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July 17, 2008

E-FILING

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

RE: Docket No. 070693-WS; Lake Utility Services, Inc.'s Application for Water and Wastewater Rate Increase in Lake County, Florida  
Our File No.: 30057.148

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is supplemental documentation responsive to Staff's June 4, 2008 request for additional information, Item 12(c). This contract was not available at the time of filing. Please note that the consideration recited in the attached contract is higher than the amount estimated in the Utility's original response to Item 12(c).

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

Very truly yours,



CHRISTIAN W. MARCELLI  
Of Counsel

CM/tlc  
Enclosures

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
July 17, 2008  
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cc: Bart Fletcher, Division of Economic Regulation (w/enclosure)  
Richard Wright, Division of Competitive Markets & Enforcement (w/enclosure)  
Keino Young, Esquire, Office of the General Counsel (w/enclosure)  
John Hoy, Chief Regulatory Officer (w/enclosure)  
Rick Durham, Regional Vice President for Operations (w/enclosure)  
Patrick C. Flynn, Regional Director (w/enclosure)  
Mr. Frank Seidman (w/enclosure)  
Ms. Deborah Swain (w/enclosure)



**Preventative Maintenance Contract**

**CONTRACT TERMS**

**Contract # 1907-2008, REV 1**

This Contract, dated as of **1<sup>st</sup> day of July, 2008** is made and entered into by and between Lake Utility Services, Inc. ("Client") and Jacobs Air Water Systems ("JAWS").

Whereas, the purpose of this Contract is to provide preventive maintenance services for the packed tower aeration system located at the Lake Groves WTP, Clermont, FL.

Now therefore, in consideration of the terms and conditions contained herein, or attached and incorporated and made a part hereof, Lake Utility Services, Inc and JAWS mutually agree as follows:

**Jacobs Air Water Systems (JAWS)** will provide preventive maintenance inspections and maintenance services to the equipment listed herein and at time intervals specified herein.

**Lake Utility Services, Inc** agrees to make payment to JAWS for services provided as follows: Invoicing for services will be provided after delivery of service. Payments shall be made within 30 days after receipt of an invoice.

**Contact Information**

Lake Utility Services, Inc  
200 Weathersfield Avenue  
Altamonte Springs, FL 32174

Bryan K. Gongre  
Regional Manager

Office: 407-869-1919

Jacobs Air Water Systems  
11023 Countryway Blvd.  
Tampa, FL 33626

Jerry Wingo  
General Manager

Office: 813-854-2354  
Cell: 813-857-5535

**Agreement Duration**

This term of this Contract shall commence on the date of execution by the parties to this Contract. The initial contract period will cover the balance of the first calendar year; the annual Contract will beginning the following year will be for **one year in duration**, with two renewals at one (1) year each that are available at the option of the Client, for a total contract period of three (3) years plus any partial years. Commercial terms are to be updated and negotiated upon each renewal.

**Contract Value**

Upon execution of this Contract, the Client agrees to pay **\$7,500** compensation for the services described herein and in accordance to contract stipulations. It is understood that payment covers labor only and does not include the cost of materials or repair parts that may be needed to keep the equipment in working condition.

**GENERAL CONDITIONS**

**Prerequisite**

Prior to the initial contract period, JAWS will inspect the equipment covered in this Contract. To provide cost effective and efficient services, if during this inspection, defective parts or operational issues are found, all parts and corrective measures will be the responsibility of the Client.

**Equipment Covered**

- Aerator Vessel and operating accessories to include the following:
  - Level Switches(s)
  - Metering device(s)
- Exhaust Fan

**Weekly Services**

- None included

**Monthly Services**

- None included

**Bi-Annual Services**

- Inspection of vessel and components
- Inspection of blower belts, adjust tension as needed
- Provide a site visit report

**Annual Services**

- Acid wash
- Inspection of blower belts, adjust tension as needed

**Acid Wash Service**

JAWS service staff or its assigned contractor will provide cleaning of the media in place using a mobile treatment unit. Connection will be made via use of the cleaning header to distribute the wash solution and then connection of the return line from the degasifier sump to the mobile treatment unit for a complete cycle of the wash solution. The solution will be circulated until the pH stabilizes with no reaction. Cleaning service will not exceed eight (8) hours. The wash solution will be neutralized if required and discharged into the local sanitary sewer system. The aerator will be flushed with raw water and returned to service.

**Inoperable Equipment**

Replacement parts are not covered under this Contract. Equipment found to be inoperable or in need of new parts, such as valves, packing, fan belts, and pump repair kits, JAWS will provide quotation and seek authorization prior to making major repairs or modifications. If repairs are deemed critical to safe scrubber operation, notification to the Client will be made and the system may be shut down pending decision on parts or repairs.

**Schedule**

JAWS will provide bi-annual inspection service after approval of schedule by Owner. The cleaning will be scheduled in the rainy season as to lessen impact on water production needs during drier periods.

**Other Considerations**

The following assumptions were made during preparation of this Contract:

- The site is readily accessible.
- Potable water is readily available.
- No hazardous disposal will be required.
- Water generated by the acid washing procedure can be neutralized and discharged to the wastewater system.
- Acid for cleaning services supplied by JAWS.

### **Inspection and Approvals**

Work under this Contract shall be subject to review and examination by the Client at all times, and shall be subject to its approval. JAWS may periodically confer with the Client during the course of the work to facilitate an ongoing dialogue of performance and reporting.

### **Insurance**

JAWS shall obtain and maintain during the life of this Contract the following insurance coverage and provide to the Client proof of such coverage.

- Commercial general liability with a policy limit of not less than \$1,000,000 combined single limits, per occurrence and combined aggregate of \$2,000,000.
- Automobile liability for owned vehicles, hired, or non-owned vehicles with a policy limit of not less than \$1,000,000, combined single limits, per occurrence and aggregate.
- Workers' compensation insurance as required by Florida law.

### **Limits of Liability**

TO THE MAXIMUM EXTENT PERMITTED BY LAW, JAWS will have no liability for loss of use, loss of performance, special or consequential damages of any kind; or any other damages with respect to any materials/goods or services supplied by JAWS, whether solely manufactured by JAWS or others. In any case of liability, the amount will not exceed the value of the annual contract.

### **Contract Termination**

Client may terminate this Contract by providing 30 days written notice to JAWS. However, any payments made under the annual agreement are not refundable. The Client remains responsible for any and all purchases that may have been approved during the contract, as well as the outstanding balance of the current year Contract.

JAWS may terminate the Contract for any reason by providing 30 days written notice to the Client. If the Contract is terminated by JAWS for reasons other than those listed below, JAWS will refund to the Client any unused portion of prepaid compensation, if applicable.

- a. The Client fails to make payment of any invoice within 45 days after the date of such invoice; or,
- b. For actions that puts the Client in default of the provisions of this Contract.

### **Entire Agreement**

The parties agree that this written Contract constitutes the entire agreement. Any statements, promises, or inducements not contained in the Contract are not part of this Contract, and to the extent that the terms of this agreement may be inconsistent, the Contract shall control. This contract may not be enlarged, modified, or altered except in writing signed by both parties and endorsed on this Contract.

**Attachments made hereto:**

Proof of General Liability, Automobile, and Workman's Compensation Insurance coverage.  
IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year first  
above written. Executed in duplicate.



Signature

Brian Gongre  
Regional Manager

7/11/08

Date

Lake Utility Services, Inc  
200 Weathersfield Avenue  
Altamonte Springs, FL 32714

Signature

Jerry W. Wingo  
General Manager

Date

Jacobs Air Water Systems  
11023 Country Way Blvd.  
Tampa, FL 33626