

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: January 26, 2016

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Kelley F. Corbari, Senior Attorney, Office of the General Counsel *KFC*

RE: **Docket No. 140219-WU** – Application for staff-assisted rate case in Polk County by Alturas Utilities, LLC.

Docket No. 140220-WU – Application for staff-assisted rate case in Polk County by Sunrise Utilities, LLC.

Attached please find a copy of documents received from Alturas Utilities, LLC and Sunrise Utilities, LLC in response to Staff's Seventh Set of Data Requests in the above-referenced docket files. Please file the attached documents in the documents tab of both docket files and reference Document # 08050-15.

Thank you for your assistance in this matter. Should you have any questions, please do not hesitate to contact me.

KFC

RECEIVED--FPSC
2016 JAN 26 AM 10:25
COMMISSION
CLERK

Kelley Corbari

From: L SZABO <l.szabo@rogers.com>
Sent: Tuesday, January 26, 2016 12:42 AM
To: Kelley Corbari; L. SZABO
Subject: Stuff' 7-th completed
Attachments: Staff's Seventh Data Request answered final copy. (3).docx

Hello Ms. Corbari,

I am sending as attachment the Stuff's Seventh Data Request completed.

We have answered to the question in great details for an all-around better understanding to the officers involved in our SARC.

There are many additional estimates to the previously already submitted to achieve our goals.

Before the day is over I will send you more estimate to complete the task.

Yours truly,

Leslie Szabo

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
JULIE I. BROWN
JIMMY PATRONIS

STATE OF FLORIDA



GENERAL COUNSEL
CHARLIE BECK
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Public Service Commission

December 30, 2015

Mr. Leslie Szabo
ALTURAS UTILITIES, L.L.C.
SUNRISE UTILITIES, L.L.C.
P. O. Box 2608
Eaton Park, FL 33840-2608
Email: l.szabo@rogers.com

STAFF'S SEVENTH DATA REQUEST

RE: **Docket No. 140219-WU – Application for staff-assisted rate case in Polk County by Alturas Utilities, L.L.C.**

Docket No. 140220-WU – Application for staff-assisted rate case in Polk County by Sunrise Utilities, L.L.C.

Dear Mr. Szabo:

Staff has been advised by the Polk County Health Department (PCHD), on behalf of the Florida Department of Environmental Protection (DEP), that it has scheduled a consent order proceeding with Alturas Utilities, L.L.C. (Alturas or Utility) and Sunrise Utilities, L.L.C. (Sunrise or Utility) for January 14, 2016, concerning late payment of the Annual Operating License (AOL) fees, lack of chlorine residual, and tank issues. The results of the consent order proceeding and the status of both Utilities' compliance with DEP requirements must be taken into consideration by Commission staff in its recommendation regarding Alturas and Sunrises' quality of service. Therefore, staff has rescheduled both recommendations addressing Alturas and Sunrises' requests for staff-assisted rate cases (SARC) for the Commission Agenda Conference on **March 1, 2016**.

In addition, please note that staff is unable to finalize its recommendations regarding Alturas and Sunrises' requests for rate increases because neither Alturas nor Sunrise has provided staff with sufficient information to adequately process the rate cases. As a result, several of the requested pro forma projects and expenses requested by the Utilities have been removed from staff's recommendation because staff has not received sufficient supporting documentation from the Utilities. Also, some test year expenses have been reduced due to insufficient information and recent operational changes. Unless Alturas and Sunrise provide the necessary additional information, staff's recommended rate increases are expected to be significantly lower than the preliminary rate increases presented in the May 1, 2015, Staff Reports previously filed in these dockets.

The following list provides a summary of the affected projects and expenses, and staff's preliminary adjustments based on the information available at this time. Please be advised, these adjustments are not final and are subject to change.

I. List of Projects and Expenses Affected by Insufficient Information From Utilities

ALTURAS & SUNRISE

- A. Alturas and Sunrise have not provided sufficient documentation regarding the source(s) of funds that will be used to finance the Utilities' proposed pro forma projects. This information is necessary to determine the Utilities' capital structures and to demonstrate that the Utilities are prepared to move forward with the projects within the required 12-month timeframe.

We had previous rate case application in the past and I believe the same rules were in effects also, and we had no difficulties of approvals based on the needs of the system.

- B. Alturas' request for \$2,000 and Sunrise's request for \$4,000 to install backflow prevention devices has been removed from staff's recommendations because neither Alturas nor Sunrise have demonstrated a need for these projects. Neither Utility provided any bids or specific explanations about why these projects are needed. If no documentation is provided, these items will not be included in staff's recommendation.

We trust your engineering department has the knowledge and the experience to know the importance of our request regarding this issue.

Based on estimates enclosed Alturas request to this project should be \$ 3,100.00 and Sunrise \$7,500.00

- C. Alturas' request for \$5,000 per year (total of \$25,000) and Sunrise's request for \$8,500 per year (total of \$42,500) for a 5-year capital improvement project to replace lines have been removed from staff's recommendations because neither Alturas nor Sunrise have demonstrated a need for these projects. Neither Utility provided any bids or specific details about how the projects would be implemented. If no documentation is provided, these items will not be included in staff's recommendation.

After several contractors prepared an estimate for this project, they all have arrived to the same conclusion that this amount is the minimum to insure an uninterrupted flow of water from the water tank to the customers' home. They have all suggested a much more expedite program should be implemented after 5 years as the system keep on going to deteriorate being already old.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Estimates enclosed

D. Alturas and Sunrises' estimated expenses for the remaining two portions of the triennial tests have been removed from Phase I and moved to the Phase II revenue requirements because neither Alturas nor Sunrise completed the tests by December 2015 as required by DEP, and it is uncertain when the work will be completed. This means neither Alturas nor Sunrise will be able to begin recovering this expense until after all of the Phase II work has been completed and proof of payment provided to the Commission.

They all have been completed in a timely manner as originally ordered.
Paperwork enclosed

E. Alturas and Sunrise have not provided sufficient support to include a monthly bookkeeping expense. According to Ms. Cathy Parker's letter dated November 9, 2015 (that you provided to staff on November 18, 2015), the \$800 monthly fee for Alturas and Sunrise combined only covers her work related to office management duties, such as billing and customer complaints. The \$800 fee does not include the monthly bookkeeping activities that you originally hired Ms. Parker to perform. At this time, staff's recommendation for Alturas only includes an allowance of \$180 per year for 5 years to recover Ms. Parker's estimated one-time fee of \$900 to set up the utility's books and records ($\$900 / 5 = \180). The allowance for Sunrise is \$260 per year for 5 years to cover the one-time fee of \$1,300 ($\$1,300 / 5 = \260). If Alturas and Sunrise experience a delay in this work, these expenses may be moved to Phase II, or may be removed completely if the Utilities choose not to receive monthly bookkeeping services from Ms. Parker or another contractual accountant.

It is a total misunderstanding to the actual facts.

Cathy Parker Bookkeeping & Tax Services was hired to keep Sunrise an Alturas books and records at the acceptable format of the basic accounting principles, - as it was requested by the PSC.

They are to provide the CPA with all the detailed revenue and expenses records after entering into the system.

The initial first 3 month's fee is \$ 1,200.00 per month and will be reduced to the monthly fee to \$ 800.00.

This includes making Bank Deposit for customer payments received by mail or hand delivered to their office, - keeping track of payments to balance the monthly billing detail reports prepared by their office, after the information was provided by the meter reader.

They are not authorized to get involved with managerial duties such as approving any repairs to be done, or financial decision, - this includes preparing the cut off notices or initiating to enforce customer collection without M Mitra input or approval, as not being familiar with our previous account history.

