Information Package to Comply with Rule 25-30.037(3), Florida Administrative Code FOR TRANSFER OF MAJORITY ORGANIZATIONAL CONTROL (Pursuant to Section 367.071, Florida Statutes)

	TO:	Office of Commiss Florida Public Ser 2540 Shumard Oa Tallahassee, Florid	vice Commission k Blvd.		COMMISSION CLERK
	The	undersigned hereby	makes applica	tion for the transfer of	the majority
	organiza	ational control of Pase	Utilities Ir	utility operatin	g under Water
	Certifica	te No. 168-Mand/or Wa	stewater Certifica	ate No. MA located in <u>1</u>	PASLO
	County,	Florida, and submits th	e following inform	nation:	
	PART I	APPLICANT INF	ORMATION		
	· A)	of the seller:		tificate), address and tele	phone number
		Pasco Ut Name of utility	ilities Inc	•	
		(813) 877-83)O .	(813) 879	1- <u>3589</u>
		Phone No.		Fax No.	
		2700 N.	Mac Dill A	ve., # 115	
		Office street address			
		Tampa	FL	33607	
	ggrowth the	City	State	Zip Code	
CON	ersanson vil	P.D. Box 4118	, Tampa, F	L 33677	
CIE	u superior tra	Mailing address if diffe	erent from street	address	
ECR)*	roos modeli	Mcdill Columbu	sagol.com		
GCL L	ANG CONTROL OF THE CO	Internet address if app	olicable		
OPC 1			•		
RCA		015-R (Rev. 2/91)	·		
SOA	+	ailhound	ed to Eco	PDOCUMENT NUMBER-DAT	Œ
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Ref 111 agranted	Market Ma			FPSC-COMMISSION CLER	₹ K

В)	The name, address and telephone number of this application:	f the person to contact concerning
	Victoria Penick	727-848-8595
	Name U.S. Water Services Corp.	Phone No.
	_ 4939 Cross Bayon Boul	
	Street address	=040 g
	New Port Richey FC City State	34652
	City State	Zip Code
C)	The full name (as it appears on the certificate of the buyer:	e), address and telephone number
	Pasco Utilities, INC.	
	Name of utility	
	Phone No. Gary Derener/Cecil De	1747-848-7701
	Phone No. Gary Derener/Cecil De	lcher Fax No.
	4939 Cross Bayon Blue	d
	Office street address	
	New Port Richey FC City State	34652
	•	•
	5320 Captains Court Mailing address if different from street address	NPR, FL 34652
		S
	G Deremer a uswatercorp. con	
	Internet address if applicable	
CMPD)	The name(s) and address(es) of all of the but partners and any other person(s) who will own	n an interest in the utility.
CIR -	Jary Derener - President	
GCL L	Gary Derener - President Cecil Delcher - Vice Pre	sident
OPC		
RCA		
SCR		
A STATE OF THE STA	* original wester tain ?	DOCUMENT NUMBER-DATE
SEC	original wester taintof forwarded to BCR.	
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PART II FINANCIAL AND TECHNICAL INFORMATION

- A) Exhibit <u>I A</u> A statement by the buyer indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.
- B) List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

See Exhibit II-B

- C) Exhibit <u>II-C</u> A copy of the purchase agreement.
- D) Exhibit $\underline{\mathbb{I}}$ -0+ $\underline{\mathbb{E}}$ A statement of how the buyer is financing the purchase.
- Exhibit \(\frac{\overline{10} \neq \varepsilon}{\overline{10} \neq \varepsilon} \) A list of all entities, including affiliate which have provided or will provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.
- F) Exhibit 1-F A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the DEP.

If the system is in need of repair or improvement, has any outstanding Notice of Violation(s) of any standard(s) set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violations, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost.

PART III NOTICE OF ACTUAL APPLICATION Exhibit III A.1-A.8

- A) Exhibit ______ An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:
 - (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;

- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Office of Commission Clerk;
- (7) the appropriate regional office of the Department of Environmental Protection; and
- (8) the appropriate water management district. Copies of the Notice and a list of entities noticed shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- B) Exhibit B An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

PART IV FILING FEE

Indicate the filing fee enclosed with the application:

\$ 1,500 $\frac{\infty}{1}$ (for water) \$ (for wastewater).

<u>Note</u>: Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

(1) For applications in which the utility to be transferred has the capacity to serve up to 500 ERC's, the filing fee shall be \$750.

- (2) For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be **\$1,500**.
- (3) For applications in which the utility to be transferred has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be \$2,250.
- (4) For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERC's the filing fee shall be \$3,000.

PART V OTHER

- A) Exhibit Y-Al Evidence that the utility owns the land where the utility treatment facilities are located. If the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.
- B) Exhibit $\sqrt{\beta}$ The original and two copies of revised tariff sheet(s) reflecting the change in ownership. Sample tariff sheets are attached.
- C) Exhibit $\underline{\bigvee c}$ The utility's current certificate(s). If not available, an explanation of the steps taken to obtain the certificate(s).

PART VI AFFIDAVIT

affirm that the facts st	ated in the forgoing hat said statement	Applicant's Signature Applicant's Name (Type President Vice Applicant's Title *	De I che
Subscribed and sworr	to before me this_	20^{44} day of the month of M	.arch
in the year of _2.00	8 by Cary	Deremer + Cecil Delc	her who is are
both personally known to m		or produced the follow	
Type of Identification	Produced		
LORI M. TOMICE Notary Public - State of Notary Public - State of Ady Commission Expires Au Commission # D0464 Bonded By National Nota	Florida 9 21, 2009 1287	Notary Public's Signatur Wri Tom (cek Print, Type or Stamp Name of Notary Public	Commissioned

^{*} If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

Part II Financial and Technical Information

Exhibit A

Transfer of Major Control PSC Application - Pasco Utilities, Inc.

Pasco Utilities, Inc. was established many years ago and has been maintained as a family owned entity since that time. The shareholders wish to sell Pasco Utilities and related service territory assigned. Gary Deremer and Cecil Delcher (buyers), have many years experience in private and public water and wastewater operations. maintenance, construction and compliance. It is felt that the expertise that will be afforded Pasco Utilities, Inc. will certainly benefit the local service area and enhance the management of the Utility.

It is the intention of Mr. Deremer and Mr. Delcher to fulfill the commitments, obligations and representations of the seller with regard to utility matters.

