

MIKE SMALLRIDGE UTILITY CONSULTANT
1645 W. MAIN ST.
INVERNESS, FL. 34450
352-302-7406

RECEIVED-PPSC
09 MAR 31 PM 2:49
COMMISSION
CLERK

3/30/09

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Dr.
Tallahassee, FL. 32399

Re: Docket No. 080668-SU - Application for staff-assisted rate case in Highlands County by Fairmount Utilities. The 2nd Inc.

Dear Commission Clerk:

Enclosed please find the original and 4 copies of the requested response from your March 10, 2009 letter.

1. Provide an estimate from an independent third party for each of the proposed pro forma Plant improvements and expenses and an explanation as to why each of the pro forma Plant improvements are needed.

ANSWER - See attachment "A"

2. In the prior rate case, pro forma expenses were included for perc pond and lift Station maintenance. Describe the annual maintenance performed on the perc ponds and Lift station.

ANSWER- The annual maintenance performed on the prec ponds includes bull dozing annually, roto- tilling pond bottom quarterly and periodic chemical weed control on pond side banks and around sewer plant.

The annual maintenance performed on lift stations has been a change from 2 HP submersible pumps to hydromantic 3 HP grinder pumps along with electrical panel upgrades consisting of re-wiring and fuse replacement.

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DOCUMENT NUMBER-DATE
02845 MAR 31 09
COMMISSION CLERK

MIKE SMALLRIDGE UTILITY CONSULTANT
1645 W. MAIN ST.
INVERNESS, FL. 34450
352-302-7406

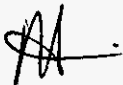
3. In the prior rate case, pro forma expenses were included for accounting and NARUC Requirements. Describe the steps the utility has taken to address accounting concerns raised in the last rate case.

Answer- Fairmount Utilities the 2nd, Inc. has hired the accounting firm of Ledger Plus Accounting in Tampa to comply with the recommendation at the last audit.

4. According to information contained in the utility's annual reports, the wastewater flow Have steadily decrease for several years now while there has been an increase in the number of customers. Provide additional information to address the reduction in flows, including whether customers have been more conservative in their water uses, when the wastewater plant flow meter was last calibrated, and whether the collection system has been renovated.

Answer- The time of the last wastewater plant calibration is unknown. The collection system has been renovated to add 15,000 gallons of sludge holding capacity.

Sincerely,



Mike Smallridge
For
Fairmount Utilities the 2nd Inc.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

" Attachment A "
Explanations

Fairmount Utilities the 2nd, Inc.
P. O. Box 488
Avon Park, Florida 33826

Item #1 Clearing of Fence- Repair fence and cutting trees off of fence line around
retention ponds.
(DEP Requirement)

Cost: \$8000.00

Item #2 Cutting of large trees around wastewater plant (leaves infiltrating Sewer Plant 20
years) (DEP Requirement)

Cost: \$4000.00

Item #3A Panel Box-Renovate, Repair & upgrade the lift station at (Seattle) Georgia Av.

Cost: \$15,266.59

Item #3B Pumps (Trash)- to be supplied
1 Gorman Rupp T3A3S-B, Size 3" x 3"
Estimate by Hudson Pump & Equip

Cost: \$5361.00

Total Cost: \$20,897.59

Item #4 Air Leak – breaking down of piping, new flanging, welding, brackets (New
values)(Hard job)

Cost: \$800.00

Item #5 Wooden Box for ground blowers to cut down blower noise (15 years old)-
Tear down and reconstruct

\$700.00

\$700.00

Cost: \$1400.00

Item #6 DEP requirement of spraying retention ponds is double the value now
Want to make sure we are having (Double the old estimate it been a loss).

Cost: \$ 4800.00

Item #7 Generator- for Hurricane use only

Cost: \$799.00

DOCUMENT NUMBER-DATE

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FPSC - COMMISSION CLERK

Item #8 6m Blower –old one almost wore out (back up blower)

Cost: \$6600.00

Item #9 Repairing of holes in road from leakage

Cost: \$5800.00

**Item #10 Blanket Utility Maintenance and Service Drop Permits Fee
Required by Highland County Board of County Commissioners**

Cost: \$400.00

Karen M. Berry

Item # 1

Estimate

Highlands Utilities Construction
460 Lake Denton Road
Avon Park, FL 33825

Date	Estimate #
1/29/2009	01

Name / Address

FAIRMOUNT UTILITIES 2ND, INC.
P.O. BOX 488
AVON PARK, FL 33826

Ship To

Description	Rate	Total
CLEARING OF FENCE - REPAIR FENCE AND CUTTING OF TREES OFF OF FENCE LINE AROUND RETENTION PONDS (DEP REQUIREMENT)	8,000.00	8,000.00
Subtotal		\$8,000.00
Sales Tax (0.0%)		\$0.00
Total		\$8,000.00

