

D. Bruce May, Jr.
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October 14, 2008

VIA HAND DELIVERY

Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, FL 32399-0850

RECEIVED-FPSC
08 OCT 14 PM 3:12
COMMISSION
CLERK

Re: *In Re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc., Docket No. 080121-WS*

Dear Ms. Cole:

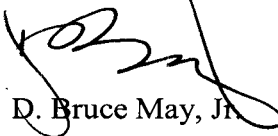
On behalf of Aqua Utilities Florida, Inc. ("AUF"), enclosed for filing are an original and seven copies of AUF's Responses to Audit Control No. 08-093-1-1, which includes responses to Findings 4 through 19. Responses to Findings 1 through 3 will be provided in a subsequent filing to be made not later than Friday, October 17, 2008.

Please acknowledge receipt of this filing by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance.

COM _____
ECR _____
GCL 2
OPC _____
RCP _____
SSC _____
SGA _____
ADM :kjjg
CLK Encls.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

cc: Ralph Jaeger, Esq. (w/enc.)
Katherine Fleming, Esq.
Caroline Klancke, Esq.
Erik Saylor, Esq.
Charles Beck, Esq. (w/enc.)
Cecilia Bradley, Esq. (w/enc.)
Kimberly A. Joyce, Esq.

DOCUMENT NUMBER - DATE
09754 OCT 14 08
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for increase in water and)
wastewater rates in Alachua, Brevard, DeSoto,) DOCKET NO. 080121-WS
Highlands, Lake, Lee, Marion, Orange,)
Palm Beach, Pasco, Polk, Putnam,) FILED: October 14, 2008
Seminole, Sumter, Volusia, and Washington)
Counties by Aqua Utilities Florida, Inc.)
_____)

**AQUA UTILITIES FLORIDA, INC.'S
RESPONSE TO STAFF AUDIT REPORT**

Aqua Utilities Florida, Inc. ("AUF"), files its Response to Staff's Audit Report dated September 18, 2008.

RESPONSE

Audit Findings Nos. 1, 2 and 3

Responses to Audit Findings Nos. 1, 2 and 3 will be provided in a subsequent filing not later than Friday, October 17, 2008.

Audit Finding No. 4 - Plant in Service and Accumulated Depreciation

Response:

LAKE JOSEPHINE - WATER

AUF disagrees with the plant in service amounts shown in this finding. The Lake Josephine – Water plant in service balances have been properly adjusted in MFR Schedule A-5 in compliance with FPSC Order No. PSC-001389-PAA-WU, issued July 30, 2000. The plant in service amounts included in the finding are primarily comprised of the beginning utility balances shown in the June 30, 1999 audit. The June 30, 1999 beginning balances plus the Commission ordered adjustments results in the last established rate base amounts. Therefore, it is inappropriate to write off the June 30, 1999 beginning balances. Additionally, the audit work papers revealed a plant in service difference of \$203 in account 331 and a CIAC difference of \$1,801.

There are two attachments in support of the response to this finding. Attachment A is a detailed reconciliation of plant in service and Attachment B contains the remaining supporting documentation for the plant in service additions that were included in the audit sample

DOCUMENT NUMBER-DATE

09754 OCT 14 08

FPSC-COMMISSION CLERK

AUF accepts the \$17,395 accumulated depreciation portion of this finding, which is supported by FPSC Order No. PSC-00-1389-PAA-WU.

EFFECT OF FINDING ON THE GENERAL LEDGER: The following general ledger entries are needed to correct the utility general ledger balances as of December 31, 2007.

NARUC

Acct. No	Account Description	Debit	Credit
108	Accumulated Depreciation	\$ 17,395	
331	Transmission and Distribution Mains	\$ 203	
271	CIAC		\$ 1,801
439	Adjustments to Retained Earnings		\$ 15,797

EFFECT OF FINDING ON THE FILING: The Account 101 Plant in Service year end balance should be increased by \$203, Account 108 Accumulated Depreciation year end balance should be reduced by \$17,395, and Account 271 CIAC should be increased by \$1,801. A related adjustment should be made to the 13-month averages.

SEBRING LAKES — WATER

AUF accepts this finding, except for the proposed reduction of \$6,230 to the Meters and Meter Install Account. This reduction was recorded in December 2007

EFFECT OF FINDING ON THE GENERAL LEDGER: The following general ledger entries are needed to correct the utility general ledger balances as of December 31, 2007.

NARUC

Acct. No	Account Description	Debit	Credit
108	Accumulated Depreciation	\$ 4,005	
439	Adjustments to Retained Earnings	\$ 10,527	
331	Transmission and Distribution Mains		\$ 10,670
333	Services		\$ 3,222
403	Depreciation Expense		\$ 640

EFFECT OF FINDING ON THE FILING: The Account 101 Plant in Service year end balance should be decreased by \$13,892, Account 108 Accumulated Depreciation year end balance should be reduced by \$4,005 and Account 403 Depreciation Expense should be decreased by \$640. A related adjustment should be made to the 13-month averages.

LAKE OSBORNE ESTATES -WATER

AUF accepts this finding.

EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED: The

following general ledger entries are needed to correct the utility general ledger balances as of December 31, 2007.

NARUC

Acct. No	Account Description	Debit	Credit
108	Accumulated Depreciation	\$ 941	
439	Adjustments to Retained Earnings	\$ 2,432	
301	Organization	\$ 870	
309	Supply Mains	\$ 1,700	
339	Other Plant & Misc Equip Intangible	\$ 4,787	
302	Franchises		\$ 750
331	Transmission and Distribution Mains		\$ 3,925
334	Meters & Meter. Installations		\$ 5,245
340	Office Furniture & Equipment		\$ 726
403	Depreciation Expense		\$ 84

EFFECT OF FINDING ON THE FILING: The Account 101 Plant in Service year end balance should be decreased by \$3,289, Account 108 Accumulated Depreciation year end balance should be reduced by \$941 and Account 403 Depreciation Expense should be decreased by \$84. A related adjustment should be made to the 13-month averages. Additionally, the UPIS and Accumulated Depreciation Pro Forma Adjustments for Retirement of existing meters should be revised to (23,127) to appropriately reflect the \$5,245 audit reduction to the meters account.

ARRENDONDO ESTATES/FARMS — WATER

AUF accepts this finding.

EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED: The following general ledger entry is needed to correct the utility general ledger balances as of December 31,2007.

NARUC

Acct. No	Account Description	Debit	Credit
108	Accumulated Depreciation	\$16,992	
439	Adjustments to Retained Earnings		\$16,992

EFFECT OF FINDING ON THE FILING: The Account 108 Accumulated Depreciation year end balance should be reduced by \$16,992. A related adjustment should be made to the 13-month averages.

JASMINE LAKES –WATER

AUF accepts this finding.

EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED: The following general ledger entry is needed to correct the utility general ledger balances as of December 31,2007.

NARUC			
<u>Acct. No</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
108	Accumulated Depreciation	\$35,249	
439	Adjustments to Retained Earnings		\$35,249

EFFECT OF FINDING ON THE FILING: The Account 108 Accumulated Depreciation year end balance should be reduced by \$35,249. A related adjustment should be made to the 13-month averages.

Audit Finding No. 5 – Accumulated Amortization of CIAC

Response:

AUF agrees with this audit finding.

Audit Finding No. 6 - Deferred Debits – Amortization

Response:

These non-recurring expense items are recorded in a deferred debit account and amortized monthly. The practice of recording expenses over the period of benefit is a basic accounting concept.

Permit costs are amortized over the life of the permit. If a permit is renewed every 3 years, then the amortization period is 36 months. If a permit is renewed every 5 years, then the amortization period is 60 months. The same practice is used for DEP related inspections. If the DEP requires inspection every 3 years, then the amortization period is 36 months. The remaining deferred debits are for repairs. O&M type costs are amortized over a maximum of 3 years, since repairs or replacements generally recur beyond that length of time.

Grand Terrace – This item was an amount of \$1,090.27 paid in April, 2005 for a tank inspection. Pursuant to DEP Rule 62-555.350(2) Operation and Maintenance of Public Water Systems, Suppliers of water shall be inspected for structural and coating integrity at least once every five years by personnel under the responsible charge of a professional engineer licensed in Florida. Therefore, AUF is amortizing this expense over the 5 year period since these tank inspections are required every 5 years.

Picciola Island – This item was a generator repair in the amount of \$2,491.44 which was paid in October, 2005. AUF is amortizing this item over a period of 3 years. As stated above, O&M type costs are amortized over a maximum of 3 years.

Jungle Den – The majority of this amount was for a wastewater permit renewal in the amount of \$6,000 which occurred in February, 2005. This permit is renewed every 5 years, thus the expense is amortized over the life of the permit.

For the reasons stated above, AUF believes that the incurred expenses and the amortization periods are appropriate, and that the expenses should be allowed in the test year as recorded and filed.

Audit Finding No. 7 - Accrued Taxes

Response:

The accrued tax amount of \$2,860,234 (debit) predominantly represents amounts owed to Aqua Utilities Florida, Inc. from the parent company Aqua America, Inc. for the tax benefit of the losses that were included in the 2006 and 2007 Federal Income Tax returns. The amounts will be paid by Aqua America, Inc. to Aqua Utilities Florida, Inc. when the 2007 Federal Income returns are finalized and trued up in the 4th Quarter, 2008. The Company does reconcile the accrued taxes on the balance sheet which represents the receivable and payable for each type of tax. The \$2,860,234 (debit) is the total of all of the accrued tax accounts. Please see Attachment C for the reconciliation.

Audit Finding No. 8 - Capital Structure

Response:

AUF disagrees with the Capital Structure, Cost Rates, and Weighted Cost Rate displayed in the audit finding. AUF presents the following response, which results in a corrected weighted average cost rate of 8.25%.

Capital Structure/Cost Rates per Audit Finding

Capital Component	Per Company	Percent of Total	Cost Rate (1)	Weighted Cost Rate
Common Stock	67,049,620	3.03%		
Paid In Capital	572,050,832	25.82%		
Treasury Stock	(13,166,313)	-0.59%		
Retained Earnings	50,363,635	15.82%		
Total Common Equity	976,297,774	44.07%	11.55%	5.09%
Long Term Debt	1,238,980,341	55.93%	5.10%	2.85%
Total Capital	2,215,278,115	100.00%		7.94%

The cost rate of long-term debt for Aqua America, Inc. and Subsidiaries as of December 31, 2007 is 5.58%. The cost rate of 5.10% represents only Aqua Utilities Florida, Inc. With the corrected cost of long term debt, the weighted cost rate is as follows:

Capital Structure Per Audit Finding with Corrected Debt Cost

Capital Component	Per Company	Percent of Total	Cost Rate (1)	Weighted Cost Rate
Common Stock	67,049,620	3.03%		
Paid In Capital	572,050,832	25.82%		
Treasury Stock	(13,166,313)	-0.59%		
Retained Earnings	350,363,635	15.82%		
Total Common Equity	976,297,774	44.07%	11.55%	5.09%
Long Term Debt	1,238,980,341	55.93%	5.58%	3.12%
Total Capital	2,215,278,115	100.00%		8.21%

In addition, the long term debt balance as of December 31, 2007 includes \$65,000,000 drawn from the company's short term credit facilities, which is used to fund working capital. These short term loans renew monthly at the company's option, and are based on a 1-month LIBOR rate. This credit facility matures on May 23, 2012. The long term debt classification is a requirement of Generally Accepted Accounting Principles.

If the long term debt balance shown above is appropriately reduced by this short term debt, the cost of long term debt is 5.61% and the weighted cost rate would be as follows:

AUF Corrected Capital Structure and Cost Rates

Capital Component	Per Company	Percent of Total	Cost Rate (1)	Weighted Cost Rate
Common Stock	67,049,620	3.12%		
Paid In Capital	572,050,832	26.60%		
Treasury Stock	(13,166,313)	-0.61%		
Retained Earnings	350,363,635	16.29%		
Total Common Equity	976,297,774	45.40%	11.42%	5.19%
Long Term Debt	1,173,980,341	54.60%	5.61%	3.06%
Total Capital	2,150,278,115	100.00%		8.25%

(1)- Common Equity cost rate is 7.1% + 1.961/Equity Percentage, per Commission Order.