51% Ownership Please see resume of Gary Deremer included within this Exhibit.

Please see resume of Cecil Delcher included within this Exhibit.

Please see Exhibit D/E for Mr. Deremer's financial statement.

Please see Exhibit D/D for Mr. Delcher's financial statement.

DOCUMENT NUMBER-DATE 02323 MAR 27 8 FPSC-COMMISSION CLERK

CECIL DELCHER - Resume

4939 Cross Bayou Boulevard New Port Richey, Florida 34652

Ph: 727-848-8292 Fx: 727-848-7701

Background:

Mr. Delcher has been in the construction field for over thirty years, and has participated in the construction of a wide range of utility, housing and major public works projects in Florida. He has extensive knowledge of the construction process, and the management of large construction projects to ensure quality that meets project specifications, both in terms of cost and time constraints. Successful business relationships have been enjoyed with associates and developers such as US Homes and Lindrick Corporation over the years. Mr. Delcher's attention to detail and excellent client communication have resulted in many repeat projects based on long term successful relationships he has established, both with public and private clients.

Current Professional Experience:

U.S. Water Services Corporation – Vice President, Principal and Certified General Contractor. U.S. Water Services Corporation, is a firm initiated by a group of water and wastewater professionals with high levels of expertise in relation to the business, technical and construction aspects particular to the government regulated water treatment industry. Responsibilities include oversight of bidding, planning and quality control on all major construction projects as well as participation of overall business direction of the company.

D N D Property Partners, Inc. – Vice President and Principal. Property holding company particularly related to provision of water wells for public water systems.

Past Professional Experience:

Azurix North America

11/00 – 05/03 General Contractor Qualifier. In his role as a General Contractor, Mr. Delcher was responsible for quality control on all major construction projects. During this period of time, the company's construction divisions were responsible for up to \$10,000,000 of construction annually.

Services performed under his supervision included building construction, major water and wastewater plant rehabilitation and reconstruction, new plant construction, water distribution and wastewater collection line installation, as well as wastewater lift station and force main construction

H20 Utility Services, Inc.

• 01/97-11/00 General Contractor Qualifier. H2O Utility Services, Inc. was acquired by the Azurix North America 11/00. Responsibilities included building construction, major water and wastewater plant rehabilitation and reconstruction, new plant construction, water distribution and wastewater collection line installation, as well as wastewater lift station and force main construction and advisement on general business matters. Knowledge and insight gathered from his extensive utility construction experience proved invaluable assisting the company successfully construct a wide range of water and wastewater facilities around the State.

Lindrick Corporation

Housing and Utility System Development.

US Homes, Inc.

National representative residential and muti-unit housing construction.

Utility and Public Works Projects:

- Constructed 30,000 sf corporate office building 2000-2001
- Constructed 150,000 gallon elevated storage tank and other water system improvements for the City of Mascotte – 1999
- Constructed master lift station for 1,000,000 gpd tie in of Gulf Harbors WWTP to City of New Port Richey system - 1999
- Constructed Chapel Avenue wastewater pumping station improvements for the City of Port Richey – 1999
- Constructed wastewater pumping station and fire service line for Evangel Assembly of God – Orlando, Florida – 1999
- Constructed duplex submersible wastewater Pumping station for Manatee County – 1999
- Constructed wastewater lift station for Lecanto Middle School – Citrus County School Board - 1999

- Demolition of 150,000 gpd Tarpon Lake wastewater treatment plant and restoration of site for Pinellas County - 1998
- Constructed tertiary filter and flow equalization system modifications to Country Meadows 300,000 gpd wastewater treatment facility, Plant City - 1998
- Constructed new aerobic digester and other plant modifications for 0.36 mgd Jasmine Lakes wastewater treatment facility - 1998
- Constructed hydropneumatic tank and water system improvements for Florida Church of God, Wimauma -1998
- Constructed ground storage tank modifications for the City of Port Richey water treatment plant – 1994
- Constructed sedimentation basin modifications for the City of Port Richey water treatment plant – 1994
- Relocated the City of Port Richey water treatment and storage facility – 1992
- Constructed the Clay Shake Bridge for the City of Port Richey - 1991
- Constructed the Cross Bayou Bridge for Pasco County - 1983
- Constructed upgrades and modifications to the Lindrick Service Corporation Gulf Harbors to 1,000,000 gpd wastewater treatment plant - 1982
- Constructed three miles of canal in Sea Forest subdivision in Pasco County – 1982
 - Constructed 60,000 gpd Highland Lakes potable water treatment plant – Pinellas County – 1973

Education:

 University of Florida, Bachelor of Science, Business Administration – 1960

Professional Certifications and Licenses:

- Licensed General Contractor State of Florida, 1972, Certificate # CGC-003307
- Florida Wastewater Treatment Certificate, "C", #5902
- Commercial Pilot's License, Instrument Rating

Military:

- Patrol Plane Commander, Pacific Fleet
- · Retired Lieutenant Commander, USNR

Gary Deremer

President

Background

Mr. Deremer brings more than 23 years of progressive, successful experience in all phases of water and wastewater services including management of municipal and private systems, professional consulting, engineering/technical, complete utility operations, environmental laboratory services, maintenance, management and construction. His diverse career has allowed him the opportunity to provide technical guidance to specialized engineering groups and which has enabled him to facilitate improved operational designs. He is well known for maintaining the highest level of integrity in business activities and field services. Mr. Deremer is respected at all levels within the regulatory agencies, including the Florida Department of Environmental Protection, the various Water Management Districts, and the Florida Public Service Commission, and is majority shareholder of numerous private utility companies within the State of Florida.

Present Responsibilities

U.S. Water Services Corporation (USWSC)— Principal Founder and President, Mr. Deremer is responsible for overall strategic growth, management, business development and quality control of utility design, construction, operation and maintenance providing services to more that 450 clients.

Most Recent Project Experience

Specialized Technical Support Services: Ongoing provision of technical support to a number of large national engineering firms relating to system design, process control, facility operations, troubleshooting, facility commissioning, and cost estimating for both construction and operations.

St. Luce West Utility District - Florida: Project Manager assigned to resolve lead exceedance issues for 4.0 mgd Reverse Osmosis (RO) Treatment System; utilizing calcite reactors for stabilization. Project involved quick turn-around design/build solution in which USWSC performed both the engineering and construction service to resolve corrosive water issue.