Item # 2

Highlands Utilities Construction
460 Lake Denton Road
Avon Park, FL 33825

Estimate

Date	Estimate #
1/29/2009	02

Name / Address
FAIRMOUNT UTILITIES 2ND, INC P.O. BOX 488 AVON PARK, FL 33826

Ship To

Description	Rate	Total
CUTTING OF LARGE TREES AROUND WASTEWATER PLANT (LEAVES INFILTRATING SEWER PLANT 20 YEARS) (DEP REQUIREMENT)	4,000.00	4,000.00

Subtotal	\$4,000.00
Sales Tax (0.0%)	\$0.00
Total	\$4,000.00

PUGH UTILITIES SERVICE, INC.
760 HENSCRATCH ROAD
LAKE PLACID, FLORIDA 33852
(863) 465-6911
FAX (863) 465-5159

JANUARY 22, 2009

FAIRMOUNT UTILITIES
3625 VALERIE BLVD.
SEBRING, FLORIDA 33870

MR. MILLER:

THE FOLLOWING IS A QUOTE TO RENOVATE, REPAIR & UPGRADE THE LIFT STATION AT SEATTLE ROAD. PUGH UTILITIES SERVICE, INC. PROPOSES TO:

- CHANGE OUT CENTRIFUGAL TRASH PUMPS (WHICH WOULD BE SUPPLIED BY SEBRING RIDGE UTILITIES)
- REPLACE BOTH MOTORS - 3HP, THREE PHASE
- REPLACE CONTROL PANEL TO D.E.P. MINIMUM SPECS
- FABRICATE NEW STAND FOR CONTROL PANEL
- REPLACE WIRING FROM CONTROL PANEL TO PROPOSED PUMP MOTORS
- INSTALL NEW FLOAT & HANGER
- REPAIR & FABRICATE SKID UNITS
- MODIFY, REPAIR & REPLACE SUCTION & DISCHARGE PIPING FOR PUMPS
- CLEAN & PAINT SKID UNITS & PIPING

PARTS & LABOR (EXCEPT PUMPS - TO BE SUPPLIED BY SEBRING RIDGE UTILITIES)

\$15,266.59

THIS QUOTE IS GOOD FOR 30 DAYS.

PLEASE FEEL FREE TO CONTACT OUR OFFICE IF YOU HAVE ANY QUESTIONS.

SINCERELY,


DANIEL M. HOLMES, AS PRESIDENT
PUGH UTILITIES SERVICE, INC.



Pump & Equipment

A Division of Tecarva Machinery Company

3524 Craftsman Boulevard • Lakeland, FL • 33803

Tel: (863) 885-7667 • Fax: (863) 667-2951

Municipal Division

Quote No: 12009LS1
 Company: Sebring Ridge Utilities
 Location: Sebring, FL
 Attn: Chris Miller
 Phone: (863) 385-8542
 Fax: (863) 402-0407
 From: Larry Strickland

Date: 1/20/09
 No. Pages: 3
 Terms: N30
 F.O.B.: Factory
 Freight: Included

Subject:

Replacement lift station pumps

We are pleased to quote as follows:

Qty.	Description	Price Each	Extended
2	Shed Lift Station (Sebring Ridge) Gorman Rupp T3A3S-B, size 3" x 3", self-priming pump.	\$3,194.00	\$6,388.00
2	Clam & Star Lift Station (Sebring Ridge) Gorman Rupp T3A3S-B/F, size 3" x 3", self-priming pump with suction/discharge flanges.	\$3,467.00	\$6,934.00
2	Sturgeon Lift Station (Sebring Ridge) Gorman Rupp T3A3S-B, size 3" x 3", self-priming pump.	\$3,194.00	\$6,388.00
1	Fairmount Lift Station, Seattle Avenue Gorman Rupp T3A3S-B, size 3" x 3", self-priming pump with self-cleaning wear plate, unit mounted on an overhead base with belts, sheaves, and guard, driven by a 3hp, 1800 rpm, TEFC, 3/80/230/480 volt motor. (Pump RPM 1100)	\$5,361.00	\$5,361.00
Quote Valid for 30 Days/Taxes are Not Included			

Notes:

1. We can offer assistance with the installation of the pumps. Our charge for service would be \$800.00 per day. Assume 1 day per lift station. Contractor to supply equipment and any piping, fittings, etc. to remove/install pumps. Our service man can assist with the installation and provide training for the new pumps.
2. The pumps are factory stock. Delivery for the complete unit on the base is 4-6 weeks.