The initial one time set up fee was implemented as of January 15, 2016 enable to their office to prepare the records for the CPA to file the Yearly Tax Return for Sunrise and Alturas Utilities within their due dates

- F. Alturas and Sunrise have not provided sufficient support to continue the test year office management expense going forward. Alturas and Sunrise's combined test year office management expense has been reduced from \$15,600 to \$9,840 based on the information provided in Ms. Cathy Parker's letter dated November 9, 2015. (Calculations: Test Year = \$300 per week office manager fee x 52 weeks = \$15,600; Future Expense = \$9,600 (\$800 per month office manager fee x 12 months = \$9,600) + \$240 (\$400 per month additional start up fee x 3 months = \$1,200; \$1,200 / 5 years amortization of non-recurring expense = \$240 per year) = \$9,840)

Enclosed Cathy Parker January 17 letter to clarify the situation

- G. Alturas and Sunrise have not provided sufficient support for the additional billing software, billing software training, bank machine to electronically deposit customer payments, and the associated bank machine warranty that were purchased for use at Ms. Parker's office. On November 5, 2015, you advised staff by phone that you already had the invoices and bank documentation to support these expenses, and that you would provide a copy to staff. To date, you have not provided that documentation. Due to the Utilities' delay in providing the necessary supporting documents, staff has moved these expenses from the Phase I to the Phase II revenue requirements.

Invoice enclosed and provided

- H. Alturas and Sunrise have not provided sufficient support to increase the test year contractual service fees of \$2,100 (Sunrise and Alturas combined) paid to Ms. Maria Mitra for collections work to \$4,800 for collections work, billing research, and water service complaints (not related to billing). Ms. Parker's November 9, 2015 letter indicates that Ms. Parker has taken over the responsibility of keeping track of late payments and reviewing service disconnections with you as part of the \$800 per month fee. Therefore, it appears that Ms. Mitra is no longer doing collections work for the Utilities.

M. Mitra is looking after customer satisfaction complains and also enforcing collection by sending out directly customers enforcement letters, - working very closely with Cathy Parker

office advising them for the all steps taken and also are in direct contact with the field representative to insure all warning or cut off notices sent are followed through and enforced.

- I. Alturas and Sunrise have not provided sufficient information to support the request for \$19,380 for a contractual field service representative to handle meter reading, service complaints, repairs, and maintenance for Alturas and Sunrise combined. Based on the information provided to date, it appears that this worker's primary function will be meter reading, and service connections and disconnections. At this time, staff's recommendations include a meter reading expense of \$3,780 per year for Alturas and Sunrise combined, allocated as \$780 to Alturas and \$3,000 to Sunrise. Alturas and Sunrise must provide additional for the remaining \$15,600 in fees requested for this purpose. Additional support should include a more detailed explanation of this worker's duties. For example: will this worker be qualified to conduct meter tests and meter replacements; what types of repairs will this worker be expected to complete; will this worker be required to do the mowing at the plant sites; and what types of routine maintenance will this worker perform?

To insure an uninterrupted service Sunrise and Alturas must have a contractual field service representative on a continuous base.

This person functions are; flush the water monthly, do meter test, mowing the lawn at plant sites, do general cleanup and, and being able to change meters or curb stop, and to look after the many times reoccurring minor pipe break downs.

This person has our emergency cell phone to look after service complaints, and authorized to call for additional outside help in case of larger repair if it cannot be handled internally.

This person must be familiar regarding the location of the meters of each household and to insure that we have access to readable meters monthly. Must look after disconnection of water service due of non-payments and also to provide new service connection.

Sunrise and Alturas are committed jointly to guarantee a minimum of 25 hours weekly jobs for at \$ 10.00 hourly wages equal = \$ 250.00 weekly or = \$ 13,000.00 yearly.

Sunrise meter reading \$ 3,000.00 yearly and Alturas meter reading \$ 780.00 yearly.

Combined total \$ 17,800.00 yearly including transportation.

- J. Alturas and Sunrise have not provided sufficient information to support the addition of a transportation expense going forward. Neither Alturas nor Sunrise recorded some transportation expense during the first half of the test year. However, no information has been provided to indicate whether either of the Utilities intends to pay mileage or transportation expenses for any of the current contractual service workers.

In addition to that we are also paying \$ 75.00 gas allowance monthly to the person versus our previous practice of .50 per mileage charges, = \$ 900.00 yearly.

- K. Alturas and Sunrise have not provided sufficient support for the test year bad debt expenses of \$516 for Alturas and \$3,899 for Sunrise. To date, Sunrise has not provided any supporting documentation showing how it calculated the bad debt write-offs. Due to the lack of sufficient information, staff is unable to calculate the traditional three-year average of bad debt expense. Therefore, based on the Utilities acknowledgement that test year bad debt expense included multiple years of bad debt write-offs, the test year bad debt has been reduced by two-thirds to reflect an estimated three-year average. At this time, Alturas' bad debt expense has been reduced from \$516 to \$224. Sunrise's bad debt expense has been reduced from \$3,899 to \$1,389.

We have already provided through the years with all the public records available to the PSC including the yearly Annual Reports the losses occurred and the main reason being that previous management did not enforce collection on past due accounts.

Please note that the Office of Public Counsel (OPC) has requested the Commission reduce the bad debt expense even further, to be no more than 1 percent of the Utility's revenue requirement. Staff is reviewing OPC's proposal.

To insure further losses and being in the guideline as requested we must have M Mitra continuous services at the already established cost of \$ 400.00 monthly.

- L. Alturas and Sunrise have not provided sufficient documentation regarding the administration officer/owner's duties and time worked. OPC has proposed that the owner's salary be reduced due to the deficient accounting records and addition of a bookkeeper to take over those duties from the owner. In addition, staff has applied a penalty of a 25 percent reduction to both the administration officer/owner's salary and the president's salary due to the staff's preliminary finding that Alturas and Sunrise's quality of service is unsatisfactory. The percentage of the penalty is still under review and may change depending upon the outcome of the consent order proceedings with the Polk County Health Department.

At this time, the recommended administration officer/owner's salary is \$6,570 for Alturas and Sunrise combined, with approximately \$1,445 allocated to Alturas and \$5,125 allocated to Sunrise. Also, at this time, the president's salary of \$750 has been reduced to \$563, with approximately \$124 allocated to Alturas and \$439 allocated to Sunrise.

In what credible basis the staff has applied a penalty of a 25 percent reduction to both the administration officer/owner's salary and the president's salary ?

a. The duties of the owner has already been provided previously and tested many times prior to the May 15 letter recommendation with a result of an increase of salaries realizing the complexity to be in charge and the countless hours involvement to keep an underfunded business going.

Mr. Szabo never claimed to be a qualified bookkeeper or an accountant but always overviewed the revenue and expenses and submitted all the records in a detailed presentation to the CPA to prepare the Yearly Annual Tax returns.

There were no changes to the practice within the last 6 years the way our accounting was handled and the records kept, - including when our previous rate case application was approved and my salary established.

The Annual Reports will be continuously prepared by Mr. Szabo as previously.

The Tax Return or the Annual Reports always showed the real picture of the income and expenses with negative revenue through the years.

Of the direct recommendation of the PSC, - as the Companies records were not kept in the acceptable accounting format to the PSC – we were forced to hire an Accounting firm. We have appointed Cathy Parker Accounting and Tax Team.

She is authorized to collect and deposit customer payments, and to prepare the monthly customer billing, - which was previously done by the former manager.