City of Port Richey – Florida: Provision of ongoing technical support, serving approximately 9,000 residents on gulf coast. USWSC provides engineering services including system expansion for the WTF and WW Collection systems, plan reviews, storm water utility management, impact fee rate studies and other related services. Additionally, USWSC provides complete contract operations for the City's 2MGD filtration water treatment facility.

St. Johns County School Board: Startup and commissioning at new RO treatment system in St. Johns County.

Everglades City - Florida: Evaluated the water and wastewater treatment systems of the City of Everglades City. Project included recommendations to restore wastewater treatment facility (WWTF) to advanced wastewater treatment (AWT) standards and the construction of new chloramine disinfection system for the water treatment facility (WTF).

Florida Keys Aqueduct Authority: Provision of ongoing technical support relative to best available treatment (BAT) and advanced wastewater treatment (AWT) treatment in the Florida Keys at the Bay Pointe, Layton and Little Venice facilities.

Key Largo Wastewater Treatment District – Florida: Technical review of proposed wastewater treatment system expansion to 2.0 mgd for advanced wastewater treatment (AWT) facility. Provides technical review of plans, specifications, on-site chemical optimization, reviews system operations and maintenance procedures and make recommendations of utility policies and procedures.

Sioux City, lowa: Technical support provided to develop treatment design alternatives for nutrient removal system for 23.0 mgd wastewater treatment facility. Review process designs and planning documents, perform cost estimates for various treatment and design alternatives.

Islamorada, Village of the Islands: Coordinated the commissioning of a new advanced wastewater treatment membrane wastewater treatment facility. Project included the startup of an extremely complex .35 mgd membrane treatment facility along with a vacuum collection system.

FDEP – John Pennekamp State Park: Project manager for the design of nutrient removal system. Project included the use of a multiple oxic/anoxic design configuration to treat high ammonia loading generate at the park by low-flow toilets and marine pump outs. After implementation of design, system was capable of reliable TN reduction from 150 to 200 mg/L to less than 10 mg/L TN.

General Description of Professional Experience

First hand knowledge of all aspects of water and wastewater utility operation, design, regulatory requirements, engineering, maintenance, construction, laboratory services, distribution and collection systems, operation of excavation equipment, vacuum and closed circuit televising trucks, sealing & grouting equipment, pipeline installation, lift station repair and rehabilitation, and overall business management. Additionally, extensive experience related to reverse osmosis, lime softening, ion exchange filtration, activated carbon, pressure and gravity filtration, iron removal, extended aeration, contact stabilization, nitrogen and phosphorus removal, high level disinfection, advanced waste treatment, sequential batch reactors, rotating biological contactors, trickling filters, rapid infiltration basins, spray fields, wetland treatment & disposal systems, reuse and reclaim systems and surface water discharges. Responsibilities include preparation of various technical reports, policies and plans relating to water conservation, water distribution cross connection control, emergency operation procedures, auxiliary power generation, disaster preparedness, capacity analysis for water and wastewater systems, unaccounted water studies, safety programs and oversight of all other regulatory reports. Provide contract negotiations for private and public utilities relating to bulk water and wastewater agreements, service territories and associated fee and rate schedules.

Specific Professional Experience

City of Port Richey, Florida

• 1993 – 2005 Maintained the appointed public position of Consulting Director of the utility system serving over 9000 residents. Responsibilities included all aspects of the Utility System, including strategic growth planning, rate studies, regulatory monitoring and enforcement, preventative and emergency maintenance oversight, attendance and representation of the Utility Department at City Council meetings, budgeting and staff oversight.

American Water Services, Inc.

 11/00 – 04/03 General Manager and Vice President for the State of Florida and Caribbean Operation and Maintenance Division of American Water Services, Inc., formerly known as Azurix North America, H₂O Utility Services and Culligan Operating Services; responsibilities included planning, budgeting, staffing, business development, training, and provision of overall management, leadership and direction for the Division. The division consisted of more than 150 employees with estimated annual sales in excess of \$24,000,000.00 for the year 2002.

- Prepared and implemented a merger plan to amalgamate H₂O Utility Services, Inc., & Culligan Operating Services into a Florida Operations and Maintenance Group. The merger plan provided the foundation and blueprint for the Florida Operations and accurately identified areas of administrative consolidation including office locations, equipment and staffing resources, the cross marketing of business lines within and outside of the Florida group, the creation of geographical regions to enhance customer service and increase profitability, and future markets. The plan was successfully implemented in January 2001 as demonstrated by achieving target margins, staffing stability, increased market share and notable growth.
- Secured in excess of \$160,000,000.00 in aggregate value of new business in the areas of utility operation, maintenance and construction during the year of 2001. This included selection by the Florida Governmental Utility Authority as preferred operating company for their pending purchase of the Florida Water Utility System. Mr. Deremer led the proposal team and negations on a proposal that totaled approximately \$40,000,000.00 per year in value.
- In late 2001 expanded to create an additional region in the US Virgin Islands. Initial presence in the market was established, the region became self-supportive in regard to revenue, and high levels of growth were obtained.

Founder H20 Utility Services, Inc. 1993

President from inception to 2000 when this company was sold to Azurix/American Water Services, Inc. As a utility operations and maintenance company, the company primarily provided utility related services within the State of Florida. In 1998 the company was expanded to provide Engineering, General Contracting and Laboratory Services. The company experienced progressive growth and substantial profitability and became part of a national company at the time of sale.

Utility Manager - City of Port Richey - May 1989-October 1993 (as direct city employee):

- Managed a twenty million dollar water and wastewater utility system. Utility system services approximately 9,000 residents in West Pasco County, Florida. Developed and implemented plans and procedure for the efficient operation and maintenance of the City's utility system.
- Conducted feasibility studies for private utility systems acquisition.
- Supervised personnel engaged in utility billing, inspection, water and wastewater operation, and maintenance.
- Made recommendations to City Council regarding sufficiency of rates, capital improvements, budgeting, staffing and utility related contracts.

Additional Professional Activities

- Prepared curriculum and taught Backflow/Cross Connection on behalf of Region 4 of the Florida Water and Pollution Control Operators Association.
- Instructed students during an annual Short School in the subjects of mathematics and lime softening.
- Conducted numerous oral presentations on water conservation to various civic associations in West Pasco County.