Audit Finding No. 9 – Customer Deposits**Response:**

AUF agrees that the customer deposits should be adjusted. However, the total adjustment should be \$62,455.07 instead of \$62,377.73 listed in the Audit Report.

The correct 13 month average is as follows for three individual systems:

AU #	System	13-month Average Per Audit	Corrected 13-month Average
6561	Ravenswood	\$45.00	\$42.00
6562	Rosalie Oaks	\$186.67	\$172.00
6596	Summit Chase	\$771.67	\$712.00

Audit Finding No. 10 – Prior Period Expenses**Response:**

AUF agrees with this audit finding, which includes amounts allocated to all Aqua Utilities Florida systems.

Audit Finding No. 11 – Capitalization**Response:**

AUF agrees with this audit finding.

Audit Finding No. 12 – Shareholder Services Expenses**Response:**

AUF agrees with the amount of shareholder services expenses included in the audit finding. However, AUF notes that in FPSC Order No. PSC-96-1320-FOF-WS, the Commission stated that the ROE leverage formula recognizes an "additional 25 bases points to the otherwise determined cost of equity to provide for these [shareholder services] costs." Therefore, if there is a determination in this or any other proceedings regarding ROE that does not include a 25 basis point allowance for shareholder services expenses, AUF submits that these expenses must be included in the final approved revenue requirement.

Audit Finding No. 13 - Fines and Penalties**Response:**

AUF agrees with this audit finding.

Audit Finding No. 14 - Letter of Credit Expense**Response:**

The company disagrees with the audit analysis that states that the standby letters of credit expenses were used to obtain various loans for the company.

The letters of credit are issued to various insurance companies as collateral for the beneficiary in the event that the claims made against various insurance policies cannot be paid by the company. The fees are charged to the company quarterly by the issuing banks, based on the outstanding amount of the issued letters of credit.

The letters of credit are not debt and the fees charged on them should not be classified as debt issuance costs. They are appropriately recorded by the company in account 675, Miscellaneous Expenses.

Audit Finding No. 15 - Preliminary Study**Response:**

AUF accepts the finding's effect on the filing; however, AUF disagrees with the necessity for a general ledger entry. Since all income statement accounts, including the expense accounts in this finding, have been closed to retained earnings in 2007 there is no reason to record a reclassification entry in the current year.

Audit Finding No. 16 - Out of Period expenses**Response:**

AUF agrees with this audit finding. However, it should be noted that the top part of the table shows \$20,531 recorded to Account 610 – Purchased Water for Lake Suzy. The second portion of the table indicates that a credit should be made to Account 610 Contractual Services – Testing for this amount. AUF agrees with the summary that the appropriate account to be reduced would be Account 610- Purchased Water.

Audit Finding No. 17 – Preliminary Survey Expenses**Response:**

AUF agrees with this audit finding.

Audit Finding No. 18 – Lake Suzy Wastewater Land Transfer**Response:****Land Value**

AUF agrees that an adjustment should be made to reflect the Commission's previously established land value of \$262,581. However, AUF disagrees with the audit recommended 13-month average balance of \$200,200. The MFR 13 month average calculation requires the use of the Commission approved land value of \$262,581 for the 12 months from December 2006 through November 2007 and the post-sale land value of \$200,200 in the month of December 2007, which reflects the proper timing of the land sale. Therefore, the resulting 13-month average balance is \$257,782.

Gain/Loss on Sale of Land

AUF is in agreement with the audit treatment of the gain on sale of land.

Rental of Building/Real Property

AUF is in basic agreement with this finding, with the following noted exceptions:

- AUF disagrees with removal of rental effect on the general ledger and on the filing. The rental should remain on the general ledger, since the expense is properly associated with a prior period. Additionally, there is no effect on the filing, since AUF adjusted rental expense in the MFR to remove the prior period rental expense of \$15,833.
- AUF disagrees with the audit amount for removal of amortization effect on the filing. AUF adjusted rental expense in the MFR to remove \$6,782 of prior period amortization.

Land Lease

AUF disagrees with the assertion that there is a violation of Commission Rule 25-30.433 (10), Florida Administrative Code. AUF possesses the right to continued use of the land until the lease expiration date of June 1, 2025. Additionally, AUF currently owns 19.55 acres, which is .35 acres more land than the 19.20 acres required for the existing treatment facilities, as outlined in Commission Order No. PSC-97-0540-FOF-WS, issued May 12, 1997, in Docket No. 960799-WS.

AUF Proposed Adjustments and their Effects on the General Ledger and on the Filing:

<u>Account</u>	<u>Account Description</u>	<u>Debit (Credit)</u>
Adjustment #1	To record Commission Adj's to land in Docket No. 960799-WS. Reflect adjustment in December 2006.	
101	Land (Acct 353)	\$ (180,219)
103	Property held for Future Use	\$ 94,656
439	Adjustments to Retained Earnings	\$ 85,563
Adjustment #2	To reverse land sale recorded in December 2007	
101	Land (Acct 353)	\$ 173,434
131	Cash (Net proceeds)	\$ (66,352)
186.210	Deferred loss on sale of land	\$ (107,083)
Adjustment #3	To properly record sale of land	
101	Land (Acct 353)	\$ (62,381)
131	Cash (Net proceeds)	\$ 66,352
414	(Gain) loss from disp of Utility prop.	\$ (3,971)
Adjustment #4	To reverse amortization of loss in 2007	
186	Deferred loss on sale of land	\$ 11,066
741.5	Rental of Building/Real Property	\$ (11,066)
Effect of Adjustments on General Ledger:		
101	Land (Acct 353)	\$ (69,166)
103	Property held for Future Use	\$ 94,656
186.210	Deferred loss on sale of land	\$ (96,017)
741.5	Rental of Building/Real Property	\$ (11,066)
414	(Gain) loss from disp of Utility prop.	\$ (3,971)
439	Adjustments to Retained Earnings	\$ 85,563
		\$ -
Effect of Adjustments on Filing:		
101	Land (Acct 353)	\$ (171,677)
103	Property held for Future Use	\$ 94,656
186.210	Deferred loss on sale of land	\$ (96,017)
741.5	Rental of Building/Real Property	\$ (4,283)
414	(Gain) loss from disp of Utility prop.	\$ (3,971)
439	Adjustments to Retained Earnings	\$ 181,291

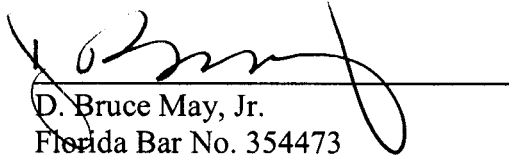
Audit Finding No. 19 – Depreciation Expense

Response:

AUF disagrees with the audit finding amount of depreciation expense allocated to Aqua Utilities Florida. The depreciation expense included in response to audit request #35 represents the budgeted amount of depreciation expense to be allocated. The actual amount of depreciation expense allocated by Aqua Services, Inc, to Aqua Utilities Florida in 2007 is \$383,087.38, and the actual amount charged to all Aqua Utilities Florida systems is \$15,939.24. These amounts are shown on Attachment D.

Respectfully submitted this 14th day of October, 2008.

HOLLAND & KNIGHT LLP



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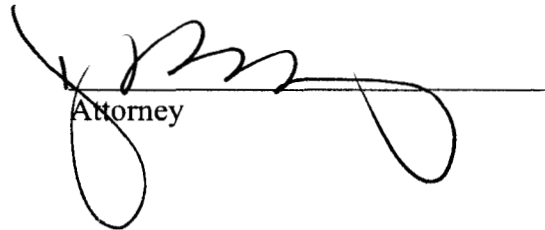
-and-

Kimberly A. Joyce, Esquire
Aqua America, Inc.
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Attorneys for Aqua Utilities Florida, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was furnished by hand delivery to **Charles Beck, Esq., Office of Public Counsel**, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400; **Ralph Jaeger, Katherine Fleming, Caroline Klancke and Erik Sayler, Esq., Office of General Counsel, Florida Public Service Commission**, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and to **Cecilia Bradley, Esq., Office of the Attorney General**, The Capitol-PL01, Tallahassee, FL 32399-1050, this 14th day of October, 2008.



Attorney

5695212_v2

Aqua Florida, Inc.													
Asset Detail - Utility Plant In Service													
As of 12/31/07													
In Service	Utility Account	Asset Long Description	Work Order Number	Quantity	12/31/2007 Amount	Comm Audit Adj 02/08	MFR 12/31/2007 Adjusted	12/31/2003 Amount per Utility	Included in Audit findings	6/30/99 Per Utility	Acquasource changes (6/30/99 to 12/31/2003)	6/30/99 Per Commission	6/30/99 Comm. Audit adj
	30330 - Land & Land Rights - Treat Total				20,100.00	-	20,100.00	25,000.00		25,000		20,100	(4,900)
	30430 - Struct and Imp - Treat Total				334,215.34	(280,667.27)	53,548.07	48,194.33	48,194	48,258	1,936	13,105	(33,153)
	30720 - Wells and Springs Total				37,146.75	65,314.61	102,461.36	30,455.30	27,279	27,279		92,594	65,315
	30920 - Supply Mains Total				50,431.18	11,909.07	62,340.25	49,415.22	47,319	47,319		59,228	11,909
	31020 - Power Generation Equipment Total				41,570.02	7,368.26	48,938.28	-				7,368	7,368
	31120 - Pumping Equip - Source Total				7,361.04	20,021.65	27,382.69	7,361.04	3,467	3,467		23,489	20,022
	31130 - Pumping Equip - Treatment Total				1,314.80		1,314.80	-					
12/1/2001 0:00	32030 - Water Treatment Equipment	Retirement due to replacement by 33658903323 per Joan Miller.	33696499999		(206.89)				(207)				
12/1/2001 0:00	32030 - Water Treatment Equipment	Press Rec 4" Pollard Model PV454 7/Day 200 PSI	CX000432320	1	553.31			553.31					
12/1/2001 0:00	32030 - Water Treatment Equipment	Water Treatment Equipment (add to)	CX000432320		2,250.98			2,250.98					
12/1/2001 0:00	32030 - Water Treatment Equipment	Asset Original Cost	W0048	1	67,703.00			67,703.00	67,703				
10/1/2006 0:00	32030 - Water Treatment Equipment	1 - Oakton Chlorine Colorimeter	33658903323	1	391.65								
	32030 - Water Treatment Equipment Total				70,692.05	(53,433.09)	17,258.96	70,507.29	67,496	67,703		14,270	(53,433)
	33040 - Distr Reserv and Standpipes Total				1,150.68	12,135.52	13,286.20	-				12,136	12,136
4/1/2001 0:00	33140 - Mains	Equipment : Gate Valve 3"	CX000346331	1	502.94			502.94					
4/1/2001 0:00	33140 - Mains	Piping : Diameter 3; Type PVC;	CX000346331	520	5,837.44			5,837.44					
12/1/2001 0:00	33140 - Mains	Retirement due to replacement by 33658905601 per Joan Miller.	33696499999		(24,562.72)				(24,563)				
12/1/2001 0:00	33140 - Mains	Retirement due to replacement by 33658938266 per J. Miller CWIP as of 11-06.	33696499999		(1,638.28)				(1,638)				
12/1/2001 0:00	33140 - Mains	Asset Original Cost	W0048	1	140,992.21			140,992.21	140,992				
6/1/2004 0:00	33140 - Mains	2" VALVES LAKE JOSEPHINE	33658900693	4	3,058.28								
3/1/2005 0:00	33140 - Mains	1" WATER MAIN LAKE JOSEPHINE	33658923068	100	1,231.72								
5/1/2005 0:00	33140 - Mains	REPLACE 3" PRODUCTION METER LAKE JOESPHINE	33658933065	1	772.82								
12/1/2006 0:00	33140 - Mains	12' of 2" water main	33658938266	12	3,424.59								
	33140 - Mains Total				129,619.00	211,420.25	341,039.25	147,332.59	114,791	13,500	101,291	224,717	211,217
	33340 - Services Total				16,999.15	(646.69)	16,352.46	13,940.40	11,100	11,100		10,453	(647)
	33440 - Meters and Installations Total				101,460.49	9,926.17	111,386.66	53,903.79		48,145		58,070	9,925
	34350 - Tools, Shop and Garage Equip Total				4,037.25	(1,943.00)	2,094.25	3,190.95	3,191		3,191		
	34550 - Power Operated Equipment Total				-		-	1,943.00		1,943			(1,943)
	34750 - Miscellaneous Equipment Total				7,399.51	(1,405.48)	5,994.03	6,834.00	6,834	6,834		5,429	(1,405)
	Grand Total				823,497.26	(0.00)	823,497.26	458,077.91	329,672	298,548	106,418	540,959	242,411
	Unknown Difference							(212.91)		(203)			203
	12/31/2003 Amount												
	34051 Allocations (not in CPR details)						34,173.00						
	30450 Allocations (not in CPR details)						3,384.00						
	Total				823,497.26	(0.00)	861,054.26	457,865.00	329,672	298,345	106,418	540,959	242,614

