator. It must have a lock with plenty of ventilation.	15,000.00
Total	\$15,000.00

Mr. Reginald J. Burge

1616 NE Darlich Avenue
Jensen Beach, FL 34957
(772) 334-1656

INVOICE

Number: 1016

Date: August 13, 2006

Bill To:

David Pearce
Gold Coast Utility Corp.
10389 West Leisure Lane
Nalcrest, FL 33856 USA

Ship To:

Description	Amount
Install inflow protectors.	1,140.00
<i>06-035</i>	
Total	\$1,140.00

0 - 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
\$0.00	\$0.00	\$0.00	\$7,772.00	\$7,772.00

Mr. Reginald J. Burge

1616 NE Darlich Avenue

Jensen Beach, FL 34957

(772) 334-1656

INVOICE

Number: **1005**

Date: June 05, 2006

Bill To:

David Pearce
Gold Coast Utility Corp.
10389 West Leisure Lane
Nalcrest, FL 33856 USA

Ship To:

Description	Amount
2 men 4 hours to install 3 signs at water, sewer, and spray field. \$55.00 per hour.	440.00
<i>3545</i>	
Total	\$440.00

0 - 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
\$0.00	\$0.00	\$0.00	\$4,732.00	\$4,732.00

Mr. Reginald J. Burge

1616 NE Darlich Avenue
Jensen Beach, FL 34957
(772) 334-1656

INVOICE

Number: 1018

Date: May 10, 2006

Bill To:

David Pearce
Lake Wales Utility Company
10389 West Leisure Lane
Nalcrest, FL 33856 USA

Ship To:

[Empty box for shipping address]

Description	Amount
wire in and install electrical breaker.	330.00
install air vent in roof.	220.00
shop materials	
<i>A/c WORK</i>	
<i>30460</i>	
Total	\$550.00

0 - 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
\$0.00	\$0.00	\$0.00	\$763.04	\$763.04

Mr. Reginald J. Burge

1616 NE Darlich Avenue
Jensen Beach, FL 34957
(772) 334-1656

INVOICE

Number:  1006

Date: June 05, 2006

Bill To:

David Pearce
Gold Coast Utility Corp.
10389 West Leisure Lane
Nalcrest, FL 33856 USA

Ship To:

Description	Amount
2 Hp, 3 Phase hydromatic sewage pump.	3,202.00
Variable speed drive	650.00
2 men pulled old pump installed new. \$55.00 per hour. 4 hours	440.00
3715	
Total	\$4,292.00

0 - 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
\$0.00	\$0.00	\$0.00	\$4,292.00	\$4,292.00

Mr. Reginald J. Burge

1616 NE Darlich Avenue
Jensen Beach, FL 34957
(772) 334-1656

INVOICE

Number: 1019

Date: March 22, 2006

Bill To:

David Pearce
Gold Coast Utility Corp.
10389 West Leisure Lane
Nalcrest, FL 33856 USA

Ship To:

[Empty box for shipping address]

Description	Amount
Labor to remove old pump and pour new concrete base.	2,640.00
repair and ensure old check valves held back sewer flow while old pump was removed.	1,640.00
<i>06-018</i>	
Total	\$4,280.00

0 - 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
\$0.00	\$0.00	\$0.00	\$12,052.00	\$12,052.00

Mr. Reginald J. Burge

1616 NE Darlich Avenue
Jensen Beach, FL 34957
(772) 334-1656

INVOICE

Number: 1017

Date: April 14, 2006

Bill To:

David Pearce
Lake Wales Utility Company
10389 West Leisure Lane
Nalcrest, FL 33856 USA

Ship To:

[Empty box for shipping address]

Description	Amount
Field supervision by Mr. Reginald Burge 3 Hours at \$55.00 per hour.	165.00
shop materials	48.04
<i>Reuse pumps</i> <i>3715</i>	
Total	\$213.04

0 - 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
\$0.00	\$0.00	\$0.00	\$213.04	\$213.04