Education

- California State University, Sacramento. Advanced Waste Treatment Course. January 1994.
- Pinellas County Technical Institute. Florida Water and Pollution Control Operators Association.
 Wastewater Collection. Technology training Course. September 1993
- Pinellas County Technical Institute. Florida Water and Pollution Control Operators Association. Water Distribution B Technology Training Course. April 1993.
- Florida Chamber of Commerce Environmental Permitting Summer School. July 1991, August 1990.
- Santa Fe Community College. Florida Water and Pollution Control Operators Association.
 Wastewater Collection Class C Technology Training Course. August 1991.
- California State Univ. Sacramento. Operation of Wastewater Treatment Plants. Volume I: July 1991.
 Volume II: August 1991.
- Pinellas Vocational Technical Institute. Florida Water and Pollution Control Operators Association.
 Backflow Prevention Assembly Tester Training Course. September 1990.
- Santa Fe Community College. Florida Water and Pollution Control Operators Association. Water Distribution Class C Technology Training Course. August 1990.
- California State University Sacramento. Operation and Maintenance of Wastewater Collection Systems. Volume I: June 1990. Volume II: September 1990.
- California State University, Sacramento. Operation and Maintenance of a Water Distribution System.
 February 1990.
- Michigan State University. Supervisory Management in the Water/Wastewater Field. November 1990.
- University of Florida. Water Treatment Plant Operations Course. December 1988.
- California State University, Sacramento. Water Treatment Plant Operation. Volume I: January 1988.
 Volume II: July 1988.
- Pinellas Vocational Technical Institute. Water Operations Training Program Class C. December 1986.
- Florida Water and Pollution Control Operators Association. Water and Wastewater Treatment.
 Annual Short School. December 1986. October 1987. February 1988.

Professional Certifications

Note: State of Florida, Department of Business and Professional Regulation: Underground Utility Contractor – recently successfully passed examination, license application in process.

- State of Florida, Department of Business and Professional Regulation: Licensed Water Treatment Plant Operator, Certification (#COA5894)
 - Class A February 1989
 - Class B August 1988
 - Class C February 1987
 - Class D November 1986
- State of Florida, Department of Business and Professional Regulation; Licensed Wastewater Treatment Plant Operator. Certification (#COB8727).
 - Class B July 1994

- Class C May 1993
- · Wastewater Collection Technician.

Class A Certification #358 July 1997

· Wastewater Collection Technician.

Class B Certification #563. October 1993.

· Wastewater Collection Technician.

Class C Certification #1351. August 1991.

- · Backflow Prevention Assembly Tester. Certification #7.
- · Water Distribution Technician.

Class A Certification #285 July 1997

· Water Distribution Technician.

Class B Certification #371, April 1993.

· Water Distribution Technician.

Class C Certification #996. August 1990

Professional Memberships

- · American Water Works Association
- Florida Water and Pollution Control Operators Association
- · National Rural Water Association

Part II Financial and Technical Information Other Utility Entities Owned

Exhibit B

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

Virginia City Utility Company	WU864 - Gary Deremer/Community Utilities of Florida, Inc.
Dixie Groves Utility Company	WU865 – Gary Deremer/Community Utilities of Florida, Inc.
Colonial Manor Utility Company Holiday Utility Company, Inc.	WU894 – Gary Deremer & Cecil Delcher WU111 – Gary Deremer/Holiday Waterworks Corporation

FOCE-COMMISSION CLERK

Part II Financial and Technical Information Purchase Agreement

Exhibit C

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

- 1) Purchase Agreement
- 2) Agreement to Close Prior to Approval

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

AGREEMENT TO CLOSING PRIOR TO PUBLIC SERVICE COMMISSION APPROVAL

BY THIS INSTRUMENT, in connection with the sale of water utility assets currently known as the **Pasco Utilities**, Inc., ("Seller") a Florida Corporation, to **Gary Deremer and Cecil Delcher**, ("Buyer") the parties agree that the transaction remains contingent upon the approval of the Public Service Commission and that the closing is subject to rescission if the approval is not granted, the buyer agrees to operate the system and to keep bookkeeping and other records in a form as close as possible to that used by Pasco Utilities, Inc., prior to the sale.

BUYER acknowledges that the transaction is being executed at this time at his request and that:

- 1. Buyer shall hold seller harmless from any loss suffered as a result of closing before the approval of the Public Service Commission, including, without limitation, liability for fines levied by the Commission.
- 2. Any additions, repairs, improvements to any real property or personal property conveyed to buyer shall be made at the buyer's expense, and seller shall be under no duty to reimburse buyer for any such expenses if the Public Service Commission approval is not granted. Income generated by the assets purchased shall be the property of buyer, who may use the income in making any such additions, repairs and improvements. However, buyer shall not mortgage or pledge any future income generated by the assets, in order to finance such repairs, additions or improvements prior to such approval.
- 3. Certain prorations to have been preformed at closing, will be made within a reasonable time after closing rather than as an adjustment at closing. Any net amount owed shall be paid by the obligor in cash, promptly after the computation of the prorations have been completed.

Pasco Utilities, Inc

By: Maynard Fernandez, President

By: Vick lenich Atto

Gary Deremer

By: Atto

Signed:

Date: 01-28-08

AGREEMENT FOR PURCHASE AND SALE OF SHARES

THIS AGREEMENT (the "Agreement") is entered into in Port Richey, Florida, on the day of florida of the state of the state

RECITALS

- A. The Seller is the owner of 240 of the issued and outstanding shares of common stock issued by **PASCO UTILITIES, INC., a Florida corporation**, (the "Corporation") which represents 100% of the authorized capital stock of the Corporation.
- B. The Seller desires to sell to the Buyer, and the Buyer desires to purchase from the Seller 240 shares of the issued and outstanding shares of capital stock of the Corporation, hereinafter referred to as the "Stock", upon the terms and conditions contained herein.