AQUA UTILITIES FLORIDA, INC
LAKE JOSEPHINE
Rate Case
Dkt 080121-WS ACN 08-093-1-1
Certificate 422-W
Plant Additions & Retirements - Water

Description	Test Period	Additions	Retirements	12/31/1999	Additions	Retirements	12/31/2000	Additions	Retirements	12/31/2001	Additions	Retirements	12/31/2002	Additions	Retirements	12/31/2003
	6/30/1999															
301 Organization	-	19,297	-	19,297	9,135	-	28,432	-	-	28,432	-	-	28,432	-	-	28,432
302 Franchises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
303 Land	20,100	-	-	20,100	-	-	20,100	-	-	20,100	-	-	20,100	-	-	20,100
304 Structures & Improvements	13,105	-	-	13,105	-	-	13,105	1,936	-	15,041	-	-	15,041	-	-	15,041
305 Collecting & Impounding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
306 Lake, River & Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
307 Wells & Springs	92,594	-	-	92,594	3,176	-	95,770	-	-	95,770	-	-	95,770	-	-	95,770
308 Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
309 Supply Mains	59,228	-	-	59,228	-	-	59,228	-	-	59,228	-	(2,096)	61,324	-	-	61,324
310 Power Generation Equip	7,368	-	-	7,368	-	-	7,368	-	-	7,368	-	-	7,368	-	-	7,368
311 Pumping Equip	23,489	-	-	23,489	-	-	23,489	3,894	-	27,383	-	-	27,383	-	-	27,383
320 Water Treatment Equip	14,270	-	-	14,270	-	-	14,270	2,251	-	16,521	-	-	16,521	553	-	17,074
330 Distribution Reservoirs	12,136	-	-	12,136	-	-	12,136	-	-	12,136	-	-	12,136	-	-	12,136
331 Transmission and Distribution Mains	224,717	-	-	224,717	5,577	-	230,294	8,437	-	238,731	-	7,673	231,058	127,482	-	358,540
333 Services	10,453	-	-	10,453	-	-	10,453	-	-	10,453	-	-	10,453	2,840	-	13,293
334 Meters and Meter Install	58,070	-	-	58,070	-	-	58,070	5,759	-	63,829	-	-	63,829	-	-	63,829
335 Hydrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
336 Backflow Prevention Devices	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
339 Other Plant And Misc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
340 Office Furniture & Equip	-	-	-	-	3,364	-	-	-	-	-	-	-	-	-	-	-
341 Trans. Equip.	-	-	-	-	27,875	-	-	-	-	-	-	-	-	-	-	-
342 Stores Equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
343 Tools, Shop and Garage Equip	-	-	-	-	35,235	-	35,235	-	-	-	3,191	-	3,191	-	-	3,191
344 Lab Equip	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345 Power Operated Equip	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
346 Communication Equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347 Misc. Equip.	5,429	-	-	5,429	-	-	5,429	-	-	5,429	-	-	5,429	-	-	5,429
348 Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Plant	540,959	19,297	-	560,256	84,362	66,474	578,144	22,277	-	600,421	3,191	5,577	598,035	130,875	28,432	700,478

ok

17,888

Source: *Docket 991001-WU, PSC-001389-PAA-WU*
 Issued 7/31/2000

Reclassification (\$2,096) & Correction
 of prior year balance (\$5,577)

as per utility: 317,845
 Variance: **242,411**

- 303 Land
- 304 Structures & Improvements
- 307 Wells & Springs
- 309 Supply Mains
- 310 Power Generation Equip
- 310 Power Generation Equip.
- 311 Pumping Equip
- 311 Pumping Equip.
- 320 Water Treatment Equip.
- 330 Distribution Reservoirs
- 331 Transmission and Distribution Mains
- 333 Services
- 334 Meters and Meter Install.
- 334 Meters and Meter Install.
- 343 Tools, Shop and Garage Equip
- 347 Misc. Equip.

AQUA UTILITIES FLORIDA, INC
 LAKE JOSEPHINE
 Rate Case
 Dkt 080121-WS ACN 08-093-1-1
 Certificate 422-W
 Plant Additions & Retirements - Water

Description	Docket 991001-WU		Per Utility	Additions	Retireme nts	12/31/1999	Additions	Retirements	12/31/2000	Additions	Retireme nts	12/31/2001	Additions	Retirements	12/31/2002	Additions	Retirements	12/31/2003
	Comm. Aud Adj	Per Commission																
		6/30/1999	6/30/1999															
301 Organization		-		19,297		19,297	9,135		28,432			28,432			28,432	-	28,432	-
302 Franchises		-																
303 Land	(4,900)	20,100	25,000			25,000			25,000			25,000			25,000	1		25,001
304 Structures & Improvements	(33,153)	13,105	46,258			46,258			46,258	1,936		48,194			48,194			48,194
305 Collecting & Impounding	-	-																
306 Lake, River & Other	-	-																
307 Wells & Springs	65,315	92,594	27,279			27,279	3,176		30,455			30,455			30,455			30,455
308 Infiltration Galleries and Tunnels	-	-																
309 Supply Mains	11,909	59,228	47,319			47,319			47,319			47,319		(2,096)	49,415			49,415
310 Power Generation Equip.		7,368																
311 Pumping Equip.		20,022	3,467			3,467			3,467	3,894		7,361			7,361			7,361
320 Water Treatment Equip.	(53,433)	14,270	67,703			67,703			67,703	2,251		69,954			69,954	553		70,507
330 Distribution Reservoirs		12,136																
331 Transmission and Distribution Mains	211,217	224,717	13,500			13,500	5,577		19,077	8,437		27,514		7,673	19,841	127,482		147,323
333 Services	(647)	10,453	11,100			11,100			11,100			11,100			11,100	2,840		13,940
334 Meters and Meter Install	9,925	58,070	48,145			48,145			48,145	5,759		53,904			53,904			53,904
335 Hydrants	-	-																
336 Backflow Prevention Devices	-	-																
339 Other Plant And Misc.	-	-																
340 Office Furniture & Equip.	-	-					3,364	3,364										
341 Trans. Equip.	-	-					27,875	27,875										
342 Stores Equip.	-	-																
343 Tools, Shop and Garage Equip.	-	-					35,235	35,235					3,191		3,191			3,191
344 Lab Equip	-	-																
345 Power Operated Equip.	(1,943)	-	1,943			1,943			1,943			1,943			1,943			1,943
346 Communication Equip.	-	-																
347 Misc. Equip.	(1,405)	5,429	6,834			6,834			6,834			6,834			6,834			6,834
348 Other Tangible Plant	203	-	(203)			(203)			(203)			(203)			(203)			(203)
Water Plant	242,614	540,959	298,345	19,297	-	317,642	84,362	66,474	335,530	22,277	-	357,807	3,191	5,577	355,421	130,876	28,432	457,865

Source: Docket 991001-WU, PSC-001389-PAA-WU
 Issued 7/31/2000

ok ok 17,888

as per util 317,845
 Variance: (203)

Reclassification (\$2,096) & Correction
 of prior year balance (\$5,577)

Aqua Florida, Inc.
Lake Josephne Water - Asset Detail - Utility Plant In Service
As of 12/31/07

Co.-A/U	Business Segment	In Service	Utility Account	Asset Long Description	Work Order Number	Quantity	Finding Amount	12/31/2003	Diff
33-6589	Lake Josephine Water	12/1/2001 0:00	30430 - Struct and Imp - Treat	Asset Original Cost	W0048	1	48,194.33		
			30430 - Struct and Imp - Treat Total				48,194.33	48,194	(0.33)
33-6589	Lake Josephine Water	12/1/2001 0:00	30720 - Wells and Springs	Asset Original Cost	W0048	1	27,279.00		
			30720 - Wells and Springs Total				27,279.00	30,455	3,176.00
33-6589	Lake Josephine Water	12/1/2001 0:00	30920 - Supply Mains	Asset Original Cost	W0048	1	47,319.00		
			30920 - Supply Mains Total				47,319.00	49,415	2,096.00
33-6589	Lake Josephine Water	12/1/2001 0:00	31120 - Pumping Equip - Source	Asset Original Cost	W0048	1	3,467.00		
			31120 - Pumping Equip - Source Total				3,467.00	7,361	3,894.00
33-6589	Lake Josephine Water	12/1/2001 0:00	32030 - Water Treatment Equipment	Retirement due to replacement by 33658903323 per Joan Miller.	33696499999	0	(206.89)		
33-6589	Lake Josephine Water	12/1/2001 0:00	32030 - Water Treatment Equipment	Asset Original Cost	W0048	1	67,703.00		
			32030 - Water Treatment Equipment Total				67,496.11	70,507	3,010.89
33-6589	Lake Josephine Water	12/1/2001 0:00	33140 - Mains	Retirement due to replacement by 33658905601 per Joan Miller.	33696499999	0	(24,562.72)		
33-6589	Lake Josephine Water	12/1/2001 0:00	33140 - Mains	Retirement due to replacement by 33658938266 per J. Miller CWIP as of 11-06.	33696499999	0	(1,638.28)		
33-6589	Lake Josephine Water	12/1/2001 0:00	33140 - Mains	Asset Original Cost	W0048	1	140,992.21		
			33140 - Mains Total				114,791.21	147,323	32,531.79
33-6589	Lake Josephine Water	12/1/2001 0:00	33340 - Services	Asset Original Cost	W0048	1	11,100.00		
			33340 - Services Total				11,100.00	13,940	2,840.00
33-6589	Lake Josephine Water	12/1/2001 0:00	34350 -Tools, Shop and Garage Equip	Asset Original Cost	W0048	0	(32,044.05)		
33-6589	Lake Josephine Water	12/1/2001 0:00	34350 -Tools, Shop and Garage Equip	Asset Original Cost	W0048	1	35,235.00		
			34350 -Tools, Shop and Garage Equip Total				3,190.95	3,191	0.05
33-6589	Lake Josephine Water	12/1/2001 0:00	34750 - Miscellaneous Equipment	Asset Original Cost	W0048	1	6,834.00		
			34750 - Miscellaneous Equipment Total				6,834.00	6,834	-
			Grand Total				329,671.60	377,220	47,548.40

AQUA UTILITIES FLORIDA, INC
LAKE JOSEPHINE
Rate Case
Dkt 080121-WS ACN
Certificate 422-W
Accumulated Depreciation - Water