RECEIVED
1-20-09

Item # 4

Estimate

Highlands Utilities Construction
460 Lake Denton Road
Avon Park, FL 33825

Date	Estimate #
1/27/2009	04

Name / Address

FAIRMOUNT UTILITIES 2ND, INC.
P.O. BOX 488
AVON PARK, FL 33826

Ship To

Description	Rate	Total
AIR LEAK - BREAKING DOWN OF PIPING, NEW FLANGING, WELDING, BRACKETS (NEW VALUES) (HARD JOB)	800.00	800.00

Subtotal	\$800.00
Sales Tax (0.0%)	\$0.00
Total	\$800.00

Item # 5

Estimate

Highlands Utilities Construction
460 Lake Denton Road
Avon Park, FL 33825

Date	Estimate #
1/27/2009	05

Name / Address
FAIRMOUNT UTILITIES 2ND, INC. P.O. BOX 488 AVON PARK, FL 33826

Ship To

Description	Rate	Total
WOODEN BOX FOR GROUND BLOWERS TO CUT DOWN BLOWER NOISE (15 YEARS OLD) TEAR DOWN AND RECONSTRUCT.	1,400.00	1,400.00

Subtotal	\$1,400.00
Sales Tax (0.0%)	\$0.00
Total	\$1,400.00

Item # 6

All Star Builders, Inc.
Chris Miller, Jr.
3625 Valerie Blvd.
Sebring, Florida 33870
Phone (863) 402-0400
Fax (863) 402-0407

Estimate

Date	Estimate #
1/28/2009	06

Name / Address
FAIRMOUNT UTILITIES 2ND, INC. P.O. BOX 488 AVON PARK, FL 33826

Ship To

Description	Rate	Total
DEP REQUIREMENT OF SPRAYING RETENTION PONDS IS DOUBLE THE VALUE NOW. WANT TO MAKE OUR COST IS COVER (DOUBLE THE OLD ESTIMATE. THIS HAS BEEN A LOSS TO THE COMPANY)	4,800.00	4,800.00

Subtotal	\$4,800.00
Sales Tax (0.0%)	\$0.00
Total	\$4,800.00

Item # 9

Estimate

Highlands Utilities Construction
460 Lake Denton Road
Avon Park, FL 33825

Date	Estimate #
1/28/2009	09

Name / Address
FAIRMOUNT UTILITIES 2ND, INC. P.O. BOX 488 AVON PARK, FL 33826

Ship To

Description	Rate	Total
REPAIRING OF HOLES IN ROAD FROM LEAKAGE	5,800.00	5,800.00

Subtotal	\$5,800.00
Sales Tax (0.0%)	\$0.00
Total	\$5,800.00

FUGH UTILITIES SERVICE, INC.
 760 HENSCRATCH ROAD
 LAKE PLACID, FLORIDA 33852
 (363) 465-6911

MARCH 24, 2009

FAIRMOUNT UTILITIES
 P.O. BOX 488
 AVON PARK, FLORIDA 33825
 RE: WWTP UPGRADES & REPAIRS

THE FOLLOWING ARE ESTIMATED COSTS OF THE DESCRIPTION OR SCOPE OF WORK YOU REQUESTED.

CLEARING & REPAIR FENCE AROUND RETENTION POND	\$ 9600.00
CUTTING OF LARGE TREES AROUND WWTP	\$ 5600.00
RENOVATE, REPAIR, UPGRADE LIFT STATION, NEW CONTROL PANEL, & CENTRIFUGAL TRASH PUMPS (IF FUGH UTILITIES SUPPLIES PUMPS)	\$24091.62
REPAIR AIR PIPING & LEAKS AT WWTP	\$ 1200.00
REPLACE WOODEN BOXES FOR BLOWERS WITH FIBERGLASS ENCLOSURES	\$ 3200.00
RETENTION POND CLEANING, INITIAL CLEANING	\$ 6200.00
MONTHLY MAINTENANCE -- SPRAYING WEEDS & MOWING (CHARGE PER MONTH)	\$ 620.00
(ANNUAL CHARGE)	\$ 7440.00
HURRICANE GENERATOR - IN ORDER TO HAVE A STANDBY GENERATOR TO DO THE JOB, I RECOMMEND A 3 PHASE, 240 VOLT/120 VOLT TRAILER MOUNTED GENERATOR, WHICH COULD BE USED TO RUN THE LIFT STATION & WWTP	\$25000.00
REPLACED 6M BLOWER (OR EQUIVALENT)	\$ 8700.00
REPAIR HOLE IN THE ROAD	\$ 7200.00

BLANKET UTILITY MAINTENANCE FEE IS THE RESPONSIBILITY OF THE UTILITY OR OWNER TO ACQUIRE ON AN ANNUAL BASIS. THIS IS REQUIRED FOR ANY UTILITY COMPANY THAT OWNS ANY TYPE OF UTILITIES LOCATED IN A COUNTY RIGHT OF WAY. THESE PERMITS ARE ISSUED AT THE HIGHLANDS COUNTY ENGINEERING DEPARTMENT AT A COST OF \$400 PER YEAR.

THESE PRICES ARE GOOD FOR 45 DAYS.