None of those duties was performed previously either by Mr. Szabo or by the President of the Corporation

b. If this paragraph is referring to the prior of October 2015 customer complaints received by the PSC, they have already being explained many times in great details to the PSC and our answers documented.

There was some malicious accusation or excuses made without any foundation, - of the undrinkable quality of water, especially right after receiving the CCR report just to mention a few,- mostly they were excuses to delay payments on their way past due account, or to stop disconnection of service.

No tools were given for Sunrise or Alturas to have any punitive recourse against to the people making those unjustified claims.

As of date there is no outstanding claim.

c. We have submitted at the beginning of the year to the PSC all invoices related to our triennial or any other testing requirements for the test year.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Page 8

They have all been completed within the time requested.

We are enclosing the additional pro forma invoices for the 4 quarterly tests we are ordered to comply by the Polk County Health Department in the total amount of \$ 5,700 for the year of 2016 as an additional expenses.

The first quarterly test of TTHM & HAAS has been already completed and the laboratory result submitted within the time frame given to the Polk County Health Department.

d. I fail to see the logic why the PSC is reversing their already made decision and informed us in their May 15 letter of their recommendation of increase of salaries, and suddenly make the Polk County Health Department consent order be the guidance of the structure of our rate for Sunrise and Alturas.

What have they expected to hear that we are not taking very seriously our obligation or commitment for providing a continuous and quality water service to our customers ?

Regardless of our financial circumstances this was always our main priority.

The only outstanding issue was the completion of the coating of the interior of Sunrise 3,000 gallon tank.

We have never jeopardized customer water safety. The output of this tank is monitored by the plant operator 3 times weekly and also independently by the Polk County Health Department Engineering Department periodically so the water quality was always safeguarded.

The issue was solved at the January 14, 2106 meeting.

The new consent order will be completed within the shortest possible time to avoid the escalating fines imposed once we have the additional income and funding in place.

It was a more regulatory enforcement than a safety concern, therefore we had to allocate our limited revenue where it was more needed or being forced by the PSC; like hiring a bookkeeping firm to improve our accounting records and to pay interest payments on customer deposit and the return of the deposits, - without having any additional revenue.

Attachments.. cost of TTHM & HAAS sampling.

- M. Alturas and Sunrise have not paid the Polk County Tax Collector's annual business license fee of \$58 or provided proof that Alturas or Sunrise has received an exemption from Polk County. Staff's pro forma adjustment to include the annual business license fee of \$58 has been removed from staff's recommendations for both Alturas and Sunrise because the Utilities have not paid this fee in the past and it appears the Utilities do not intend to pay this fee in the future.

We had to prioritize our time on so many other issues, but will look after.

- N. Alturas and Sunrise have not provided sufficient documentation to show that the Utilities have implemented any new procedures or safeguards to either: (1) discontinue collecting cash payments from customers at their homes or (2) ensure that cash payments collected from customers at their homes by the Utility's field representative is promptly reported and turned over to the utility's office manager/bookkeeper.

As of September 1-st 2015 we have disconnected the practice of collecting payments from customers at their homes.

The only available option we put in force; after mailing out the final disconnection notices and if no payment received within the regulatory allowed due time, - their service was disconnected.

Now they have their option to expedite service reconnection by making an immediate payment by check or cash at the nearby office of Cathy Parker accounting firm instead of mailing it.

- O. Alturas and Sunrise have not provided any documentation to show that the Utilities have implemented procedures to maintain and safeguard the Utilities' current and historical billing records, such as keeping an electronic backup copy of all records. Rule 25-30.335(7), F.A.C., requires that Utilities shall maintain a record of each customer's account for the most current two years so as to permit reproduction of the customer's bills during the time that the utility provided service to that customer. The former office manager's deletion of a year of records is an apparent violation of this rule, and has interfered with staff's review of the Utilities' billing practices in these dockets.

By purchasing in September 2015 an additional software program to the office of Cathy Parker and also having M Mitra parallel electronic monitoring and records with her office, we have the safe guard to protect our current billing records.

M Mitra also has the current and previous year's electronic billing and collection records, but the computer being tied to the previous manager computer, that 11 months history were also deleted.

However Sunrise always practiced to save separately each month of the customer's monthly billing record details of the gallon usages, the additional charges appeared, the date of payment received and had the ability to reconstruct in all details of each customer individual accounts.

We already did provide documentation related to customer billing of the 11 months of the electronically deleted period to the PSC within the process of our rate case application - having the backup information.

I do not believe we have interfered with the staff's review of the Utilities' billing practices.

- P. Alturas and Sunrise have not provided sufficient documentation to show that the Utilities are correctly charging the Commission-approved miscellaneous service charges. Staff will be contacting the Utility's contractual office manager/bookkeeper to discuss the Commission's rules and regulations regarding miscellaneous service charges.

Alturas or Sunrise only charge late fee to the customer's being late with their payments or the disconnection or reconnection fee allowed by the rules of the PSC and none other.

- Q. Alturas and Sunrise's contributions-in-aid-of-construction (CIAC) will be adjusted to reflect a credit for any customer deposit refunds that cannot be completed because the individuals who are due a refund are no longer customers of the utility. The amount of that credit is still under review.

All customer deposit was refunded or credited to their final bill when they have moved away legitimately, and advised us.

Unfortunately some skipped a way without paying their outstanding balances owing to Sunrise or Alturas and they are being a part of our bad depths, - having only a single manager looking after the many phases of operation including billing and collection.

As at present we have more extensive organization and this trend will be reversed.

ALTURAS

- R. Alturas' request for \$20,740 for the control rack replacement project has been removed from staff's recommendation due to Alturas not providing sufficient information. Alturas has only provided one bid for this project, and has not provided any information showing the source(s) of funds to finance the project.

Additional estimate enclosed.

- S. Alturas' request for \$22,089 for the tank saddle replacement project has been included in the Phase II revenue requirement because the project is required by DEP. However, this project may be removed from staff's recommendation if Alturas does not provide sufficient documentation showing the source(s) of funds that will be used to finance the project. If approved, the cost of this project will be recovered over the 33 year service life of the new saddles. Due to the lengthy recovery period associated with this project, Alturas cannot rely on the rate increase to cover the immediate cost of this project. Alturas must be able to show that another source of funds is available to pay the vendor the full cost of the project when the work is completed.
- T. Alturas' request for \$2,500 to replace the master flow meter has been reduced to \$1,181, based on staff's research of the meter cost. However, this project may be removed from staff's recommendation because Alturas has not provided any bids for this project. At this time, staff has included the project based solely on the Florida Rural Water Association's (FRWA) recommendation that the meter be repaired or replaced to address Alturas' excessive unaccounted for water issue. Staff has removed the project from Phase I and moved it to Phase II due to the Utility's delay in completing this repair, and the uncertainty about when the work will be completed. In addition, staff's \$1,181 estimate does not include any labor expense. Staff is unable to determine an appropriate labor cost for this project due to the lack of information from Alturas.

Estimates enclosed

- U. Alturas' request for an expense of \$2,000 to cover the hydropneumatic tank inspection has been removed from Phase I and moved to the Phase II revenue requirement due to the Alturas' delay in complying with this DEP requirement and uncertainty about when the work will be completed. This means Alturas will not be able to begin recovering this expense until after all of the Phase II work is completed and proof of payment provided. If approved, this expense will be amortized over 5 years allowing Alturas to recover \$400 per year or \$33 per month (\$2,000 / 5 years = \$400 per year; \$400 per year / 12 months = \$33 per month). Therefore, Alturas cannot rely on the rate increase to fund the immediate cost of this project.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Page 12

This project cancelled as the hydropneumatic tank interior must be recoated or painted by the end of the year of 2016 at the cost of \$ 7,500.00 and the tank inspection is no longer necessary.