Description	Test Period	Additions	Retirements	12/31/1999	Additions	Retirements	12/31/2000	Additions	Retirements	12/31/2001	Additions	Retirements	12/31/2002	Additions	Retirements	12/31/2003	Additions
	6/30/1999																
301 Organization	-	(241)	-	(241)	(597)	-	(838)	(711)	-	(1,549)	(710)	-	(2,259)	-	(2,259)	-	-
302 Franchises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
303 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
304 Structures & Improvements	(1,906)	(1,157)	-	(3,063)	(1,156)	-	(4,219)	(1,181)	-	(5,400)	(1,460)	-	(6,860)	(1,721)	-	(8,581)	(1,812)
305 Collecting & Impounding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
306 Lake, River & Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
307 Wells & Springs	(36,101)	(682)	-	(36,783)	(722)	-	(37,505)	(761)	-	(38,266)	(1,014)	-	(39,280)	(1,127)	-	(40,407)	(1,127)
308 Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
309 Supply Mains	(10,041)	(1,183)	-	(11,224)	(1,183)	-	(12,407)	(1,183)	-	(13,590)	(1,413)	-	(15,003)	(1,547)	-	(16,550)	(1,578)
310 Power Generation Equip	(3,551)	-	-	(3,551)	-	-	(3,551)	-	-	(3,551)	-	-	(3,551)	-	-	(3,551)	-
311 Pumping Equip	(11,462)	(87)	-	(11,549)	(86)	-	(11,635)	(136)	-	(11,771)	(368)	-	(12,139)	(491)	-	(12,630)	(491)
320 Water Treatment Equip	(6,963)	(3,385)	-	(10,348)	(3,385)	-	(13,733)	(2,491)	-	(16,224)	(2,195)	-	(18,419)	(13)	-	(18,432)	(540)
330 Distribution Reservoirs	(4,366)	-	-	(4,366)	-	-	(4,366)	-	-	(4,366)	-	-	(4,366)	-	-	(4,366)	-
331 Transmission and Distribution Mains	(76,793)	(338)	-	(77,131)	(407)	-	(77,538)	(582)	-	(78,120)	(441)	-	(78,561)	(2,198)	-	(80,759)	(3,922)
333 Services	(3,680)	(444)	-	(4,124)	(444)	-	(4,568)	(444)	-	(5,012)	(278)	-	(5,290)	(358)	-	(5,648)	(450)
334 Meters and Meter Install	(26,660)	(2,407)	-	(29,067)	(2,408)	-	(31,475)	(2,551)	-	(34,026)	(2,695)	-	(36,721)	(3,170)	-	(39,891)	(3,170)
335 Hydrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
336 Backflow Prevention Devices	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
339 Other Plant And Misc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
340 Office Furniture & Equip.	1,120	-	(3,364)	4,484	-	4,484	-	4,484	-	4,484	-	4,484	-	4,484	-	4,484	-
341 Trans Equip.	21,877	-	(27,875)	49,752	-	49,752	-	49,752	-	49,752	-	49,752	-	49,752	-	49,752	-
342 Stores Equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
343 Tools, Shop and Garage Equip	23,373	-	(35,235)	58,608	-	58,608	-	58,608	-	58,608	(106)	-	58,502	(213)	-	58,289	(213)
344 Lab Equip	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345 Power Operated Equip.	577	(97)	-	480	(97)	-	383	(97)	-	286	(162)	-	124	(194)	-	(70)	(194)
346 Communication Equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347 Misc. Equip.	(90)	(683)	-	(773)	(684)	-	(1,457)	(683)	-	(2,140)	(456)	-	(2,596)	(456)	-	(3,052)	(456)
348 Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Plant	(134,666)	(10,704)	(66,474)	(78,896)	(11,169)	-	(90,065)	(10,820)	-	(100,885)	(11,298)	-	(112,183)	(11,488)	(2,259)	(121,412)	(13,953)

Source: Docket 991001-WU, PSC-001389-PAA-WU

Issued 7/31/2000

as per utility: (96,291)
 Variance: 17,395

														Schedule A-9	
Retirements	12/31/2004	Additions	Retirements	12/31/2005	Additions	Retirements	12/31/2006	Additions	Retirements	12/31/2007	MFR	Variance	CPR	Variance	
(2,259)	2,259			2,259			2,259			2,259		2,259		2,259	
-	-			-			-			-		-		-	
	(10,393)	(2,955)		(13,348)	(3,027)		(16,375)	(2,618)		(18,993)	(51,807)	32,814	(51,807)	32,814	
	-	-		-	-		-	-		-	-	-	-	-	
	(41,534)	(1,127)		(42,661)	(1,211)		(43,872)	(3,412)		(47,284)	(11,115)	(36,169)	(11,115)	(36,169)	
	(18,128)	(1,579)		(19,707)	(1,578)		(21,285)	(1,783)		(23,068)	(16,440)	(6,628)	(16,440)	(6,628)	
	(3,551)			(3,551)	(255)		(3,806)	(2,447)		(6,253)	(1,793)	(4,460)	(1,793)	(4,460)	
	(13,121)	(491)		(13,612)	(491)		(14,103)	(1,427)	(573)	(14,957)	(3,014)	(11,943)	(3,014)	(11,943)	
	(18,972)			(18,972)	(392)	(207)	(19,157)	(785)		(19,942)	(70,692)	50,750	(70,692)	50,750	
	(4,366)			(4,366)			(4,366)	(380)		(4,746)	(35)	(4,711)	(35)	(4,711)	
	(84,681)	(3,996)		(88,677)	(3,961)	(24,562)	(68,076)	(7,931)	(1,638)	(74,369)	5,428	(79,797)	5,428	(79,797)	
	(6,098)	(507)		(6,605)	(486)		(7,091)	(409)		(7,500)	(6,847)	(653)	(6,847)	(653)	
	(43,061)	(3,090)		(46,151)	(4,173)	(1,939)	(48,385)	(4,534)	(74,247)	21,328	23,698	(2,370)	23,698	(2,370)	
	-			-			-			-		-		-	
	4,484			4,484			4,484			4,484	467	4,017	467	4,017	
	49,752			49,752			49,752			49,752	20,000	29,752	20,000	29,752	
	-			-			-			-		-		-	
	58,076	(213)		57,863	(269)		57,594	(131)		57,463	21,266	36,197	21,266	36,197	
	(264)	(195)		(459)	(178)	(1,943)	1,306			1,306	168	1,138	168	1,138	
	-			-			-			-		-		-	
	(3,508)	(465)		(3,973)	(494)		(4,467)	(399)		(4,866)	(7,330)	2,464	(7,330)	2,464	
	-			-			-			-		-		-	
(2,259)	(133,106)	(14,618)	-	(147,724)	(16,515)	(28,651)	(135,588)	(26,256)	(76,458)	(85,386)	(98,046)	12,660	(98,047)	12,661	

2005		2006		2007 Schedule A-8	
<u>Annual Rpt</u>		<u>Annual Rpt</u>		<u>Annual Rpt</u>	<u>MFR</u>
(167,378)		(155,242)		(105,040)	(111,957)
19,654		19,654		19,654	(6,917)
				Allocations	
				<u>CPR</u>	<u>GL</u>
				(98,047)	(98,047)
				12,661	12,661
				(6,993)	
				Adjustments	
				(6,993)	
				<u>12,661</u>	

Original variance dates back to the 6/30/99 audit. The variance may be caused by using the annual report additions & retirements for the full year in this schedule, while the audit was completed in mid-year, which could potentially cause overlap
 17,395
 2,259
 19,654
 2004 Annual Report contained an erroneous retirement
 Variance sub total

Adjust test year depr to be in compliance with PSC depr rates. GL/CPR adjustments are processed in 2008.
 (6,993)
 12,661
 Variance

AQUA UTILITIES FLORIDA, INC
 LAKE JOSEPHINE
 Rate Case
 Dkt 080121-WS ACN 08-093-1-1
 Certificate 422-W
 CIAC/Amortization of CIAC-Water

Description	Test Period	Additions	Retirements	12/31/1999	Additions	Retirements	12/31/2000	Additions	Retirements	12/31/2001	Additions	Retirements	12/31/2002	Additions	Retirements	12/31/2003	Additions	Retirements	
Account 271 CIAC	6/30/1999 (290,634) ok			(290,634)	(600)		(291,234)	(12,600)	1	(303,835)	(9,850)		(313,685)	(5,400)		(319,085)	(7,800)		
							as per utility: variance: (179,304) (111,930)												

Source: Docket 991001-WU, PSC-001389-PAA-WU
 Issued 7/31/2000

AQUA UTILITIES FLORIDA, INC
 LAKE JOSEPHINE
 Rate Case
 Dkt 080121-WS ACN 08-093-1-1
 Certificate 422-W
 CIAC/Amortization of CIAC-Water

Description	12/31/2004	Additions	Retirements	12/31/2005	Additions	Retirements	12/31/2006	Additions	Retirements	12/31/2007	Variance	Variance	Variance
Account 271 CIAC	(326,885)	(5,050)		(331,935)	(3,600)		(335,535)	(5,882)		(341,417)	(1,801)	(1,802)	(1,801)
						as per utility:	(223,605)	(5,882)		(339,616)			
						variance:	(111,930)			(1,801)			

Source: Docket 991001-WU, PSC-001389-PAA-
 Issued 7/31/2000

CAPITAL PROJECT

COMPANY: Lake Josephine		Line Item #	C-S-01-0009	CAPITAL NUMBER: CX002306-309	
SYSTEM: Lake Josephine		Complete Date	11/30/2002	PROJECT MANAGER: Hugh Sumrall	
CO#: 60		Status	CLOSED	ACCOUNTING UNIT: 6591	
PROJECT: Interconnect into Sebring Lakes WTP					

CATEGORY	BUDGET COST	INVOICE/JE AMT	BALANCE	VENDOR	INVOICE/JE #	Invoice Date	G/L #	PLANT CLASS	ACTIVITY	ACCT. CATEGORY
CHARGES:	122,475.00	300.00	122,175.00	Highlands Co. BOC	Permit	04/10/02	12030	2	309	945
		500.00	(500.00)	FLDEP	Permit	04/10/02	12030	2	309	945
		104,747.48	(104,747.48)	PughUtilities	62102	11/01/02	12030	2	309	946
SUB-TOTAL:	122,475.00	105,547.48	16,927.52							
ENG SUPPORT:		8,172.50	(8,172.50)	Polston Engineering	4806	04/02/02	12030	2	309	919
		532.50	(532.50)	Polston Engineering	4314	05/01/02	12030	2	309	919
		1,235.00	(1,235.00)	Polston Engineering	5146	10/04/02	12030	2	309	919
No invoice copy in local files - Pitts (15% OF SUB-TOTAL IF NEEDED)		2,551.60	(2,551.60)	Eckert Seamans Ch	310884	08/14/03	12030	2	309	919
TOTALS:	122,475.00	118,039.08	4,435.92							
AFUDC			-							
	SUB-TOTAL	-	-							
OVERHEAD		717.80	(717.80)	PAAM	Apr-02	4/1/2002	12030	2	309	961
		42.60	(42.60)	PAAM	May-02	5/1/2002	12030	2	309	961
		302.93	(302.93)	PAAM	Oct-02	10/1/2002	12030	2	309	961
		8,379.80	(8,379.80)	PAAM	Nov-02	11/1/2002	12030	2	309	961
	SUB-TOTAL	9,443.13	(9,443.13)							
CIAC			-							
	SUB-TOTAL	-	-							
GRAND TOTAL:	122,475.00	127,482.21	(5,007.21)							