THEREFORE, in consideration of the mutual promises and conditions contained herein, the parties agree as follows:

AGREEMENT

- 1. <u>PURCHASE AND SALE OF STOCK.</u> Subject to the terms and conditions of this Agreement, the Seller agrees to sell, transfer and assign to the Buyer, and the Buyer agrees to purchase, 240 shares of Common Stock of the Corporation, such shares in the aggregate constituting ONE HUNDRED PERCENT (100%) of all of the issued and outstanding capital stock of the Corporation. Specifically, Seller shall transfer Stock Certificate #01 representing 122 shares of Common Stock of the Corporation to Gary Deremer and Stock Certificate #02 representing 118 shares of Common Stock of the Corporation to Cecil Delcher.
- 2. <u>PURCHASE PRICE</u>. The total price to be paid by the Buyer to the Seller for the Stock being sold hereunder shall be Three Hundred Seventy-five Thousand dollars (\$375,000.00).
- 3. <u>PAYMENT OF PURCHASE PRICE</u>. The purchase price described in Paragraph 2 hereof shall be paid as follows:

(a) Method of Payment

- (i) \$10,000.00 upon execution of this Agreement.
- (ii) Buyer shall make down payment of Forty Thousand dollars (\$40,000.00) by federal wire transfer or certified cashier's check drawn on a local bank to be delivered to the Seller at the time of closing.
- (iii) Buyer shall pay the remaining Three Hundred Twenty-five Thousand dollars (\$325,000.00) to Maynard Fernandez, at 9% interest, payable in monthly in installment payments of Three Thousand Two Hundred Ninetysix and 37/100 dollars (\$3,296.37) per month.

Initials: My 7

(b) Conditions on Installment Payments

- (i) Buyer shall execute a note, further specifying the method of payment of installments to Seller, of substantially the form provided in Exhibit "3(A)" (the "Note"), and Security Agreement, of substantially the form provided in Exhibit "3(B)." As further security provided to the Seller, the Corporation shall execute a mortgage of substantially the form provided in Exhibit "3C", and a Security Agreement, of substantially the form provided in Exhibit "3(D)". The mortgage and the security agreements referred to in this paragraph shall be collectively referred to in this Agreement as the "Security Instruments."
- (ii) The Stock and other property, real and personal, identified in the Security Instruments shall serve as collateral for the installment payments made to Seller.
- (iii) The Stock certificates shall be retained by the Seller until the Note is paid in full
- 4. THE CLOSING, THE CLOSING DATE, and CLOSING COSTS. The closing date for this sale shall be January 28, 2008 with an effective date of January 28, 2008, or such date as the Buyer and the Seller may mutually agree. The closing shall be held at the office of de la Parte & Gilbert, P.A., 101 E. Kennedy Blvd., Suite 3400, Tampa, FL 33602. At closing, Buyer shall pay the costs of all documentary stamp taxes due on the Note, Security Instruments, and financing statement(s), the costs of filing the financing statement(s), and the cost of recording the Note and Security Instruments.

Upon transfer of the Stock to Buyers, Buyers shall execute consents appointing new officers of the Corporation. The appropriate newly appointed officer(s) of the Corporation shall execute the Note, Mortgage and Security Agreement on behalf of the Corporation.

- 5. <u>Cancellation of Prior Note given to Maynard Fernandez by Pasco Utilities, Inc.</u> Upon execution of the Note and the closing of this sale, Maynard Fernandez releases and discharges the Corporation from any and all further liability upon that certain prior note in the amount of \$199,000, of uncertain date, given by the Corporation to Maynard Fernandez.
- 6. <u>Default</u>. If the Buyer fails to perform this Agreement within the time specified, any deposits paid by the Buyer may be retained by or for the account of the Seller as liquidated damages, consideration for the execution of this Agreement and in full settlement of any claims, whereupon all parties shall be relieved of all obligations under the Agreement, or the Seller, at its option, may proceed at law or in equity to enforce its legal rights under this Agreement. If, for any reason other than failure of the Seller to render its title marketable after diligent effort, the Seller fails, neglects, or refuses to perform this Agreement, the Buyer may seek specific performance or elect to receive the return of its deposits.
- 7. <u>Representations and Warranties of Seller.</u> The Seller makes the following representations and warranties to the Buyer:

Initials: M).

- 7.1 Recitals. All of the recitals in the preamble to this agreement are true and are incorporated in this Agreement as representations of the Seller.
- 7.2 Title. The Seller has good, absolute, and marketable title to the stock, free from all liens, claims, and encumbrances. The Seller has the unfettered right, power, and authority to sell all of the stock under this agreement. Delivery of the stock to the Buyer as contemplated by this Agreement will vest unencumbered title to the stock in the Buyer.
- 7.3 Financial Statements. The Seller has delivered the financial statements of the Corporation to the Buyer. These financial statements are true and correct and have been prepared according to generally accepted accounting principles and there are no liabilities of the Corporation that are not disclosed in these statements. Since the date of the most recent of these financial statements, the Seller warrants that the Corporation has not made any distributions to shareholders or employees, created any obligations or liabilities or transferred any assets outside the ordinary course of business, or canceled any debts or waived any rights. The Seller further warrants that the Corporation will not do so before closing without the express prior written consent of the Buyer.
- 7.4 Taxes. The Corporation has filed all required federal, state, and local tax returns and has fully paid all federal, state, and local taxes due. The Corporation has fully complied with all provisions of all federal, state, and local tax laws. The Corporation has not had any tax deficiencies proposed or assessed against it and has not executed a waiver of the statute of limitations on the assessment or collection of any tax. No taxing authority has audited the books, records, or returns of the Corporation. If a tax deficiency of the Corporation relating to events occurring before the closing is determined after the closing, the Seller shall be responsible for the full payment of any such deficiency.
- 7.5 Litigation. There is no litigation, arbitration, or other legal, judicial, administrative, or government action against the Corporation or its assets. Neither the Seller nor the Corporation is aware of any facts that might give rise to such a proceeding.
- 7.6 Compliance with Laws and Corporate Instruments. The business and operation of the Corporation complies with all applicable federal, state, and local laws, ordinances, rules, and regulations, and with all provisions of corporate Articles of Incorporation, Bylaws, and Resolutions.
- 7.7 Assets. All assets, including but not limited to leasehold interest, all real property, all tangible and intangible personal property, all contracts, all accounts receivable, deposits held for the Corporation by third parties, all patents and trademarks, and all insurance policies of the Corporation, are unencumbered. Performance of this Agreement will not alter the Corporation's title to any of it's assets.
- 7.8 Compensation of Officers and Others. There has not been any change in the rate of compensation paid any officer, director, employee, agent, or consultant of the Corporation from that paid on the date of the Exhibit A financial statements. No such change will be made before closing without the express prior written consent of the Buyer.