Estimates enclosed

SUNRISE

- V. Sunrise's request for \$15,200 to paint the interior of the tanks may be removed from staff's recommendation because Sunrise has not provided sufficient documentation regarding the source(s) of funds that will be used to pay the vendor when the work is completed. Sunrise cannot rely on the rate increase to immediately cover this expense. If approved, Sunrise will only be able to recover approximately \$253 of the expense per month because the expense will be amortized over a 5-year period ($\$15,200 / 5 \text{ years} = \$3,040 \text{ per year}$; $\$3,040 \text{ per year} / 12 \text{ months} = \253 per month).

Sunrise's request for \$15,200 to paint the interior of the tanks should be reduced to \$ 11,500.00

- W. Sunrise's request for \$6,500 to replace lines between the tank and well, and replace isolation valves has been removed from staff's recommendation because Sunrise has not provided sufficient support for the estimated \$6,500 cost of the project. The supporting documentation that was provided in Sunrise's last SARC is out-of-date and cannot be used to support the requested project. Also, the \$1,995 bid submitted for exploratory work is not sufficient support because it does not include the cost to replace the lines and isolation valves that were previously identified for replacement in Sunrise's last SARC. In addition, if Sunrise had completed the project when it was originally approved by the Commission, exploratory work by a new vendor would not be necessary. Therefore, this may be deemed an imprudent expense.

It is not an imprudent expense but a very important project to safe guard the quality of water going to the distributing pipes.

We trust your engineering department has the knowledge and the experience to know the importance of our request regarding this issue.

Removing or denying this item the PSC directly punishing and putting into risk the customers and almost guarantying hardship to them by not having the safe guard to prevent possible water contamination.

Estimates enclosed

- X. Sunrise's meter replacement program expense may be removed from staff's recommendation due to insufficient progress on the program, and that Sunrise may not be prepared to continue the program at this time. It appears that Sunrise has only completed one year of the 10-year program and no meters have been installed since early 2014. Sunrise does not have a meter

testing program, has not identified the next batch of meters that need to be replaced, and has not stated when it will begin replacing meters again.

At this time, Sunrise's meter replacement program expense has been removed from Phase I and moved to the Phase II revenue requirement to allow Sunrise time to get the program back on track. Based on a review of the Sunrise's actual meter replacement costs and other meter replacement cost research by staff, it appears that an increase of the expense from \$1,359 to \$3,450 may be warranted. However, in order to assure that the meters are replaced and the customers are protected, staff intends to recommend that Sunrise be required to establish an escrow account to hold the funds until the meters are replaced. The Commission has used this approach in other staff-assisted rate cases.

An example of how an escrow account would work is: If an expense of \$3,450 were approved, the utility would be required to deposit \$287.50 in the escrow account each month ($\$3,450 / 12 \text{ months} = \287.50 per month), and provide documentation to the Commission showing that the money has been deposited into the account. Whenever the utility replaces some meters, the utility can then request the release of that amount of funds from the escrow account. Upon receipt of sufficient documentation from the utility showing that the work has been completed, the Commission will authorize the release of that amount of funds from the escrow account to reimburse the utility for its meter replacement costs. The escrow account will be continued until the meter replacement program is completed in approximately 8 to 9 years. In the event the utility does not replace the meters, the funds will be refunded with interest to the utility's customers.

Please be aware, if Sunrise is unwilling to establish and properly maintain an escrow account for this purpose, staff intends to recommend discontinuation of the meter replacement program expense. In which case, Sunrise will simply return to the traditional method of capitalizing meter replacements and reflecting the adjustments in rate base.

Sunrise will continue to the traditional method of capitalizing meter replacements as is needed basis.

- Y. Sunrise has not provided sufficient documentation to show that Sunrise either owns or has the right to continued use of the land upon which the utility's facilities are located. Sunrise has the option to correct the ownership through: (1) a warranty deed correction to transfer ownership of the land from Alturas to Sunrise, (2) a long-term lease of the land from Alturas to Sunrise, or (3) an easement from Alturas to Sunrise. Staff intends to recommend that proof of the correction of Sunrise's land ownership be required prior to implementation of the Phase II rate increase.

We have contacted again the law firm to look after this oversight from our part after it was brought to our attention, and the paperwork to satisfy the PSC will be provided prior to March 1 conference.

II. Data Requests

The above list details why staff will not be able to recommend approval of many of your requests. Additional information along with proper support is required before any decision can be recommended. The following requested information must be received in order for staff to adequately complete its analyses in the rate cases:

ALTURAS & SUNRISE

- I. Please provide documentation showing the source(s) of funding for both Alturas and Sunrise's pro forma projects. Examples of sufficient support include documents showing that Alturas and Sunrise have obtained:
 - a bank loan or completed the preliminary work to obtain a bank loan;
 - a letter of credit from a bank;
 - a letter or signed agreement from a vendor stating the terms of the extended credit agreement;
 - a signed investment agreement from the private investor(s) accompanied by the financial statements of those investors; or
 - bank documents showing that the utility owner has sufficient funds to cover the immediate cost of the projects.

The general statements you previously provided to staff regarding possible investors and possible credit agreements with vendors are not sufficient support documentation for Commission purposes.

As a reminder, if you have concerns about providing this information for confidential reasons, you may request that the documents be granted a confidential classification pursuant to Section 367.156(2), F.S., and Rule 25-22.006, F.A.C.

IF the PSC decide to apply all the regulatory tools available to them, - regarding not to have the sufficient documentation demonstrating the source of funds that will be used to finance the Utilities' proposal of the pro forma project, - in reality they provide an unsubscribed policy to the failure of a safe and continuous water service to Sunrise and Alturas customers.

We have already completed previous rate case application based on the need of founding of the system and all the money allocated was used to maintain operational especially with our extremely low rate compared to some of the very near by water utilities companies having the same common operational expenses as theirs.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Page 16

I sincerely hope they will make their decision on the factual facts of Mr. Szabo previous year's history to look after the many phases of the operation and his unquestionable loyalty to the business.

As previously happened due to unforeseen major break down of the system we had the outside sources to step in and to help us out with loans at a reasonable interest rate, - to overcome the situation - and they were always paid back in the timely manner.

They are still available to us, recognizing the unique business we are in, - contrary to what other safe investments are there in today market place, and Bank low interest payments on deposits.

It is not an unreasonable request to keep this source of loans in a confidential basis as in the past, and we do have their commitment to give us a loan up to \$ 40,000.00 to a maximum 5 years period at 9 % lending rate.

Sunrise and Alturas customers are fully aware that their rate structure is much lower than the surrounding areas rates are.

What they are not being aware of, that their interest is denied as one day without any prior warning will have to face a distressing situation when their continuous or safe water service has stopped, - due to lack of proper financial funding but being preventable !

According the PSC rules the customers had to be informed about our SARC and their rights to be protected by calling a Town Hall Meeting in May 2015.

The customer interest would be sacrificed if it were run by a Mega Corporation and will have to pay a much higher amount for their monthly gallon usages, - comparing what we are realistically seeking for.

The principals in charge handling our case have all the tools available to them to justify or explain their refusal for help, - but are they truly justified and are in the best interest to the customers ?

We are not receiving any cash advance which could be spent foolishly, and our history of true commitment to Sunrise and Alturas should be a bond enough.

If we would have not acted responsible in the past,- the business already would not be able to function.