Activity Group: CAPITALPROJECTS Capital Projects

Acct	Cat	Sys	Src	Description	Vendor	Invoice #	Post Dt	Trx Dt	Trx Amt

Area:	CAPAREA-321		Cap-Florida						
System:	CAP-6589		LAKE JOSEPHINE						
Project:	CX002306		Interconnect Lake Josephine						
Task	CX002306309		Engineering,Piping/Pipe/Trench						
919	AP	AD	6597Polston	POLSTON	4806	04/10/02	04/02/02		8,172.50
919	AP	AD	6597Polston	POLSTON	4314	05/16/02	05/01/02		532.50
919	AP	AD	1208Eckert Seamans Cherin	ECKERT SEAMANS CHERIN-MELLOT	310884	10/15/02	08/14/02		2,551.60
919	AP	AD	6597Polston	POLSTON	5146	10/15/02	10/04/02		1,235.00
TOTAL ACCT CAT 919 Engineering									12,491.60
945	AP	AD	2885Florida Department of	FLORIDA DEPARTMENT OF ENVIR	LAKE JO/S	04/11/02	04/10/02		500.00
945	AP	AD	10412Highlands County Boar	HIGHLANDS COUNTY BOARD OF	LAKE JO/S	04/11/02	04/10/02		300.00
TOTAL ACCT CAT 945 Permits									800.00
946	AP	AD	4769Pugh Utilities Servic	FUGH UTILITIES SERVICE	062102	11/18/02	11/01/02		104,747.48
TOTAL ACCT CAT 946 Piping/Pipe/Trench									104,747.48
961	PM	OH	PAAM GL OH Trans		062102	04/01/02	04/01/02		717.80
961	PM	OH	PAAM GL OH Trans		062102	05/01/02	05/01/02		42.60
961	PM	OH	PAAM GL OH Trans		062102	10/01/02	10/01/02		302.93
961	PM	OH	PAAM GL OH Trans		062102	11/01/02	11/01/02		8,379.80
TOTAL ACCT CAT 961 Overhead									9,443.13
TOTAL TASK CX002306309 Engineering,Piping/Pipe/Trench									127,482.21
TOTAL PROJECT CX002306 Interconnect Lake Josephine									127,482.21

*** TOTAL FOR REPORT

~~116,441.32~~

Work Order Number: CX002306309		In Service Date:	Status: Open	
Charge Month	Charge Description	Vendor Information	Total Amount	Total Quantity
Additions				
Apr-02	10412Highlands County Boar	10412Highlands County Boar	\$300.00	0.00
Apr-02	2885Florida Department of	2885Florida Department of	\$500.00	0.00
Apr-02	6597Polston	6597Polston	\$8,172.50	0.00
May-02	6597Polston	6597Polston	\$532.50	0.00
Oct-02	1208Eckert Seamans Cherin	1208Eckert Seamans Cherin	\$2,551.60	0.00
Oct-02	6597Polston	6597Polston	\$1,235.00	0.00
Nov-02	4769Pugh Utilites Servic	4769Pugh Utilites Servic	\$104,747.48	0.00
		Total for Outside Services :	\$118,039.08	0.00
Apr-02	Aquasource Clearing		\$717.80	0.00
May-02	Aquasource Clearing		\$42.60	0.00
Oct-02	Aquasource Clearing		\$302.93	0.00
Nov-02	Aquasource Clearing		\$8,379.80	0.00
		Total for Overheads-T&D :	\$9,443.13	0.00
		Total for Exp Type :	\$127,482.21	0.00
		Total for Work Order :	\$127,482.21	0.00
		Total for Report :	\$127,482.21	0.00

POLSTON ENGINEERING, INC.

P.O. BOX 588
SEBRING, FLORIDA 33871-588
863-385-5564 / 385-2462FAX
FEDERAL IDENTIFICATION NO. 59-2949994

INVOICE

GLENN LABRECQUE
AQUASOURCE
6960 PROFESSIONAL PARKWAY EAST,
SARASOTA, FL 34240

Invoice#: 4806
Job#: 2014.
SEBRING LAKES TO LAKE JOSEPHINE
SEBRING

April 02, 2002

WORK TO DATE: FDEP PERMIT APPLICATIONS FOR THE TWO WATER SYSTEMS
CONNECTION

Description of Labor	Hours	Rate	Fee
SEE ATTACHED GERMAINE SURVEYING, INC. INVOICE	0.00	0.	\$3,000.00
CLERICAL	1.75	30.	\$52.50
DRAFTSMAN	54.50	70.	\$3,815.00
DATA PROCESSOR	25.50	40.	\$1,020.00
CIVIL ENGINEER	3.00	95.	\$285.00
		Sub-Total:	\$8,172.50
		Credit for Retainer:	\$0.00
			\$0.00
		Amount Due:	\$8,172.50

A service charge will be applied to all bills 30 days past due. The rate is 1.5% per month based upon an annual percentage rate of 18%

*Engineering
Capital
The Sebring Lakes to
Lake Josephine*
(Signature)
*2 2306307 919
6597
6535*

Audit Finding #4
Attachment B
Page 4 of 21

AquaSource Inc.
200 Corporate Center Drive
Suite 300
Coraopolis, PA 15108

Accounts Payable Check Request
Support Documentation must be attached to all check requests.

Date needed at destination: 4/15/02

Note: Express mail requires a street address and a phone number.

Vendor Remit Address:		Recipient address (if other than vendor address):		Mailing Instructions
Vendor Name:	Highlands County Board of County Commissioners	Recipient Name:	Julie Avins	Is a separate check per invoice needed?
Address 1:		Address 1:	6960 Professional Parkway East	YES _____ NO _____
Address 2:		Address 2:	Suite 400	Is overnight mail needed?
Address 3:		Address 3:		YES <u>X</u> NO _____
City:		City:	Sarasota	Co# & Acct unit for postage
State/Zip:		State/Zip:	FL 34240	
Phone:		Phone:	941-907-7400	

Coding (You may leave vendor # blank)

Vendor Name	Vendor #	Discount Due Date	Invoice Date	Invoice Number		Discount	Invoice Total Amount
Highlands County Board of County Commissioners	10412		4/10/02	Lake Jo/Sebring Interconnect Permit			\$ 300.00
Company (XX)	Accounting Unit (XXXX)	Account (XXXXXX)	SA (not used)	User Analysis (X,X)	Dollar Amount	Activity	Account Category (XXXXX)
60	6591	12030		0,2	\$ 300.00	CX002306309	945

Reason for Request: Permit to begin interconnect

Completed by: Julie Avins	Approved by:
Phone: 941-907-7450	Phone: 941-907-7450
Date: 04/10/02	Date: 04/10/02

utility construction and maintenance within the named public right-of-way(s) as described in this application and detailed on accompanying drawings. Any permit issued pursuant to this application will be issued to and in the name of the applicant. In accepting this permit, the applicant agrees to be bound by the Highlands County Land Development Regulations including, but not limited to the following conditions:

AND 3 30 29
SEC. NO. 24 T. 35S. R. 29E

DATE: _____

Permission is hereby granted to: AQUA SOURCE
of _____ for the construction and

(mailing address)
maintenance of EXTENSION OF AN 8" WATER LINE, LOOPING LAKE JOSEPHINE WATER SYSTEM AND SPRING LAKE WATER SYSTEM. THE WATER LINE WILL BE LOCATED FROM TWISTS RD. SOUTHERLY ALONG THE NORTHEAST R/W OF U.S. 27 S.D. 25 TO SEBRING LAKE Blvd. WESTERLY CROSSING U.S. 27 ALONG SEBRING LAKE Blvd. TO TANGALO STREET.

- a. The construction and maintenance of the utility improvements shown on the attached drawings shall not interfere with the property and rights of anyone else.
- b. All work shall comply with standards of the County Engineering Department and shall be subject to the approval of the County Engineer.
- c. All materials and equipment shall be subject to inspection by the County Engineer, or its representative, located in Sebring, Florida.
- d. All County property shall be restored to its original condition as far as practical, in the opinion of the County Engineer.
- e. All construction shall comply with the standards and requirements of Article Six, Section Four of the Highlands County Land Development Regulations. If at any time during the utility installation/construction, the County Engineer finds that the permit conditions have been violated the County Engineer may issue an immediate Stop Work Order. The Stop Work Order shall be in effect until the operation is brought into compliance with the permit. Failure to perform satisfactory construction may also result in the County's not issuing additional permits to the applicant until deficiencies are corrected.
- f. All overhead installations shall conform to clearance standards of the Florida Department of Transportation, and all underground crossing installations shall be laid at a minimum depth of thirty-six (36) inches below pavement and at least thirty (30) inches below ditch grade. Exceptions may be made in special cases by authority from the County Engineer.
- g. The attached sketch covering the details of this installation shall be made a part of this permit.
- h. The applicant expressly acknowledges and agrees that the permit is a license for permissive use only and that the placing of facilities upon public property pursuant to this permit shall not operate to create or to vest any property right in the holder of the permit.
- i. The permit may be granted in perpetuity but whether or not issued in perpetuity the permit shall be subject to termination by the Board of County Commissioners without compensation in the event the road or highway is closed, abandoned, vacated, discontinued, or reconstructed.
- j. Whenever necessary for the construction, repair, improvement, alteration, or relocation of all, or any portion of a road or street as determined by the County Engineer, any or all of the poles, wires, cables or other facilities and appurtenances authorized hereunder, shall be immediately removed from that road or street, or reset or relocated thereon, as required by the County Engineer, at the expense of the holder of the permit.
- k. The permittee shall commence actual construction in good faith within sixty (60) days from the date of the permit and shall complete permitted construction within _____ working days.
- l. Applicant declares that prior to filing this application the applicant has ascertained the location of all existing utilities, both aerial and underground. Applicant also declares that due notice of work under this application/permit was furnished to each utility involved and that copies of letters addressed to each such utility are attached.
- m. The applicant understands and agrees that the rights and privileges herein set out are granted only to extent of the County's right, title and interest in the land to be entered upon and used by the permit holder.
- n. The applicant further agrees that the applicant will at all times assume all risk of damage and loss and does hereby indemnify, defend, and save harmless Highlands County from and against any and all damages, cost or expense arising in any manner on account of the exercise or attempted exercise of the aforesaid rights and privileges by the holder of any permit issued pursuant to this application. The permittee shall maintain adequate insurance and provide proof of insurance during the term of this permit to protect Highlands County. Failure to maintain adequate insurance will result in revocation of this permit.
- o. During construction of the permit, the holder of the permit shall comply with all safety regulations of the Florida Department of Transportation and the Manual of Uniform Traffic Control Devices current edition. The permit holder must take such measures, including placing and display of safety devices, as may be necessary in order to safely conduct the public through the project area.
- p. The office of the County Engineer shall be notified 24 hours prior to the start of any work.
- q. The applicant hereby accepts responsibility for maintenance of any road cut or subterranean crossing for a period of 36 months after the County Engineer's office is notified of completion of construction.
- r. The undersigned certifies that he has complied with the provisions of Section 553.851 (2) (a), Florida Statutes, as amended, concerning requesting gas pipeline location information and will comply with the provisions of Section 553.851 (2) (c) and (f), Florida Statutes, by notifying pipeline owners 48 hours prior to any excavation.

Hugh Sumrell
(Witness Signature)

Hugh Sumrell
(Print Name)

Linda A. Moody
(Witness Signature)

Linda A. Moody
(Print Name)

Submitted by: Glen Labrecque, V.P.
(Applicant's Name - Type or Print)

[Signature]
(Signature of Applicant or Officer)

600 Professional Plaza E.
(Applicant's Mailing Address)

(Seal) Sebring, FL 34240
(City, State, Zip)

(941) 907-7420
(Telephone Number)

Permit Approved by: _____
(For County Engineer)

Attest: Nancy Jo Guth
(Notary Name)
Commission # 008438024 or (Print Name)
Expires June 9, 2003
[Signature] Notary
Atlantic Bonding Co., Inc. (Signature & Title)

Volster (Date)
Per. Engineering
Check request for
4300
to obtain permit.

600 South Commerce Ave
Sebring, FL 33870

Audit Finding #4
Attachment B
Page 6 of 21

AquaSource Inc.

200 Corporate Center Drive
Suite 300
Coraopolis, PA 15108

Accounts Payable Check Request
Support Documentation must be attached to all check requests.

Date needed at destination: **4/15/02**

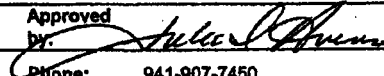
Note: Express mail requires a street address and a phone number.

