

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-

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**DATE:** July 22, 2015  
**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Cissy Galloway, Public Utility Analyst II, Division of Accounting & Finance CG  
**RE:** Docket No. 140217-WU - Application for staff-assisted rate case in Sumter County by Cedar Acres, Inc.

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Please add the following email and its attachment to the above-referenced docket file.

RECEIVED FPSC  
15 JUL 22 PM 2:30  
COMMISSION  
CLERK

## Cissy Galloway

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**From:** simonsjsr@aol.com  
**Sent:** Thursday, June 04, 2015 2:56 PM  
**To:** Cissy Galloway  
**Subject:** Filing  
**Attachments:** Docket 140217-WU Third data request.pdf

Cissy,

I filed the attached online. I added the size, hp and gpm requested on the new well. Also, I added the job descriptions I'd sent a few weeks ago. We still are waiting on estimates for pro forma and liability insurance.

Regards,  
Stayce

Docket: 140217-WU

The following questions relate to affiliated non-utility activities.

1. Please identify and describe any businesses or activities conducted by Cedar Acres, Inc.

in addition to providing regulated water service. There are 8 outstanding loans on lots. Not all are current. Each monthly payment and/or loan payoff goes into the operating account for Cedar Acres Inc. Funds are used to support the utility. These lots were sold as an agreement for deed and are still in the name of Cedar Acres Inc. The property taxes are to be paid by the residents but sometimes they send the payments to us. We, in turn, send the payment to the Sumter County Tax Collector.

2. Please describe how all costs associated with the businesses and activities identified in

response to above question have been segregated or removed from regulated operations. The costs are minimal. There is a small amount of administration to keep the files up to date and bookkeeping done. All of the loan payments received are deposited into the operating account for the utility and have been used to support utility operations. Although this is not utility revenue.

3. Please list all companies that share office space with the utility. Please describe the basis used to allocate the costs of shared office space.

JSR, Handi-Sim, SFLP: 37%

Jerome A. Simons, P.A. : 25%

Cedar Acres, Inc.: 25%

Villa Consulting: 13%

The following questions relate to salaries.

4. Do the utility president and manager provide services for any other businesses? If so, provide a list of the businesses and how many hours are spent performing services other than for the utility.

Stayce Smith: 1-2 hours/week bookkeeping for Jerome A. Simons, P.A. & JSR  
2 times/year bookkeeping for Handi-Sim and SFLP

David J. Simons: Jerome A. Simons P.A.: 32 hours

JSR: 4 hours

5. How many hours per week does Mr. David Simons spend on utility matters? For purposes of this response, please provide supporting documentation.

About 5 hours: phone, email and correspondence.

David J. Simons, President

1. Review engineering and technical services to support the construction, installation, repair, and maintenance of utility systems. Responds to utility emergencies as necessary.
2. Maintains cooperative relations with residents. Attends meetings, conducts research, compiles information, completes special projects and various reports, and makes presentations.
3. Acts as department spokesperson and liaison, establishing and maintaining effective relationships with citizens, and other interests. Responds to public inquiries, investigates complaints, and initiates appropriate action.
4. Attend all Board of Directors meetings.

**6. How many hours per week does Ms. Stayce Smith spend on utility matters? For purposes of this response, please provide supporting documentation. 39 hours/week in the office**

Stayce L. Smith, Finance manager

1. Assists in the overall planning, organization and management of all aspects of utility operations, including general administration, budgeting, planning, and policy development.
2. Compiles information and projections to aid in the preparation of annual budget requests. Monitors established budget and utilizes authorized budgetary and purchasing procedures.
3. Oversees the preparation of plans and specifications, engineering studies, cost estimates, and material procurement.
4. Coordinates with contracted plant manager: contracted utility projects, services, and purchases.
5. Works with contracted plant manager to ensure coordinated work assignments and project planning related to the operation, maintenance water systems.
6. Works with the contracted plant manager to establish and implement well-defined emergency and contingency plans and procedures. Responds to utility emergencies as necessary.
7. All bookkeeping functions, cash flow and loan appropriation, interact with CPA firms preparing tax returns and annual reports required. Respond to resident inquiries and complaints.
8. Attend all Board of Directors meetings.
9. Performs related duties as assigned.

**7. Please provide the purpose of the Board of Directors, how often the Board of Directors meet, and a description of business that is discussed at meetings. For purposes of this response, please state what percentage of the Board of Director's time is spent involved on utility operations.** The board meets annually. A review of old business and any new business matters. Any pending issues affecting the utility operations and the costs involved. The loans Cedar Acres must take to maintain utility operations. The progress toward the SARC and getting to a point to actually be profitable. Review of current outstanding lot loans.

The following questions relate to other expenses.

**8. Please provide the total square footage of the office space where the utility office is located. Also please provide the calculation of the portion of the total square footage that is designated to Cedar Acres.** The total square footage of the office is: 1653 sq. ft. Cedar Acres occupies 393 sq. ft. plus the common areas, break room/copier room.

**9. Regarding the \$3,000 requested for office supplies and equipment usage, please give a description of supplies and a description of the equipment used by the Utility.** New PC to replace one loaned by JSR that had a hard drive failure. Shared use of printers, fax and copiers. Microsoft 365, AVG antivirus and internet security, switching from Quickbooks 2007 to EasyACCT a/o YE 6/30/15, office supplies, data storage and postage.

**10. The Audit includes Centurylink invoices for two separate accounts. Please explain what services are provided for each account and provide a description of the services that are provided to the Utility by Centurylink. Are any of these services shared with any other company? If so, identify the company and provide a detailed description of the Centurylink services it uses.** No other companies share the Centurylink accounts. One line is for the auto dialer in case of a boil order alert. The other line forwards phone calls to the office in Hollywood, FL.

**11. The Utility has employed a CPA to prepare the Annual Report for approximately the last five years. Does the utility plan to continue to hire a CPA to prepare its annual reports? Yes**

The following questions relate to pro forma items and the utility's wells.

12. Please fill out the following table concerning any pro forma items. Please include bid proposals or estimates for the pro forma items. Please be sure to include bid information related to the meter replacement program, and repairs for deficiencies stated in the 2012 Department of Environmental Health (DEP) Sanitary Survey.

Item Needed	Bid Estimate	Comments
77 meters	\$180/meter not including if shutoffs need to be replaced.	28 meters do not work and 49 are close to failing
Tanks painting	We are waiting on two estimates	One bidder is out of town. The other travels Throughout the state painting and is currently on a job in Orlando.
Concrete repair	Waiting on estimate	Very small repair job that many contractors do not want to take. We found someone willing and are waiting on estimate.
Blow off water mains	\$1462.50	Does not include if new valve covers are needed.
Drinking water monitoring requirements	\$4335.00	

13. There are discrepancies between the company filing on November 14, 2014 and the site visit conducted on May 14th 2015. The company has listed two wells of identical size and dimensions. The site visit indicated that there were two wells on one site of two different sizes and dimensions. Please list the correct dimensions of the wells that are actually in service.

Size: 5"  
HP: 7 1/2  
GPM: 95

14. For the well site with the non-operational well #3, what are the utility's plans for repair, retirement or salvage? The well is operational with non-potable water. This well is available to the local fire department for training, truck washing or anything they determine a need for.