I sincerely hope that " *Section 367.081(2)(a)(1), Florida Statutes, requires that the Commission set rates which are just, reasonable, compensatory, and not unfairly discriminatory to any customers.* " will also be implemented in our SARC, - and I will thank you for it.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Page 17

1. Please provide any additional bids that Alturas and Sunrise have obtained for the pro forma projects.

Being attached

2. Please provide any support documentation that Alturas and Sunrise have to demonstrate the need for the pro forma projects.

Being answered

3. Please provide any invoices, receipts, and proof of payment that Alturas and Sunrise have for any pro forma projects that have been recently completed, if any.

Being answered

4. Please provide any invoices, receipts, and proof of payment that Alturas and Sunrise have to support the addition of the new billing software, billing software training, bank deposit machine, and bank deposit machine warranty.

Attached

5. Please provide all available invoices and proof of payment for contractual service provider fees that have been incurred by Alturas and Sunrise since September 2015, for work completed by the office manager/bookkeeper, the collections worker, and the technical field representative. Please submit all available invoices regardless of whether Alturas or Sunrise has issued a payment for those services yet or not. You do not need to re-submit the four September/October invoices that you previously provided on October 20, 2015, for Mr. Danny Massey's work.

In today environment nobody would extend their services if they were not paid within the agreed terms.

6. Please provide an updated letter from Ms. Parker that addresses the bookkeeping work. In addition, please finalize your negotiations with Ms. Parker and ask her to submit an updated letter that includes a description of the bookkeeping work she will provide for Alturas and Sunrise, and all fees that she will charge for that service, including the lump sum fee. It is critical that you complete your negotiations with Ms. Parker as soon as possible so that staff

may consider those expenses in the recommendations. Please be advised if Alturas and Sunrise fail to bring the books and records into compliance with Commission regulations and/or keep the records in compliance going forward, both Alturas and Sunrise may be subject to a show cause (compliance enforcement) proceeding by the Commission.

Attached

7. Please provide an updated description of the work that will be performed by Ms. Mitra now that Ms. Parker has taken over the collections work. Please provide a breakdown of each duty, a description of whether that duty will be performed on a regular basis or on an as-needed basis, and how many hours are necessary for each duty on a weekly or monthly basis.

Being answered

8. Please provide an updated description of the work that will be performed by the contractual field representative.
 - a. Please provide a breakdown of each duty, a description of whether that duty will be performed on a regular basis or on an as-needed basis, and how many hours are necessary for each duty on a weekly or monthly basis.
 - b. Will the field representative be qualified to replace water meters, or will Alturas and Sunrise still have to hire another contractor to replace meters?
 - c. Will the Alturas and Sunrise field representative be qualified to test meters?
 - d. What types of repairs will the field representative be expected to be qualified to complete?
 - e. Will the Alturas and Sunrise field representative be responsible for mowing the plant site?
 - f. Will Alturas and Sunrise reimburse the field representative for mileage or other transportation expenses? If yes, please describe what expenses will be reimbursed, and provide documentation for any mileage or transportation reimbursements that have been paid to date.

Being answered

1. Please provide a statement indicating whether Alturas and Sunrise's owner is willing to establish and maintain an escrow account for the purpose of ensuring that the meter replacement program expense is held in a secure account pending completion of the meter replacements.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Page 19

Being answered

2. Please provide a statement about whether Alturas and Sunrise plan to provide transportation expenses to the other contractual service workers.

Being answered

3. Please provide any invoices and proof of payment for mileage or transportation expenses that have been reimbursed to the office manager/bookkeeper or collections worker.

Only to the field representative receives monthly gas allowance

4. Please provide any additional information Alturas and Sunrise want to provide to support the requested bad debt expense.

Being answered

5. Please provide a description of all procedures and safeguards that have been implemented to ensure that cash payments collected from customer at their homes by field representatives are properly reported, recorded, and turned over to Alturas and Sunrise's office manager/bookkeeper in a timely manner.

Being answered

6. Please provide a description of all procedures and safeguards that have been implemented to protect Alturas and Sunrise's billing records from deletion.

Being answered

7. Please provide an update on the status of Alturas and Sunrise's efforts to bring the books and records into compliance with Commission regulations.

Being answered

8. Please provide updated contact information for Mr. Stuart Sheldon, who is listed as the President of Alturas and Sunrise, with the Florida Secretary of State Corporations Division.

No changes occurred since our last information provided.

9. Please provide any available documentation that shows the Sunrise land ownership issue has been corrected.

Being answered

ALTURAS

10. In response to Staff's First Data Request (Question 15), Alturas identified replacement of water plant piping as a pro forma project with an estimated cost of \$4,500. However, no supporting documentation regarding this project has been submitted. If Alturas wants this project considered in this SARC, please provide the information requested below.

- a) Please describe the scope of work required and a justification for the need.
- b) Please state whether the work has been completed?
 - If so, please provide the final invoice showing payment has been made.
 - If not completed, please provide the anticipated start date and bids for the materials and labor.

Already answered in the request in a modified version of \$ 5,000.00 yearly at section I. paragraph C and estimates enclosed.

11. In response to Staff's First Data Request (Question 15), Alturas identified replacement of exiting piping as a pro forma project with an estimated cost of \$9,500. However, no supporting documentation regarding this project has been submitted. If Alturas wants this project considered in this SARC, please provide the information requested below.

- a) Please describe the scope of work required and a justification for the need.
- b) Please state whether the work has been completed?
 - If so, please provide the final invoice showing payment has been made.
 - If not completed, please provide the anticipated start date and bids for the materials and labor.

Already answered in the request in a modified version of \$ 8,500.00 yearly at section I. paragraph C and estimates enclosed.

12. In response to Staff's First Data Request (Question 15), Alturas identified the need to paint the interior of the hydropneumatic water tank as a pro forma project with an estimated cost of \$4,100. However, no supporting documentation regarding this project has been submitted. If Alturas wants this project considered in this SARC, please provide the information requested below.

- a) Please describe the scope of work required and a justification for the need.
- b) Please state whether the work has been completed?
 - If so, please provide the final invoice showing payment has been made.
 - If not completed, please provide the anticipated start date and bids for the materials and labor.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Page 22

Already answered at ALTURAS paragraph U.

13. On August 25, 2015, the Florida Rural Water System conducted a test of the water plant master flow meter and reported it was inaccurate and needed to be repaired or replaced.
 - a) Please state whether the flowmeter has been repaired or replaced.
 - If so, please provide the final invoice showing payment has been made.
 - If not, please provide the anticipated start date and bids for the materials and labor.

Estimates enclosed

1. In response to Staff's First Data Request (Question 15), Alturas identified the need to replace the electric panel as a pro forma project with an estimated cost of \$6,500. On August 24, 2015, Alturas provided a bid from UTI technicians stating a cost \$20,740 for the replacement of the control panel and rack. If Alturas wants this project considered in this SARC, please provide the additional bids or invoices for completed work.

Additional estimates enclosed.

14. If there are any other pro forma repairs or replacements Alturas would like considered in its rate case, please provide the information requested below.
- a) Please describe the scope of work required and a justification for the need.
 - b) Please state whether the work has been completed?
 - If so, please provide the final invoice showing payment has been made.
 - If not completed, please provide the anticipated start date and bids for the materials and labor.
15. Please provide documentation showing Alturas completed its triennial water testing for primary and secondary standards and provide a copy of the results. If Alturas has not completed the testing, please explain why not.

It has been completed in a timely manner.
Documentation Enclosed

16. Please provide copies of all customer complaints filed directly with the Utility for the period of January 1, 2015 through December 2015.

The PSC has all the data's and the history of each complain and we trust their department for accuracy, but as of the last 2 months there are no outstanding or unsolved issues between the Utilities and their customers, however the PSC has still kept some of their files open.