Vendor Remit Address:		Recipient address (if other than vendor address):		Mailing Instructions
Vendor Name:	Florida Department of Environmental Protection	Recipient Name:	Julie Avins	Is a separate check per invoice needed?
Address 1:		Address 1:	6960 Professional Parkway East	YES <input type="checkbox"/> NO <input type="checkbox"/>
Address 2:		Address 2:	Suite 400	Is overnight mail needed?
Address 3:		Address 3:		YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
City:		City:	Sarasota	Co# & Acct unit for postage
State/Zip:		State/Zip:	FL 34240	
Phone:		Phone:	941-907-7400	

Coding (You may leave vendor # blank)

Vendor Name	Vendor #	Discount Due Date	Invoice Date	Invoice Number		Discount	Invoice Total Amount
Florida Department of Environmental Protection	2885		4/10/02	Lake Jo/Sebring Interconnect Permit			\$ 500.00
Company (XX)	Accounting Unit (XXXX)	Account (XXXXX)	SA (not used)	User Analysis (X,X)	Dollar Amount	Activity	Account Category (XXXXX)
60	6591	12030		0,2	\$ 500.00	CX002308309	945

Reason for Request: Permit to begin Interconnect

Completed by: Julie Avins	Approved by: 
Phone: 941-907-7450	Phone: 941-907-7450
Date: 04/10/02	Date: 04/10/02



Department of Environmental Protection

Application for a Public Drinking Water Facility Construction Permit

INSTRUCTIONS: This form shall be completed and submitted by persons proposing to construct new, or alter existing, public drinking water facilities unless such proposed construction or alteration is permitted under the "General Permit for Construction of an Extension to a Public Drinking Water Distribution System," in which case Form 62-556.900(7) is to be completed and submitted. Complete this form and submit it in quadruplicate to the appropriate district office of the Department or the appropriate Approved County Public Health Unit (ACPHU) along with a check for the proper application processing fee and the following supporting documents: a signed and sealed engineering report (including design data); signed and sealed engineering plans and specifications; a certificate that the project has been approved by the governing body of the applicant (city commissioners, corporation, board, etc.); and, for each project involving the construction of a new drinking water treatment plant in a county regulated by the Florida Public Service Commission (PSC), a copy of the PSC certificate authorizing the applicant to provide service or a copy of the PSC order exempting the applicant from PSC regulation. All supporting documents, as well as this form, shall be submitted in quadruplicate. All information provided on this form shall be typed or printed in ink. Complete Parts I, II, IV, V, and VI.A of this form for all projects, and complete Parts III and VI.B through VI.E of this form when applicable. A signature page or cover letter for engineering reports, each sheet of engineering plans, and a cover or index sheet for engineering specifications shall be signed, dated, and sealed with an impression-type metal seal by the professional engineer(s) in responsible charge of the documents. Also, engineering plans and specifications shall be those intended for construction and shall not be stamped otherwise (e.g., "For Permitting Only," "For Review Only," etc.). Application processing fees are listed in Rule 62-4.050, Florida Administrative Code (F.A.C.). Checks for application processing fees shall be made payable to the Department of Environmental Protection or to the appropriate ACPHU. NOTE THAT A SEPARATE APPLICATION AND A SEPARATE PROCESSING FEE ARE REQUIRED FOR EACH NON-CONTIGUOUS PUBLIC DRINKING WATER DISTRIBUTION SYSTEM PROJECT.

I. NAME, DESCRIPTION, AND LOCATION OF PROJECT; APPLICANT; ETC.

Project Name: Lake Josephine Water System and Sebring Lakes Water System Connection.

Project Description: Extension of an 8" water line looping Lake Josephine Water System and Sebring Lakes Water System. An 8" water line will be installed from Twitty Road southerly along the northeast right-of-way of U.S. 27/S.R. 25 to Sebring Lakes Boulevard, westerly crossing Highway 27 along Sebring Lakes Boulevard to Tangelo Street as shown on the plans. This is tying two existing 6" water lines together (looping).

Project Location and 3 36 South 29 East
County: Highlands Section: 24 Township: 35 South Range: 29 East
Latitude and Longitude of Each New Treatment Plant and Each New Raw Water Source (attach additional sheets if necessary):

Table with 4 columns and 3 rows. Row 1: Not Applicable. Row 2: o ' *N o ' *W. Row 3: o ' *N o ' *W.

Applicant
Utility/Company Name: AquaSource Telephone No.: 941-907-7400
Address: 6960 Professional Parkway East Suite 400
City: Sarasota State: FL Zip Code: 34240
Public Water System Supplying Water for Project (complete for distribution system projects)
System Name: Sebring Lakes and Lake Josephine Water Systems PWS Id No.: Sebring Lakes 5284137
System Owner: AquaSource Telephone No.: 941-907-7400
Address: 6960 Professional Parkway East Suite 400
City: Sarasota State: FL Zip Code: 34240

Application for a Public Drinking Water Facility Construction Permit
 Project Name: Lake Josephine Water System and Sebring Lakes Water System Connection
 Applicant: AquaSource

• Owner/Operator of Project After It is Placed into Service
 Utility/Company Name: AquaSource Telephone No.: 941-907-7400
 Address: 6260 Professional Parkway East Suite 400
 City: Sarasota State: FL Zip Code: 34240
 • Professional Engineer in Responsible Charge of Designing Project
 Name of Engineer: Roger Dale Pokston Telephone No.: 863-385-5564
 Firm Name: Pokston Engineering, Inc.
 Address: P.O. Box 588
 City: Sebring State: FL Zip Code: 33871-0588

II. STATEMENT BY APPLICANT

I, the undersigned owner or authorized representative* of AquaSource certify that all components that will be installed under this project and that will come into contact with drinking water or drinking water treatment chemicals (except components that will come into contact with raw water prior to its treatment by reverse osmosis) conform, or will conform, with American National Standards Institute/NSF International (ANSI/NSF) Standard 61. Also, I certify that all drinking water treatment chemicals that will be supplied under this project except fluoridation chemicals conform, or will conform, with ANSI/NSF Standard 60 and that all fluoridation chemicals that will be supplied under this project conform, or will conform, with ANSI and American Water Works Association Standard B701, B702, or B703 as applicable.

I agree that we will require the contractor to furnish us with record drawings for this project. Also, I agree that we will retain a professional engineer registered in Florida to inspect construction of this project for the purpose of determining if work proceeds in compliance with the construction permit and approved engineering plans and specifications.

I am fully aware that we must obtain a letter of clearance from the Department before we place this project into service for any purpose other than disinfection, testing for leaks, or testing equipment operation. Also, I am fully aware that, if we sell or legally transfer ownership of this project before obtaining a letter of clearance from the Department, we must submit to the Department an "Application for Transfer of a Public Water System Construction Permit" within 30 days after such sale or legal transfer of ownership.

Signature and Date: [Signature] 4/5/02 Name and Title (please type or print): Glen LaBrecque, Vice President

* Attach a letter of authorization.

III. STATEMENT BY PUBLIC WATER SYSTEM SUPPLYING WATER FOR PROJECT (complete for distribution system projects)

I, the undersigned owner or authorized representative* of AquaSource certify that we will provide the potable water supply required by this project. As indicated below, the water treatment plant to which this project will be connected has the capacity to provide the potable water supply required by this project, and I certify that said plant is in compliance with the standards and criteria set forth in Chapters 62-560, 62-555, and 62-560, F.A.C. Also, said plant was constructed under one or more valid Department construction permits as indicated below, and I certify that connection of this project to said plant will not be a violation of any condition of this(these) construction permit(s).

• Name of Water Treatment Plant to Which this Project Will Be Connected: AquaSource owns both of the plants that will be connected, Sebring Lakes (S.L.) and Lake Josephine (L.J.).

• Construction Permit Number(s) for Plant and Date(s) Permit(s) Issued: Sebring Lakes 5284197 and Lake Josephine 5280162

• Permitted Maximum Day Capacity of Plant: Sebring Lakes 280,000 gpd and Lake Josephine 300,000 gpd

• Maximum Day Flow at Plant as Recorded on Monthly Operating Reports During Past 12 Months: S.L. - 429,000 gal 01/09/02
L.J. - 45,000 gal 10/04/01

Signature and Date: [Signature] 4/5/02 Name and Title (please type or print): Glen LaBrecque, Vice President

* Attach a letter of authorization.

Application for a Public Drinking Water Facility Construction Permit
Project Name: Lake Josephine Water System and Sebring Lakes Water System Connection.
Applicant: AquaSource

IV. STATEMENT BY OWNER/OPERATOR OF PROJECT AFTER IT IS PLACED INTO SERVICE

I, the undersigned owner or authorized representative* of AquaSource certify that we will be the owner/operator of this project after it is placed into service. I agree that we will operate and maintain this project in a manner that will comply with Chapters 62-550, 62-555, 62-560, and 62-699, F.A.C.; and I certify that all drinking water treatment chemicals that we will use except fluoridation chemicals conform, or will conform, with American National Standards Institute/NSF International (ANSI/NSF) Standard 60 and that all fluoridation chemicals that we will use conform, or will conform, with ANSI and American Water Works Association Standard B701, B702, or B703 as applicable. Also, I agree that we will promptly notify the Department if we sell or legally transfer ownership of this project.

Signature and Date: [Signature] 4/5/02

Glen LaBrecque, Vice President
Name and Title (please type or print)

* Attach a letter of authorization.

V. STATEMENT BY PROFESSIONAL ENGINEER IN RESPONSIBLE CHARGE OF DESIGNING PROJECT

I, the undersigned professional engineer registered in Florida, certify that I am in responsible charge of the preparation and production of engineering documents for this project; that I have expertise in the design of water treatment, storage, and distribution facilities; and that, to the best of my knowledge and belief, the engineering design for this project complies with Chapter 62-555, F.A.C., and provides reasonable assurance of compliance with Chapter 62-550, F.A.C.

The plans and specifications for this project require that all new and relocated project components that will come into contact with drinking water or drinking water treatment chemicals (except components that will come into contact with raw water prior to its treatment by reverse osmosis) be in conformance with American National Standards Institute/NSF International (ANSI/NSF) Standard 61. Also, the plans and specifications for this project require that all drinking water treatment chemicals supplied under this project except fluoridation chemicals be in conformance with ANSI/NSF Standard 60 and that all fluoridation chemicals supplied under this project be in conformance with ANSI and American Water Works Association Standard B701, B702, or B703 as applicable.

Signature, Date, and Seal

Roger Dale Polston, P.E. #33222
Name and License Number (please type or print)

VI. SUMMARY OF DESIGN DATA FOR PROJECT

A. General

System PWS Identification Number, Name, Owner, and Type

1. System PWS Identification Number (if existing system): Sebring Lakes 5284137 and Lake Josephine 5280162
2. System Name: Sebring Lakes Water System and Lake Josephine Water System
3. System Owner: AquaSource
4. System Type: community; non-transient non-community; non-community; consecutive

System Service Area

5. Nature and Extent of Existing Service Area and Design/Projected Service Area:
Currently Sebring Lakes Water System is serving 46 Residential connections.
Currently Lake Josephine Water System is serving 508 Residential connections, 6 Commercial connections
and one Church. No new connections will be added due to this permit.

Application for a Public Drinking Water Facility Construction Permit
 Project Name: Lake Josephine Water System and Sebring Lakes Water System Connection.
 Applicant: AquaSource

6. Number of Existing Service Connections: Sebring Lakes has 46 and Lake Josephine has 515 existing connections.
 7. Existing Significant Industrial Water Users (Industries with an average or maximum daily water demand that is \geq 1% of the total average or maximum daily water demand on the system) (attach additional sheets if necessary):

<i>None</i>			

8. Regulated Consecutive Public Water Systems Presently Connected to this System (attach additional sheets if necessary):

<i>None</i>			

IF YES, PROVIDE ON AN ATTACHMENT THE NAMES OF THE USERS AND THEIR PRESENT AVERAGE AND MAXIMUM DAILY WATER DEMANDS.