Initials: M.)

- 7.9 Corporate Records. Seller shall provide all corporate records in its possession to Buyer, including copies of the Articles of Incorporation and Bylaws of the Corporation.
- 7.10 Disclosure. No representation or warranty furnished by the Seller to the Buyer in this Agreement contains any untrue statement of a material fact or omits any material fact required to make such statements not misleading.
- 8. <u>Representation and Warranties of Buyer</u>. The Buyer makes the following representations and warranties to the Seller:
- 8.1 Broker. No broker has been involved in the procuring of the Buyer or in the negotiation of this Agreement.
- 8.2 Intrastate Transaction. The Buyer and Seller are residents of Florida. The Corporation is a Florida Corporation. All negotiations and communications relating to this transaction took place within Florida.
- 8.3 Power of Buyer. The Buyer has full power and authority to enter into and to consummate this Agreement.
- 8.4 Purpose of Purchase. The Buyer is purchasing corporate stock under this Agreement neither for investment nor for resale. The Buyer intends to be personally involved in the management of the business of the Corporation, and realizes that the success or failure of the Corporation after the sale of stock under this Agreement will depend primarily on the efforts and ability of the Buyer rather than on the efforts of others.
- 8.5 Origination of Transaction. The transaction contemplated by this Agreement was initiated by the Buyer's inquiry rather than by any offering by the Seller.
- 8.6 The warranties and representations of the Buyer shall be true as to the date of this Agreement and shall continue to be true until closing.
- 9. <u>Conduct of Corporation Business Pending Closing.</u> The Seller agrees that from the date of this Agreement until closing:
- 9.1 Full Access. The Buyer and its authorized representatives shall have full access during normal business hours to all property, books, records, contracts, and documents of the Corporation in Seller's possession. The Buyer agrees to hold all information received from the Corporation in confidence until after the closing. If for any reason closing does not occur, Buyer agrees to hold all information from the Corporation in confidence in perpetuity. The rights and obligations created under this provision shall survive termination of this Agreement.
- 9.2 Regular Course of Business. Except with the prior written consent of the Buyer, the Corporation shall operate in the ordinary course of business.
- 9.3 Contracts. Except with prior written consent of the Buyer, the Corporation will not enter into any new contracts or incur any new indebtedness outside of the ordinary course of its business and all existing contracts are identified on the attached Exhibit "9.3".

Initials: M.

- 9.4 Compliance With Laws. The Corporation and the Seller will comply with all laws and all provisions of this Agreement.
- 10. <u>Conditions Precedent to Buyer's Obligation</u>. The Buyer's obligation to perform under this Agreement shall be subject to the satisfaction of the following conditions before or contemporaneously with closing:
- 10.1 Truth of Warranties and Representations. The warranties and representations of the Seller shall be true as to the date of this Agreement and shall continue to be true until closing.
- 10.2 Actions of Corporation. The actions of the Corporation shall have complied with the provisions of paragraphs 6 and 8 of this Agreement.
- 10.3 Resignation of Directors and Officers. The Seller shall deliver resignations of all officers and directors of the Corporation to the Buyer.
 - 10.4 Employment Agreements. There are no existing employment agreements.
 - 10.5 The Seller shall deliver a full and complete list of all customers to the Buyer.
- 10.6 Any necessary regulatory approvals that have been obtained, including but not limited to Florida Public Service Commission Operating Certificate, permitting and registration of wells by local and state agencies, permitting by Florida Department of Environmental Protection and any regulatory agency correspondence relating to operation or permitting of the facility.
- 11. <u>Indemnity of Buyer; Liabilities of Corporation</u>. Seller acknowledges and agrees to indemnify and hold Buyer harmless from any liability or damages that result from the violation of any warranty or representation contained herein, or for any liability, claim or demand of the Corporation after the closing resulting from events or business of the Corporation occurring prior to closing. Notwithstanding the foregoing sentence, Buyer shall be responsible for the following liabilities of the Corporation: (1) Corporation's liabilities due and payable to U.S. Water Services at the time of signing of this agreement which total approximately \$75,000.00; (2) Corporation's liabilities and obligations to Corporation's customers who have paid a deposit to the Corporation; (3) PSC regulatory assessment in the amount of approximately \$5,800.00, which is due in February, 2008.
- 12. <u>Records of the Corporation</u>. For a period of 5 years following the date of closing, the books of account and records of the Corporation covering the time before the date of closing shall be made available by the Buyer for inspection and use in connection with tax audits. The Buyer agrees to keep any information obtained in such inspection confidential.
- 13. <u>Notices</u>. Any notice, communication, request, approval, or consent that may be given or that is required to be given under the terms of this Agreement shall be in writing, and shall be delivered or mailed by first class mail, and shall be deemed validly served and given on the date of delivery if given by personal delivery or three (3) days after the postmark date if given by first

Initials: MY?

class mail. The notice shall be sent to the following address or to another address as each party may designate for itself by like notice given in accordance with this section.

If to Seller:

Attn: Maynard Fernandez 40 Sandpiper Road Tampa, FL 33609

If to Buyer:

Attn: Gary Deremer and Cecil Delcher 4939 Cross Bayou Boulevard New Port Richey, FL 34652

- 14. Governing Law. This Agreement shall be governed in its enforcement, construction, and interpretation by the laws of the state of Florida.
- 15. <u>Invalidity of Provisions</u>. The unenforceability, for any reason, of any term, condition, covenant, or provision of this Agreement shall neither limit nor impair the operation, enforceability, or validity of any other terms, conditions, provisions, or covenants of the Agreement.
- 16. <u>Attorneys' Fees and Costs</u>. In the event of any litigation between the parties arising out of or relating to this Agreement, the prevailing party shall be entitled to recover all costs incurred and reasonable attorneys' fees, including attorneys' fees in all investigations, trials, bankruptcies, and appeals.
- 17. Good Faith Efforts. The Seller and the Buyer covenant to use their best efforts both before and after closing in good faith to comply with the provisions of this Agreement.
- 18. <u>Assignment by Buyer</u>. The Buyer shall have the right to assign this Agreement without the prior written consent of the Seller. In the event Buyer assigns this Agreement, Buyer shall not be released from liability under this Agreement.
- 19. <u>Captions</u>. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend, or limit the scope or intent of this Agreement or the intent of any provision in it.
- 20. <u>Entire Agreement</u>. This Agreement constitutes the entire agreement of the parties and may not be amended or modified except in a writing signed by both parties. All prior understandings and agreements between the parties are merged in this Agreement, which alone fully and completely expresses their understanding.
- 21. <u>Successors</u>. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors, assigns, and personal representatives.
- 22. <u>Construction</u>. This Agreement shall not be construed against either party regardless of who is responsible for its drafting.