If there were any new complains and the PSC is not aware of them, because they were solved within days with our recent new up to date customer satisfaction services

Already too much time was already spent on those issues where we always being found guilty first, and to prove to be innocent after.

We have always provided our answers on the information we had and to the best of our ability to your question.

Our answers were never intended to be insufficient, vague, or dismissive.

SUNRISE

17. In response to Staff's First Data Request (Question 15), Sunrise identified replacement of piping and valves at the well as a pro forma project with an estimated cost of \$3,500. However,

no supporting documentation regarding this project has been submitted. If Sunrise wants this project considered in this SARC, please provide the information requested below.

- a) Please describe the scope of work required and a justification for the need.
- b) Please state whether the work has been completed?
 - If so, please provide the final invoice showing payment has been made.
 - If not completed, please provide the anticipated start date and bids for the materials and labor.

Answered at paragraph U.

18. In response to Staff's First Data Request (Question 15), Sunrise identified the need to install four (4) emergency shut off valve boxes in the main line as a pro forma project with an estimated cost of \$8,500. However, no supporting documentation regarding this project has been submitted. If Sunrise wants this project considered in this SARC, please provide the information requested below.

- a) Please describe the scope of work required and a justification for the need.
- b) Please state whether the work has been completed?
 - If so, please provide the final invoice showing payment has been made.
 - If not completed, please provide the anticipated start date and bids for the materials and labor.

Answered in the List of Projects and Expenses paragraph B as \$ 4,000.00 project and it was wrong based on the enclosed estimates including parts and labor.

19. In response to Staff's First Data Request (Question 15), Sunrise identified the need to paint the interior of the hydro pneumatic water tanks as a pro forma project with an estimated cost of \$11,500. However, no supporting documentation regarding this project has been submitted. If Sunrise wants this project considered in this SARC, please provide the information requested below.

- a) Please describe the scope of work required and a justification for the need.
- b) Please state whether the work has been completed?
 - If so, please provide the final invoice showing payment has been made.
 - If not completed, please provide the anticipated start date and bids for the materials and labor.

20. If there are any other pro forma repairs or replacements that Sunrise would like considered in this rate case, please provide the information requested below.

- a) Please describe the scope of work required and a justification for the need.
- b) Please state whether the work has been completed?
 - If so, please provide the final invoice showing payment has been made.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Page 25

- If not completed, please provide the anticipated start date and bids for the materials and labor.

21. Please state whether Sunrise has completed its triennial water testing for primary and secondary standards and provide a copy of the results. If not, please explain why not.

Answered

22. Please provide copies of all customer complaints filed directly with Sunrise for the period of January 1, 2015 through December 2015.

Answered

23. Please state whether the Florida Rural Water Association has performed a leak survey of the Sunrise system.

- a) If so, when did the leak survey occur or provide the date it is scheduled.
b) If not, please explain why?

We are in the process to request a leak survey again, but there were no visible sign of leaks.

140219-WU Alturas Utilities, L.L.C.
140220-WU Sunrise Utilities, L.L.C.
RE: Staff's Seventh Data Requests
December 30, 2015

Page 26

Conclusion

Mr. Szabo, you have made it clear that you believe you have fully answered all of staff's questions. However, as shown above, there are still many unanswered, outstanding issues with these SARCs. Staff believes that many of your responses have been incomplete, insufficient, vague, and even dismissive. Although you believe many of staff's questions are unnecessary and simply administrative, each of staff's requests has a specific, intended purpose in the Utilities' SARCs. Staff has expended an extraordinary number of hours attempting to help you complete these SARCs and put the Utilities in a better position to improve their operations going forward.

Please be aware, Section 367.081(2)(a)(1), Florida Statutes, requires that the Commission set rates which are just, reasonable, compensatory, and not unfairly discriminatory to any customers. In order for the Commissioners to fulfill this statutory requirement, it is vital that the Commissioners be provided with information that is accurate, reliable, and complete. Consequently, Commission staff is charged with the responsibility to ensure that its recommendations to the Commissioners are based on known, measureable, and verifiable data. All of staff's requests are necessary in order for staff to prepare an accurate, reliable, and complete recommendation to be presented to the Commissioners for their consideration of the Utilities' requested rate increases.

Therefore, please provide any documentation that will help address the concerns listed above. Any projects and expenses that are ultimately removed from staff's recommendation will not be considered by the Commissioners in this rate proceeding.

Please file all responses electronically no later than **Friday, January 22, 2016**, from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form.

Should you have any questions, please do not hesitate to contact me at (850) 413-6234 or KCorbari@psc.state.fl.us.

Sincerely,

s/ Kelley F. Corbari

Kelley F. Corbari
Senior Attorney

KFC/dml

cc: Office of Commission Clerk

Kelley Corbari

From: L SZABO <l.szabo@rogers.com>
Sent: Monday, January 25, 2016 9:49 PM
To: Kelley Corbari; L. SZABO
Subject: six attachments
Attachments: Invoice Alturus TTHM HAA5s Samples 2015.xls; Invoice Alturus TTHM HAA5s Samples 2016.xls; Invoice Sunrise TTHM HAA5s Samples 2015.xls; Invoice Sunrise TTHM HAA5s Samples 2016.xls; Benchmark Bank machine.docx; Cathy Parker January 15 letter.docx

Hello Ms. Corbari,

I am sending in a group of six the attachments related to Sunrise and Alturas Staff's Seventh Data Request.

CUSTOMIZE YOUR INVOICE

Hover Your Pointer
HERE for a Useful Tip!

Type Company Information Here...

Company Name	WILEY PRATT	Phone	863-698-6207
Address	513 TERRANOVA CIRCLE	Fax	
City	WINTER HAVEN		
State	FLORIDA		
ZIP Code	33884		

Specify Default Invoice Information Here...

1st Tax Name	State	Credit Cards Accepted	
Rate	5.00%	Credit Card #1	
<input checked="" type="checkbox"/>	Apply tax on local purchases only.	Credit Card #2	
		Credit Card #3	
2nd Tax Name		Shipping Charge	\$7.00
Rate		Counter Location	
<input type="checkbox"/>	Apply tax on local purchases only.		
<input type="checkbox"/>	Share invoice numbers on network.		
Template Wizard Database	c:\program files\microsoft office\office\library\invdb.xls		

Formatted Information

WILEY PRATT 513 TERRANOVA CIRCLE WINTER HAVEN, FLORIDA 33884 863-698-6207 fax

CUSTOMIZE YOUR INVOICE

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Address	513 TERRANOVA CIRCLE	Fax	
City	WINTER HAVEN		
State	FLORIDA		
ZIP Code	33884		

Specify Default Invoice Information Here...