- Present Population Served by System and Present Water Demand**
 9. Present Population Served Directly (excluding all regulated consecutive public water systems): Lake Josephine 1,211 & Sebring Lakes 109
 10. Present Total Population Served (including all consecutive public water systems): Lake Josephine 1,211 & Sebring Lakes 109
 11. Present Annual Average Day Water Demand: Lake Josephine 148,646 gallons & Sebring Lakes 12,158 gallons
 12. Present Per Capita Annual Average Day Water Demand: Lake Josephine 123 gallons & Sebring Lakes 112 gallons
 13. Present Maximum Day Water Demand: Lake Josephine 194,000 gallons on 02/02/02 & Sebring Lakes 15,400 gallons 02/22/02
 14. Present Maximum Hour Water Demand: Lake Josephine 8,984 gallons & Sebring Lakes 642 gallons

Design Population and Water Demand for System

15. Design Year and Estimated Total Population to Be Served in Design Year: 1,550 an estimated 4% increase for 2003
 16. Projected Annual Average Day Water Demand in Design Year and Basis of Projection: 195,700 in year 2007 based on estimated annual 4% increase.
 17. Projected Maximum Day Water Demand in Design Year and Basis of Projection: 255,000 based on estimated annual 4% increase.
 18. Projected Maximum Hour Water Demand in Design Year and Basis of Projection: 10,700 gallons per hour based on estimated annual 4% increase.
 19. Design Fire Demand (flow rate and duration) and Basis of Design: Not designed for fire flow.

System Raw Water Sources and Collection Facilities

20. Existing Ground Water Sources and Wells (attach additional sheets if necessary):
- | | | | | | | | |
|-----------------------|--|--|--|------------------|--|--|--|
| <i>Not Applicable</i> | | | | <i>No Change</i> | | | |
| | | | | | | | |
| | | | | | | | |

21. Existing Surface Water Sources and Raw Surface Water Pumps (attach additional sheets if necessary):

Source	Capacity	Existing Pump	Proposed Pump
<i>Not Applicable</i>			

22. Existing Purchased Water Sources (attach additional sheets if necessary):

<i>Not Applicable</i>			
-----------------------	--	--	--

23. Will existing raw water sources and collection facilities (including raw water pumping facilities) be altered under this project, or are new raw water sources or collection facilities (including raw water pumping facilities) proposed under this project? No IF YES, COMPLETE PART VI.B BELOW.

System Treatment Facilities

24. Existing Treatment Plants (attach additional sheets if necessary):

Plant Name	Capacity	Raw Water Pumping	Finished Water Pumping	Treatment
<i>Lake Josephine</i>	<i>300,000</i>	<i>*</i>	<i>pump size</i>	<i>Aeration and Chlorination</i>
<i>Sebring Lakes</i>	<i>280,000</i>	<i>*</i>	<i>pump size</i>	<i>Aeration and Chlorination</i>

Provide this only when increased treatment and/or finished water pumping capacity is provided in lieu of sufficient downstream/distribution storage volume to meet peak water demands.

25. Will existing treatment facilities (including in-plant and finished water pumping facilities) be altered under this project, or are new treatment facilities (including in-plant and finished water pumping facilities) proposed under this project? No IF YES, COMPLETE PART VI.C BELOW.

System Finished Water Storage Facilities

26. Existing Plant and Distribution System Finished Water Storage Facilities (attach additional sheets if necessary):

Location	Type	Capacity
<i>Sebring Lakes</i>	<i>ground</i>	<i>15,000</i>
<i>Sebring Lakes</i>	<i>hydropneumatic</i>	<i>9,500</i>
<i>Lake Josephine</i>	<i>ground</i>	<i>15,960</i>

27. Will existing plant or distribution system finished water storage facilities be altered under this project, or are new plant or distribution system finished water storage facilities proposed under this project? Yes IF YES, COMPLETE PART VI.D BELOW.

System Distribution Facilities

28. Will existing distribution facilities (including booster pumping facilities) be altered or extended under this project, or are new distribution facilities (including booster pumping facilities) proposed under this project? Yes IF YES, COMPLETE PART VI.E BELOW.

Interconnections with Other Public Water Systems that Have Separate Water Supply Sources

29. Names of Existing Interconnected Public Water Systems and Purpose of Each Existing Interconnection: None Existing

B. Proposed Altered/New Raw Water Sources and Collection Facilities (including raw water pumping facilities)

Ground Water Sources *Not Applicable*

1. Name of Treatment Plant to Be Supplied with Raw Water from Proposed Altered/New Wells: _____
2. Name of Aquifer from Which Raw Water Will Be Withdrawn by Proposed Altered/New Wells: _____
3. Existing and Proposed Altered/New Wells Supplying Raw Water to the Treatment Plant Named in Part VI.B.1 Above (attach additional sheets if necessary):

Well No.	Well Name	Well Type	Well Depth (ft)	Well Diameter (in)	Well Construction	Well Status

Total Capacity of Existing and Proposed Altered/New Wells (all wells in service): _____
 Total Capacity of Existing and Proposed Altered/New Wells When Largest Well is Out of Service: _____

* Provide this only for proposed altered/new wells.
 † ATTACH PUMP AND SYSTEM HEAD CURVES FOR PROPOSED ALTERED/NEW WELLS.

4. Water Management District Construction Permit Number(s) (if applicable) for Proposed Altered/New Well(s) and Date(s) Permit(s) Issued: _____
5. ATTACH A COPY OF THE LOG COMPLETION REPORT (if applicable) FOR EACH PROPOSED ALTERED/NEW WELL.
6. ATTACH A MAP OF THE AREA WITHIN 500 FEET OF EACH PROPOSED ALTERED/NEW WELL INDICATING SANITARY HAZARDS.
7. ATTACH RESULTS OF LABORATORY ANALYSES OF RAW WATER FROM NEW GROUND WATER SOURCES (analyses shall be conducted for each applicable water quality standard in Part III of Chapter 62-550, F.A.C., and for new sources in delineated areas, analyses shall be conducted pursuant to Rule 62-524.600, F.A.C.).
8. Standby Power Source for Well Pumps: _____
 Well Pumps Connected, or Proposed to Be Connected, to Standby Power: _____
9. 100-Year, or Highest Known, Flood Elevation in Area of Wells: _____

Surface Water Sources *Not Applicable*

10. Name of Treatment Plant to Be Supplied with Raw Water from Proposed Altered/New Facilities: _____
11. Name of Surface Water from Which Raw Water Will Be Withdrawn by Proposed Altered/New Facilities: _____
12. Estimated Dry-Weather Flow at Surface Water Intake and Basis of Estimate: _____
13. Description of Existing and Proposed Altered/New Diverting Dams, Impounding Reservoirs, Intake Structures, and/or Infiltration Galleries (attach additional sheets if necessary): _____

14. FOR A PROPOSED NEW OR RELOCATED SURFACE WATER INTAKE, ATTACH A DESCRIPTION AND MAP OF THE WATERSHED AREA ABOVE THE INTAKE INDICATING SANITARY HAZARDS.

Application for a Public Drinking Water Facility Construction Permit
 Project Name: Lake Josephine Water System and Sebring Lakes Water System Connection.
 Applicant: AquaSource

- 15. ATTACH RESULTS OF LABORATORY ANALYSES OF RAW WATER FROM NEW SURFACE WATER SOURCES (analyses shall be conducted for each applicable water quality standard in Part III of Chapter 62-550, F.A.C.).
- 16. Existing and Proposed Altered/New Raw Surface Water Pumps for the Treatment Plant Named in Part VI.B.9 Above (attach additional sheets if necessary):

Existing	Proposed	Capacity	Head

Total Capacity of Existing and Proposed Altered/New Pumps When Largest Pump is Out of Service:

ATTACH PUMP AND SYSTEM HEAD CURVES FOR PROPOSED ALTERED/NEW PUMPS.

- 17. Standby Power Source for Raw Surface Water Pumps: _____;
 Raw Surface Water Pumps Connected, or Proposed to Be Connected, to Standby Power: _____
- 18. 100-Year, or Highest Known, Flood Elevation in Area of Intake: _____

C. Proposed Altered/New Treatment Facilities (including in-plant and finished water pumping facilities) *Not Applicable*

- 1. Name of Proposed Altered/New Treatment Plant: _____
- 2. Previous Construction Permit Number(s) for Plant and Date(s) Permit(s) Issued: _____
- 3. Design/Projected Annual Average Day Water Demand for Plant and Basis of Design/Projection: _____
- 4. Design/Projected Maximum Day Water Demand for Plant and Basis of Design/Projection: _____
- 5. Design/Projected Maximum Hour Water Demand and Design/Projected Fire Demand Plus Coincident Draft for Plant and Basis of Design/Projections (provide this only when increased treatment and/or finished water pumping capacity will be provided in lieu of sufficient downstream/distribution storage volume to meet peak water demands): _____
- 6. Design Daily Operating Period for Plant: _____
 Design Daily Operating Period for Finished Water Pumping Facilities: _____
- 7. Design Peak Sustained Operating Flow Rate Through Plant: _____
- 8. ATTACH RESULTS OF LABORATORY ANALYSES OF RAW WATER FOR THE PLANT (analyses shall be conducted for each applicable water quality standard in Part III of Chapter 62-550, F.A.C.).
- 9. ATTACH A FLOW DIAGRAM SHOWING ALL EXISTING AND PROPOSED ALTERED/NEW TREATMENT PROCESSES (including waste handling processes), CHEMICAL APPLICATION POINTS, PUMPING FACILITIES, AND TREATMENT BYPASS ARRANGEMENTS FOR THE PLANT.
- 10. ATTACH A SUMMARY OF DESIGN CRITERIA FOR EACH EXISTING OR PROPOSED ALTERED/NEW TREATMENT PROCESS (including waste handling processes) AND FOR EACH EXISTING OR PROPOSED ALTERED/NEW CHEMICAL TO BE APPLIED AT THE PLANT (design criteria should include basin capacities, retention times, unit loadings, surface loading rates, backwash rates, feeder capacities and ranges, etc.).

11. Existing and Proposed Altered/New In-Plant and Finished Water Pumps (attach additional sheets if necessary):

Pump Function/Flow Stream Pumped:			Capacity and Total Dynamic Head for Each Pump:
Total Capacity of Existing and Proposed Altered/New Pumps When Largest Pump is Out of Service: <u>300 gpm</u>			

Pump Function/Flow Stream Pumped:			Capacity and Total Dynamic Head for Each Pump:
Total Capacity of Existing and Proposed Altered/New Pumps When Largest Pump is Out of Service:			

Pump Function/Flow Stream Pumped:			Capacity and Total Dynamic Head for Each Pump:
Total Capacity of Existing and Proposed Altered/New Pumps When Largest Pump is Out of Service:			

ATTACH PUMP AND SYSTEM HEAD CURVES FOR PROPOSED ALTERED/NEW PUMPS.

12. Method of Disposal of Plant Wastes (Aluminum/Iron Coagulant or Lime Softening Sludge from Clarification, Waste Backwash Water from Filtration, and/or Waste Brine from Ion Exchange or Membrane Processes):

13. Standby Power Source for Plant: _____
 Plant Equipment Connected, or Proposed to Be Connected, to Standby Power: _____

14. 100-Year, or Highest Known, Flood Elevation in Area of Plant: _____

D. Proposed Altered/New Plant and Distribution System Finished Water Storage Facilities *Not Applicable*

1. Existing and Proposed Altered/New Plant and Distribution System Finished Water Storage Facilities (attach additional sheets if necessary):

Capacity	Use of Volume of Storage Facility

E. Proposed Altered/New Distribution Facilities (including booster pumping facilities)

Distribution Facilities

1. Design/Projected Annual Average and Maximum Day Water Demands for Proposed Altered/New Distribution Facilities (i.e., water mains) Under this Project:

	Annual Average	Maximum Day
Single Family - Phase 1		
Single Family - Phase 2		
Single Family - Phase 3		
Single Family - Phase 4		
Total	160,804	209,400

Description of Commercial, Institutional, and Industrial Facilities and Explanation of Method Used to Estimate Average Day Water Demand for These Facilities:
From Monthly Operating Reports

Explanation of Method Used to Estimate Maximum Day Water Demand:
From Monthly Operating Reports

2. Design/Projected Maximum Hour Water Demand for Proposed Altered/New Distribution Facilities Under this Project and Basis of Design/Projection:
10,000 gallons per hour based on estimated 4% increase annually

Design/Projected Fire Demand Plus Coincident Draft (usually maximum day water demand) for Proposed Altered/New Distribution Facilities Under this Project and Basis of Design/Projection:
Not designed for fire flow.