1st Tax Name	State	Credit Cards Accepted	
Rate	5.00%	Credit Card #1	
<input checked="" type="checkbox"/>	Apply tax on local purchases only.	Credit Card #2	
		Credit Card #3	
2nd Tax Name		Shipping Charge	\$7.00
Rate		Counter Location	
<input type="checkbox"/>	Apply tax on local purchases only.		
<input type="checkbox"/>	Share invoice numbers on network.		
Template Wizard Database	c:\program files\microsoft office\office\library\invdb.xls		

Formatted Information

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		Credit Card #3	
2nd Tax Name		Shipping Charge	\$7.00
Rate		Counter Location	
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State	FLORIDA		
ZIP Code	33884		

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<input checked="" type="checkbox"/>	Apply tax on local purchases only.	Credit Card #2	
		Credit Card #3	
2nd Tax Name		Shipping Charge	\$7.00
Rate		Counter Location	
<input type="checkbox"/>	Apply tax on local purchases only.		
<input type="checkbox"/>	Share invoice numbers on network.		
Template Wizard Database	c:\program files\microsoft office\office\library\invdb.xls		

Formatted Information

<p>WILEY PRATT 513 TERRANOVA CIRCLE WINTER HAVEN, FLORIDA 33884 863-698-6207 fax</p>



1665 Bluegrass Lakes Parkway
 Alpharetta, GA 30004
 P: (800) 554-4582 - F: (678) 319-3998
 Email: AR@BenchmarkTechnologyGroup.com



Invoice
 Page 1 of 1

INVOICE NUMBER: 0502798
 INVOICE DATE: 9/25/2015
 ORDER NUMBER: 0488589
 ORDER DATE: 9/25/2015
 SALESPERSON: Debbie Barnes

Customer Number: SUN0001
 BILL TO:
 Sunrise Utilities LLC
 250 Old Bartow Eagle Lake Rd
 Attn: Cathy Parker
 Bartow, FL 33830-3369

SHIPPED TO:
 Sunrise Utilities LLC
 250 Old Bartow Eagle Lake Rd
 Bartow, FL 33830-3369

ATTN: Cathy Parker
 (863) 533-4141

CONFIRM TO: Leshanca Dudley

CUSTOMER P.O.	SHIP VIA	F.O.B.	TERMS				
91726/4SU9601	UPS GROUND	ORIGIN	Credit Card				
ITEM NO.	ITEM DESCRIPTION	UOM	ORD	SHIP	BKORD	U.PRICE	AMOUNT
DIG152000-02-SU	Scanner, CX301J, 1df SN: 60715729121	EACH	1	1	0	325.00	325.00
/1YRBTGAEND	1 YR BTG AE Next Day Delivery	EACH	1	1	0	20.00	20.00
SUNWELKITCX30	Welcome, Kit Digital CX30	EACH	1	1	0	0.00	0.00
/SC	SC	EACH	1	1	0	0.00	0.00

Tracking numbers: 1Z3X06980345839712;

Net Invoice:	345.00
Freight:	17.00
Sales Tax:	25.34
INVOICE TOTAL (US \$):	387.34
Less Deposit:	387.34
INVOICE BALANCE (US \$):	0.00

INFORMATION CONTAINED HEREIN IS PROPRIETARY AND CONFIDENTIAL
 Please refer to BenchmarkTechnologyGroup.com for a list of Maintenance, Warranties, Terms and Conditions.
 We reserve the right to charge a late fee of 1.5% on past due balances.



CATHY E. PARKER, E.A.
BOOKKEEPING & TAX SERVICE

TELEPHONE
(863)533-4141

250 OLD BARTOW EAGLE LAKE ROAD
BARTOW, FL 33830

FAX
(863)533-4142

E-MAIL: CATHY@PARKERTAXTEAM.COM

January 15, 2016

TO: Leslie Szabo

FROM: Cathy Parker

RE: Bookkeeping for Sunrise Utilities, LLC and Alturas Utilities, LLC

As discussed early on when we first communicated I thought it best to review my services with you.

In regards to Sunrise Utilities, LLC

The initial setup fee will be \$250.00 to set the company up on Quickbooks and bring forward beginning balances.

The monthly fee after the setup is complete will be \$135.00 per month. This monthly fee will include entering all payments made and recording receipts from your check stubs and receipts. After entering the monthly income and expenses I will make sure the bank is reconciled and then provide a monthly balance sheet and profit and loss statement.

In regards to Alturas Utilities, LLC

The initial setup fee will be \$250.00 to set the company up on Quickbooks and bring forward beginning balances.

The monthly fee after the setup is complete will be \$100.00 per month. This monthly fee will include entering all payments made and recording receipts from your check stubs and receipts. After entering the monthly income and expenses I will make sure the bank is reconciled and then provide a monthly balance sheet and profit and loss statement.

Of course this is an estimate and can't really give an exact until I get involved but based on our conversations that the amounts shouldn't change.

Cathy E. Parker

Kelley Corbari

From: L SZABO <l.szabo@rogers.com>
Sent: Monday, January 25, 2016 10:26 PM
To: Kelley Corbari; L. SZABO
Subject: six more attachments
Attachments: A & W Alturas underground piping Estmt.docx; A & W Sunrise underground piping estm.docx; A & W Contractor Sunrise check valves Estmt.docx; A & W Contractors Alturas shot of valves etmte.docx; Grass Money under piping Alturas.docx; Grass Money underg piping Sunrise.docx

Hello Ms. Corbari

Sending six more attachments related to Sunrise and Alturas Staff's Seventh Data Request

Leslie Szabo



A & W Contractor and Consultant.

Water Tanks and General Preventive Maintenance - Repairs and Improvements.

2500 U.S. 17

Bartow Florida 33803

Phone: 863 812 1790

PROPOSAL

Our Records No 2407

Date: January 11, 2016

To; Alturas Utilities LLC

P. O. Box 2608 Eaton Park Fl. 33840

Job Description:

Replace existing underground piping and replace them with ¾ inch PVC new pipes and fittings.

Only light capacity excavating equipment will be used or manual labor must be practice due to the aging of the system taking into consideration of tree roots and current vegetation.

It is a continuous sectional job or / as emergency need it bases.

If any pipe will be broken after all safety consideration taken, - due the system being very old, it will be immediately repaired and boiled water notices must be issued at the cost of Sunrise Utilities.

Site restoration will include backfilling and clean up.

This project should start once the backflow prevention installation completed.

To have effective safety improvement this assignment requires a minimum \$ 5,000.00 to \$ 8,000.00 yearly budget.

Bruce Alambaugh



A & W Contractor and Consultant.

Water Tanks and General Preventive Maintenance - Repairs and Improvements.

2500 U.S. 17

Bartow Florida 33803

Phone: 863 812 1790

PROPOSAL

Our Records No 2406

Date: January 11, 2016

To; Sunrise Utilities LLC

P. O. Box 2608 Eaton Park Fl. 33840

Job Description:

Replace existing underground piping and replace them with $\frac{3}{4}$ inch PVC new pipes and fittings.

Only light capacity excavating equipment will be used or manual labor must be practice due to the aging of the system taking into consideration of tree roots and current vegetation.

It is a continuous sectional job or / as emergency need it bases.

If any pipe will be broken after all safety consideration taken, - due the system being very old, it will be immediately repaired and boiled water notices must be issued at the cost of Sunrise Utilities.

Site restoration will include backfilling and clean up.

This project should start once the backflow prevention installation completed.

To have effective safety improvement this assignment requires a minimum \$ 8,000.00 to \$ 11,000.00 yearly budget.

Bruce Alambaugh



A & W Contractor and Consultant.

Water Tanks and General Preventive Maintenance - Repairs and Improvements.

2500 U.S. 17 Bartow Florida 33803

Phone: 863 812 1790

Our Records No 2431

Date: January 11, 2016

To; Sunrise Utilities LLC

P. O. Box 2608

Eaton Park Fl. 33840

Job Description.

To avoid the entire site to be exposed to water contamination in case of a broken pipe or any other unforeseen occurrences, the system should be protected by having sectional emergency isolation valves, - based on the amount of household provided with a central water service supply.

4 emergency shut of valves with very intensive and restrained preliminary explanatory finding and final cost of installation of valves combined total \$ 7,500.00

Bruce Alambaugh



A & W Contractor and Consultant.

Water Tanks and General Preventive Maintenance - Repairs and Improvements.