3. Operating Pressure Range for Proposed Altered/New Distribution Facilities Under this Project: 30 to 60 psi

4. Will any proposed altered/new distribution facilities under this project be installed in areas of ground water for which there is existing documentation of the presence of low-molecular-weight petroleum products or organic solvents at concentrations exceeding ground water standards? See below If yes, describe the nature and extent of such areas: Unknown, but it may be possible.

5. Will any proposed altered/new distribution facilities under this project connect previously separate public water systems that have separate water supply sources? Yes If yes, provide the names of the systems proposed to be interconnected and explain the purpose of each proposed interconnection:
Lake Josephine Water System and Sebring Lakes Water System

6. Will the proposed altered/new distribution facilities under this project be part of a community water system or a public water system that has a service area also served by a reclaimed water system? No If yes, document that the system has a routine cross-connection control plan, including a written plan, in accordance with Rule 62-555.360, F.A.C.:

Booster Pumping Facilities Not Applicable

7. Name/Location of Proposed Altered/New Booster Pumping Station:

8. Design/Projected Annual Average and Maximum Day Water Demands for Booster Pumping Station:

Single-Family Home					
Mobile Home					
Apartment					
Commercial, Institutional, or Industrial Facility*					
Total					

* Description of Commercial, Institutional, and Industrial Facilities and Explanation of Method Used to Estimate Average Day Water Demand for These Facilities:

* Explanation of Method Used to Estimate Maximum Day Water Demand:

9. Design/Projected Maximum Hour Water Demand and Design/Projected Fire Demand Plus Coincident Draft (usually maximum day water demand) for Booster Pumping Station and Basis of Design/Projections (provide this only when increased pumping capacity will be provided in lieu of sufficient downstream/distribution storage volume to meet peak water demands):

10. Existing and Proposed Altered/New Pumps at Booster Pumping Station (attach additional sheets if necessary):

Total Capacity of Existing and Proposed Altered/New Pumps When Largest Pump is Out of Service:

* ATTACH PUMP AND SYSTEM HEAD CURVES FOR PROPOSED ALTERED/NEW PUMPS.

11. Standby Power Source for Booster Pumping Station: Pumps Connected, or Proposed to Be Connected, to Standby Power:

12. 100-Year, or Highest Known, Flood Elevation in Area of Booster Pumping Station:

POLSTON ENGINEERING, INC.

P.O. BOX 588
SEBRING, FLORIDA 33871-588
863-385-5564 / 385-2462FAX
FEDERAL IDENTIFICATION NO. 59-2949994

INVOICE

GLENN LABRECQUE
AQUASOURCE
6960 PROFESSIONAL PARKWAY EAST,
SARASOTA, FL 34240

Invoice#: 4314
Job#: 2014.
SEBRING LAKES TO LAKE JOSEPHINE
SEBRING

May 01, 2002

WORK TO DATE ON WATER LINE PERMITTING

Description of Labor	Hours	Rate	Fee
CLERICAL	0.50	30.	\$15.00
DRAFTSMAN	4.00	70.	\$280.00
CIVIL ENGINEER	2.50	95.	\$237.50
		Sub-Total:	\$532.50
		Credit for Retainer:	\$0.00
			\$0.00
		Amount Due:	\$532.50

A service charge will be applied to all bills 30 days past due. The rate is 1.5% per month based upon an annual percentage rate of 18%

MAY 03 2002

Capital
cash

POLSTON ENGINEERING, INC.

P.O. BOX 588
SEBRING, FLORIDA 33871-588
863-385-5564 / 385-2462FAX
FEDERAL IDENTIFICATION NO. 59-2949994

*Sebring Joseph
interconnect*

INVOICE

GLENN LABRECQUE
AQUASOURCE
6960 PROFESSIONAL PARKWAY EAST,
SARASOTA, FL 34240

Invoice#: 5146
Job#: 2014.
SEBRING LAKES TO LAKE JOSEPHINE
SEBRING

October 04, 2002

INSPECTIONS AND AS-BUILT PLANS, FINAL DRAW ON PROJECT PER PROPOSAL

Description of Labor	Hours	Rate	Fee
CIVIL ENGINEER	0.00	95.	\$1,235.00
		Sub-Total:	\$1,235.00
		Credit for Retainer:	\$0.00
			\$0.00
		Amount Due:	\$1,235.00

gf

A service charge will be applied to all bills 30 days past due. The rate is 1.5% per month based upon an annual percentage rate of 18%

Pugh Utilities Service, Inc.
760 Henscratch Road
Lake Placid, Florida 33852
(863) 465-6911

June 21, 2002

AquaSource
6960 Professional Parkway East
Suite 400
Sarasota, Florida 34240
Attention: Hugh Sumrall

Dear Mr. Sumrall:

The following is a price quote for looping Lake Josephine and Sebring Lakes water systems.

Parts:

7960' - 8" PVC pipe
8 - 8" DR11 stiffeners
6 - 8" MJ sleeves w/ megalugs
5 - 8" MJ gate valves w/ megalugs
2 - 8" x 8" MJ tees w/ megalugs
5 - 8" 45 MJ w/ megalugs
2 - 6" x 6" MJ tee w/ megalugs
2 - 8" x 6" PE x PE reducers
2 - 6" MJ sleeves w/ megalugs
1 - 8" x 2" tapped plug
1 - 8" x 4" MJ reducer w/ megalugs
1 - 2" R & W gate valve
2 - 2" x 4" galvanized nipples
1 - 2" 90 elbow
1 - 2" x 6" galvanized nipple
1 - 4" MJ gate valve w/ megalugs

4 - Directional Bores, Estimated 350'

Seed & Sod Allowance

Labor & Tractor time

This price includes excavation and installation of all parts and materials.

Total using DR 25 C-900 PVC Pipe \$104,747.48

This quote is only good for 30 days. If you have any questions, please feel free to contact this office at the number above.

Sincerely,


Daniel M. Holmes, as President
Pugh Utilities Service, Inc.

NOVEMBER 1, 2002
THIS WORK IS NOW COMPLETE AND THE TOTAL BALANCE IS DUE.

AUF Docket 080121-WS
Accrued Tax Detail

Docket 080121-WS
Attachment C
PSC Staff Audit Finding #7

() = Credit balance

<u>Account</u>	<u>FY07</u> <u>Jan</u>	<u>FY07</u> <u>Feb</u>	<u>FY07</u> <u>Mar</u>	<u>FY07</u> <u>Apr</u>	<u>FY07</u> <u>May</u>	<u>FY07</u> <u>Jun</u>	<u>FY07</u> <u>Jul</u>	<u>FY07</u> <u>Aug</u>	<u>FY07</u> <u>Sep</u>	<u>FY07</u> <u>Oct</u>	<u>FY07</u> <u>Nov</u>	<u>Total</u> <u>12/31/07</u>
Accrued Property Tax Total	\$ (70,619)	\$ (141,237)	\$ (211,856)	\$ (282,475)	\$ (353,093)	\$ (423,712)	\$ (494,330)	\$ (586,264)	\$ (678,198)	\$ (770,132)	\$ 92,817	\$ -
Accrued - PUC Assessment Total	\$ (31,682)	\$ (66,091)	\$ (100,010)	\$ (141,387)	\$ (191,919)	\$ (236,811)	\$ (46,938)	\$ (90,720)	\$ (125,643)	\$ (158,319)	\$ (187,441)	\$ (180,707)
Accrued- ST-CN Income Total	\$ 185,994	\$ 185,994	\$ 355,094	\$ 355,094	\$ 355,094	\$ 360,094	\$ 360,094	\$ 360,094	\$ 360,694	\$ 272,480	\$ 272,480	\$ 264,246
Accrued Federal Tax Total	\$ 784,873	\$ 888,210	\$ 933,727	\$ 882,504	\$ 851,477	\$ 870,947	\$ 1,010,508	\$ 1,185,807	\$ 2,221,489	\$ 2,342,542	\$ 2,497,633	\$ 2,884,818
Accrued Federal Tax-Options Total	\$ 16,648	\$ 16,648	\$ 16,648	\$ 16,648	\$ 16,648	\$ 16,648	\$ 16,648	\$ 16,648	\$ 18,424	\$ 18,424	\$ 18,424	\$ 18,424
Accrued Tax - OTHER Total	\$ (90,309)	\$ (99,490)	\$ (107,610)	\$ (99,998)	\$ (114,877)	\$ (120,285)	\$ (111,477)	\$ (121,347)	\$ (128,123)	\$ (118,991)	\$ (115,049)	\$ (126,546)
Grand Total (1)	\$ 794,905	\$ 784,033	\$ 885,992	\$ 730,385	\$ 563,329	\$ 466,880	\$ 734,504	\$ 764,217	\$ 1,668,644	\$ 1,586,005	\$ 2,578,865	\$ 2,860,236

(1)- Minor differences in totals from "Totals Per MFR schedule A-19" provided in response to rate base audit request 29 dated July 11, 2008 are due to rounding.

Company - Aqua Services Inc
 I/S - Sundry cost billings by GL account
 For Period 12 Ending December 31,2007

Docket 080121-WS
 Attachment D
 PSC Staff Audit Finding #19

<u>A/U#</u>	<u>Expense detail</u>	<u>Date</u>	<u>GL Account - GL account description</u>	<u>FY07 Total</u>		<u>Amount Charged To Florida</u>
422	Depreciation Accrual	2/6/2007	403010.0000 - Deprec Exp-IS	28,345.10	Depreciation January	4.24% 1,201.83
422	Depreciation Adjustment	2/6/2007	403010.0000 - Deprec Exp-IS	(340.14)	Depreciation January	4.24% (14.42)
422	Correct Deprec entry from	3/1/2007	403010.0000 - Deprec Exp-IS	7,117.67	Depreciation February	4.26% 303.21
422	Depreciation Accrual	3/1/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation February	4.26% 1,510.71
422	Depreciation Accrual	4/3/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation March	4.26% 1,510.71
422	Depreciation Adjustment	3/22/2007	403010.0000 - Deprec Exp-IS	340.14	Depreciation March	4.26% 14.49
422	Depreciation Accrual	5/2/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation April	4.26% 1,510.71
422	Depreciation Accrual	6/11/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation June	4.26% 1,510.71
422	Depreciation Accrual	6/11/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation June	4.26% 1,510.71
422	Depreciation Accrual	11/1/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation October	4.04% 1,432.70
422	Depreciation Accrual	8/9/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation July	4.04% 1,432.70
422	Depreciation Accrual	8/31/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation August	4.04% 1,432.70
422	Depreciation Accrual	9/26/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation September	4.04% 1,432.70
422	Depreciation Accrual	12/4/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation November	4.04% 1,432.70
422	Depreciation Accrual	12/22/2007	403010.0000 - Deprec Exp-IS	35,462.77	Depreciation December	4.04% 1,432.70
422	Corr for Activity	1/7/2008	403010.0000 - Deprec Exp-IS	(7,003.09)	Depreciation December	4.04% (282.92)
422	Corr for Activity	1/7/2008	403010.0000 - Deprec Exp-IS	(35,462.77)	Depreciation December	4.04% (1,432.70)
Total Depreciation				383,087.38		15,939.24