2500 U.S. 17 Bartow Florida 33803 Phone: 863 812 1790

Our Records No 2415

Date: January 11, 2016

To; Alturas Utilities LLC

P. O. Box 2608

Eaton Park Fl. 33840

Job Description.

To avoid the entire site to be exposed to water contamination in case of a broken pipe or any other unforeseen occurrences, the system should be protected by having sectional emergency isolation valves, - based on the amount of household provided with a central water service supply.

2 emergencies shut of valves with very intensive and restrained preliminary explanatory finding and final cost of installation of valves combined total \$ 3,100.00

Bruce Alambaugh



Dan Kilpatric

5824 Golden Road

Sebring Florida, 33875

Phone 863 664 0355

ESTIMATE

To; Alturas Utilities LLC

P.O. Box 2608

Eaton Park Florida 33840

To excavate by continuous section to section of the existing underground piping and replace them with ¾ inch PVC new pipes and fittings.

Grass Money LLC practices safe digging practices with professional trained staff.

Any underground utility broken will be repaired.

Boiled water notices by others / plant operator / Sunrise Management.

Site restoration will include backfilling and compacting.

To have measurable safety impact of the existing system the estimated amount \$ 5,000.00 yearly is necessary.

Suggestion;

Prior to this project the backflow prevention installation should be completed.

January 11, 2016 Estimate Total \$ 5,000.00 yearly. Estimate No: 1126 A

Dan Kilpatric



Dan Kilpatric

5824 Golden Road

Sebring Florida, 33875

Phone 863 664 0355

ESTIMATE

To; Sunrise Utilities LLC

P.O. Box 2608

Eaton Park Fl. 33840

To excavate by continuous section to section of the existing underground piping and replace them with ¾ inch PVC new pipes and fittings.

Grass Money LLC practices safe digging practices with professional trained staff.

Any underground utility broken will be repaired.

Boiled water notices by others / plant operator / Sunrise Management.

Site restoration will include backfilling and compacting.

To have measurable safety impact of the existing system the estimated amount \$ 8,500. 00 yearly is necessary.

Suggestion;

Prior to this project the backflow prevention installation should be completed.

January 11, 2016 Estimate Total \$ 8,500.00 yearly. Estimate N : 1126 S

Dan Kilpatric

Kelley Corbari

From: L SZABO <l.szabo@rogers.com>
Sent: Tuesday, January 26, 2016 11:32 AM
To: Kelley Corbari; L. SZABO
Subject: 4 more estimates
Attachments: A & W Alturas Master flow Estmt.docx; CanState Alturas flow meter estmt.xlsx; Durnham Proposal Estmt.docx; SHEFFIELD Proposal.docx

Hello Ms. Corbari,

Thank you for your quick response and the interest looking after our case.

I am sending 4 more attachment related to the Stuff's Seventh Data Request.

Yours truly,

Leslie Szabo



A & W Contractor and Consultant.

Water Tanks and General Preventive Maintenance - Repairs and Improvements.

2500 U.S. 17 Bartow Florida 33803

Phone: 863 812 1790

PROPOSAL

Our Records No 2414

Date: January 12, 2016

To; Alturas Utilities LLC

P. O. Box 2608

Eaton Park Fl. 33840

Job Description;

To replace and install master flow meter at Alturas pump site.

To minimize down time of water supply service to Alturas customers a four man crew must be at the site consisting of 2 electrician and 2 meter installer until the job is completed.

Parts and labor total \$ 2, 100.00

Bruce Alambaugh

PROPOSAL
DUNHAM WELL DRILLING, Inc.
 1341 42nd Street N.W.
 Winter Haven, Florida 33881
 (863) 965-2881

PROPOSAL SUBMITTED TO Leslie Szabo c/o Wiley Pratt	Januar 12
STREET	JOBNAME Sunrise Utilities LLC and Alturas Utilities LLC
CITY, STATE AND ZIP CODE	JOB LOCATION

Sunrise Water Utilities

Modifications to the existing system for backflow prevention and install 4 (four) emergency isolation valves in the main line	\$ 7,300.00
Painting of the interior of the 3000 gallon tank	\$ 7,100.00
and the 5000 gallon tank	\$ 11,500.00
Replace existing piping and valves at the well in the mainline	\$ 3,500.00
Permits and clean up	\$ 600.00
Estimated Cost	\$ 30,000.00

Alturas Water Utilities

Modification to the existing system for backflow prevention and to install 2 (two) emergency isolation valves in the main line	\$ 2,800.00
Paint interior of 3,000,00 gallon tank	\$ 7,100.00
Replace or modify and repair Electric Panel	\$ 9,700.00
Replace 2 tank Saddles	\$ 14,600.00
Permits and clean up	\$ 800.00
Estimated Cost	\$ 35,000.00

I, Leslie Szabo hereby to furnish material and labor to complete in accordance with above specifications, for the subject of the terms and conditions of this agreement, for the sum of _____ dollars (\$ _____)

Payment to be made as follows:

Any alteration or deviation from the above specifications involving extra costs will be executed only upon request of the purchaser, and will become an extra charge over and above the estimate. All agreements, terms, and conditions are contingent upon strikes, accidents or delays beyond our control. All accounts in excess of thirty (30) days will have a finance charge of one and one-half percent (1 1/2%) per month on the unpaid balance which is an annual percentage rate of 18%. The minimum payment due shall be the payment of the indebtedness in full. I hereby agree to pay collection expenses, including reasonable attorney's fees and court costs, if it is necessary to collect the account through legal action. Seller disclaims all warranties of merchantability or fitness in connection with the goods sold in accordance with this proposal, except as expressly provided herein in writing. By the Buyer's signature on this proposal, the Buyer agrees to pay for the equipment and materials used in the performance of the work, including reasonable attorney's fees incurred in connection with the collection of the account, including reasonable attorney's fees incurred in connection with the collection of the account. This agreement is subject to the terms and conditions printed on the reverse side which are made part of this agreement.

DUNHAM WELL DRILLING, INC.

Note: This proposal may be

By _____

withdrawn by us if not accepted within _____

days.

Acceptance of Proposal - The above prices, specifications, items and conditions have been reviewed and are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above and on the reverse side.
 Date of Acceptance: _____

Signature _____
 Signature _____

SHEFFIELD ELECTRIC LLC

P.O. BOX 634

FORT MEADE, FL 33841

863-285-9550 SHOP

863-559-1224 CELL

PROPOSAL

Date: 01-21-15

PROPOSAL SUBMITTED

TO: Alturas Utilities LLC

PACKING HOUSE ROAD

ALTURAS, FL 33820

We hereby submit specifications and estimates for Complete Electrical Job including:

**INSTALL ELECTRICAL STRUT TO REINFORCE STRUCTURE.
REATTACH PANEL AND CONTROL BOX TO STRUCTURE.**

Control panel description:

100 amp main breaker, starter with thermal protection, phase protection, HOA switches and indicator lights

for the submersible pump

and CL2 pump, GFI receptacle and CL2 pump to be on their own 20 amp breakers, elapse time meter

CL2 pump, pressure switch and well pump to be wired into new control panel.

**WE PROPOSE TO FURNISH MATERIALS AND LABOR COMPLETE IN ACCORDANCE WITH ABOVE SPECIFICATIONS,
FOR THE PRICE OF \$ 7, 800.00**

**ACCEPTANCE OF PROPOSAL. THE ABOVE PRICES, SPECIFICATIONS AND CONDITIONS ARE ACCEPTED.
YOU ARE AUTHORIZED TO DO THE WORK AS SPECIFIED.**

DATE OF ACCEPTANCE _____

SIGNATURE _____

SIGNATURE _____