Page 6 of 7

Initials: MO)

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

Witnesses)

BUYER:

GARY DEREMER

CECIL DELCHER

SELLER:

MAYNARD FERNANDEZ

#193485v5

Part II Financial and Technical Information

Exhibits D and E

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

The buyers, Gary Deremer and Cecil Delcher, have executed the financial transaction relating to the purchase of Pasco Utilities, Inc., to take control and ownership pending PSC approval. The funds utilized for purchase were provided my Mr. Deremer and Cecil Delcher jointly. Financial statements are included for your review as well as purchase agreement for which they are personally responsible.

DOCUMENT ALMBER DATE

02323 MAR 27 8

FPSC-COMMISSION OLFRK

NOTE

 $\frac{\mathcal{O}l^{-2}8^{-2}8}{\text{(Date)}} \qquad \frac{\text{Tampa}}{\text{(City)}} \qquad \frac{\text{Florida}}{\text{(State)}}$

1. BORROWERS PROMISE TO PAY

In return for a loan that I, the undersigned, (if more than one, each of them jointly and severally) have received, I promise to pay in U.S. dollars, Three Hundred Twenty-five Thousand dollars (\$325,000.00) (this amount is called principal), plus interest, to the order of the Lender. The Lender is Maynard Fernandez, whose address is 40 Sandpiper Road, Tampa, FL 33609. I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the Note Holder.

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a fixed annual rate of nine percent (9%).

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the first day of each month beginning on March 1, 2008. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before principal. If, on March 1, 2023, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the maturity date.

I will make my monthly payments at 40 Sandpiper Road, Tampa, FL 33609, or at a different place if required by the Note Holder.

Initials:

(B) Amount of Monthly Payments

My monthly payment will be in the amount of Three Thousand Two Hundred Ninety-six and 37/100 dollars (\$3,296.37) in the form of U.S. Dollars which shall constitute principle and interest calculations per attached amortization schedule.

4. BORROWERS RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a prepayment. When I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a prepayment if I have not made all the monthly payments due under the Note.

I may make a full prepayment or partial prepayments without paying a prepayment charge. The Note Holder will use my prepayments to reduce the amount of principal that I owe under this Note. However, the Note Holder may apply my prepayment to the accrued and unpaid interest on the principal amount, before applying my prepayment to reduce the principal amount of the Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the maximum legal limit, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the maximum legal limit; and (ii) any sums already collected from me which exceeded the maximum legal limit will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. BORROWERS FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of <u>fifteen (15)</u> calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the late charge will be \$100.00. I will pay this late charge promptly but only once on each late payment. The foregoing late charge is provided to compensate the Note Holder for its expense in collecting and administering delinquent payments and is not to be construed as interest.

(B) Default

If I do not pay the full amount of each monthly payment when due in accordance with Section 3 ("Payments") above, I will be in default. I will also be in default of this Note if I am in default under any other document evidencing or securing the debt described herein.

Initials:

(C) Notice of Default

If I am in default, the Note Holder shall send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holders Costs and Expenses

If the Note Holder has required me to pay immediately in full through a judicial proceeding, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at 4939 Cross Bayou Boulevard, New Port Richey, FL 34652, or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at 40 Sandpiper Road, Tampa, FL 33609 or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person or entity signs this Note, each is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person or entity individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

Subject to Section 6(c) (Notice of Default) of this Note, I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. Presentment means the right to require the Note Holder to demand payment of amounts due. Notice of

Initials (D)

Cecil Delcher and Diana Miller

STATEMENT OF ASSETS AND LIABILITIES

(ESTIMATED VALUE BASIS) February 26, 2008

Cecil Delcher and Diana Miller

STATEMENT OF ASSETS AND LIABILITIES (ESTIMATED VALUE BASIS) February 26, 2008

ASSETS:

Cash		
Checking, Savings, Investment Checking	\$	229,105.00
Marketable Securities		326,437.00
IRA's/ Retirement Accounts		220,000.00
Cash Value Life Ins Policies		12,706.00
Real Estate (Assessed Value 2007)		
Primary Residence		338,000.00
Secondary Residence 518 N. Gulf Boulevard -Indian Rocks Beach		330,000.00
Lots (2 lots)		126,000.00
Estate Property (Inherited 2007) 844 S. Delaware Ave, Tampa, FL		629,000.00
Personal Effects		45,000.00
Vehicles		35,500.00
Business Assets		
**U.S. Water Services Corporation Est Market Value @ 9.2% Shares Held		736,000.00 *
D&D Property Partners, Inc. FMV @ 49% Shares Held		117,600.00
Colonial Manor Utility Company FMV @ 49% Shares Held		651,700.00
Pasco Utilities, Inc. FMV @ 49% Shares Held		623,770.00
Construction Equipment Owned		25 000 00
Wheel Loader, Grading Tractor, Etc.		35,000.00
Total Assets:	_	4,455,818.00
Liabilities:		
Notes Payable		
Personal Residence		0.00
Other Properties		0.00
Colonial Manor Utility Liability 49% \$151,498		74,234.00
D&D Prop Part, Inc (Colonial Mnr Strt Light System) Liab 49% \$102,084		50,021.00
Pasco Utilities, Inc. Liability 49% \$325,000		159,250.00
Total Liabilities:		283,505.00
Net Worth Excess Of Assets Over Liabilities:	\$	4,172,313.00
Total Liabilities and Net Worth:		4,455,818.00

Conservative Company Market Value Estimated at \$8,000,000.00

Gary and Patricia Deremer

STATEMENT OF ASSETS AND LIABILITIES

(ESTIMATED VALUE BASIS) March 7, 2008

STATEMENT OF ASSETS AND LIABILITIES (ESTIMATED VALUE BASIS) March 8, 2008

ASSETS:

Cash Checking Gary Deremer Investment Checking/Savings Savings Savings Savings Savings Savings Savings Savings Savings Marketable Securities Real Estate Primary Residence Commercial Office Building Cross Bayou NPR, FL Monoring Lots Guilf Harbors Developed Lots Multi Family Zoned: Seaforest Drive Multi Family Zoned: Seaforest Drive Multi Family Zoned: Firestation Road Commercial Zoned: Cifice Bidg Prop Firestation Road Personal Effects Vehicles 2003 Jaguar S-Type Vatercraft - 4 Vessels Note Roceivable Lindrick Service Corp. Business Assets "U.S. Water Services Corporation D&D Property Partners, Inc. Market Value @ 63.2% Shares Held 121,380.00 D&D Property Partners, Inc. Community Utilities of Florida, Inc. Market Value @ 51% Shares Held 121,380.00 Pasco Utilities, Inc. Tax (Credits) Tract 53 - Port Richey 10 Acre: Donated to City of Port Richey 8/06 - Tax Credit Noted Total Assets: Liabilities: Notes Payable Personal Residence Commercial Office Building 2003 Jaguar S-Type Liabilities Liabilities Liability @ 51% \$151,498 Liability @ 51% \$151,498 Liabilities. Inc. Colonial Manor Utility Liability @ 51% \$151,498 Liabilities, Inc. Colonial Manor Street Light System Holiday Utility Company Pasco Utilities, Inc. Liabilities and Net Worth Net Worth Excess of Assets Ov⊏ Liabilities 1,744,446.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,788.00 1,754,754,768.00 1,754,754,768.00 1,754,754,768.00 1,754,754,76			Total	
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Commercial Zoned: Office Bidg Prop Firestation Road Personal Effects 2003 Jaguar S-Type 200,000.00 Watercraft - 4 Vessels Note Receivable Lindrick Service Corp. Business Assets **U.S. Water Services Corporation Market Value @ 63.2% Shares Held ** D&D Property Partners, Inc. Market Value @ 51% Shares Held ** Community Utilities of Florida, Inc. Market Value @ 51% Shares Held ** D&D Property Partners, Inc. Market Value @ 51% Shares Held ** Colonial Manor Utility System Market Value @ 51% Interest Held ** Holiday Waterworks Corporation Market Value @ 51% Interest Held ** Pasco Utilities, Inc. Market Value @ 51% Shares Held ** Tract 53 - Port Richey 10 Acres Donated to City of Port Richey 8/06 - Tax Credit Noted ** **U.S. Water Services Corporation Market Value @ 51% Shares Held ** Pasco Utilities, Inc. Market Value @ 51% Shares Held ** **V.S. Water Services Corporation Market Value @ 51% Shares Held ** **Shares				
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Note Receivable Lindrick Service Corp. Business Assets	· · · · · · · · · · · · · · · · · · ·		20,000.00	
#U.S. Water Services Corporation			170,000.00	
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	Total Liabilities:		2,004,352.00	•
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		•		:

Company Value: Estmated Conservative Market Value \$8,000,000

Part II Financial and Technical Information

Exhibit F

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

After review of the existing Pasco Utilities plant operation, while the overall system is in appropriate working order. There are some improvements pending which are dictated by FDEP requirements, but there are no existing regulatory or compliance issues active related to the improvements or any other issues.

Gary Deremer, President

DOCUMENT NUMBER-DATE

FPSC-COMMISSION CLERK

Statement of Conditions

RE: Pasco Utilities, Inc. (Angus Valley) - Pasco County Florida

Date: August 31, 2006

This report is designed to provide information as to the current condition of your facility, identify necessary improvements, assign a preliminary cost for such improvements, and provide an overview of overall facility compliance with applicable State and County rules and regulations.

The explanations of the priority levels depicted below are as follows:

Priority 1	Needs immediate attention
Priority 2	Needs attention within the next 90 days
Priority 3	Needs attention within the next 6 months
Priority 4	Needs attention within the next 6-12 months
Priority 5	Needs attention within the next 1-3 years
Priority R	Routine reoccurring maintenance activity

The results of the comprehensive on-site inspection conducted in February 2006 are as follows:

I. HEALTH AND SAFETY

These items concern Health and Safety related issues relative to OSHA and FDEP rules and regulations. Correcting these deficiencies is necessary to minimize the level of exposure.

Concern	Suggested Remedy	Estimated Cost	Priority Level
Electrical wiring in Both Control rooms	Repair or remove exposed electrical	\$2,404.26	1
exposed which may cause an interruption in facilities operation and/or physical harm to employees.	wiring and bring up to standard code, replace control panel.	(\$1,202.13 each)	
Well No. 3 & 4: Further	Fence perimeter of the	\$8,000.00	
Secure Well sites with Chain-link fencing.	immediate property surrounding the wellhouses. Estimate 60'x60'x6' Fence.	(\$4,000.00 each)	1
Partial Rehabilitation of	Rehabilitate Well heads,	\$10,103.29	
Well No 4 & 3: Well	new well seal and		1
heads in poor repair,	grouting.		
casing is not grouted.		·	_

II. LIABILITY EXPOSURE

These items concern areas of risk to employees and the general public, resulting from general liability and property liability exposure. Correction of deficiencies is necessary to minimize the level of risk to the facility Owner.

Concern	Suggested Remedy	Estimated Cost	Priority Level

Well No. 3: Abandoned Hydro-tank on property depleting the quality of the condition of the facility	Remove abandoned tank Perform does not include demolition to be done by others at no charge.	\$250.00	1
Well No. 3: Abandoned Mobile Home on property depleting the quality of the condition of the facility.	Removed abandoned Mobile Home does not include demolition to be done by others at no charge.	\$250.00	1

III. FACILITY OPERATIONS

These items address plant effluent quality for the WTF. These items specifically relate to compliance with drinking water standards.

Concern	Suggested Remedy	Estimated Cost	Priority Level
Well No. 3 & 4: Mercoid switch rusted, which may result in extreme high or low pressure, resulting in disruption of normal operation of service.	Repair or replace Mercoid switch to assure that the proper PSI is maintained at all times.	\$1,846.00 (\$943.00 each)	1
Replace Pressure gauge corroded, and may affect the ability of the mercoid switch to operate as designed.	Replace pressure gauge to assure that the proper PSI is maintained at all times.	\$900.00 (\$450.00 each)	1
Well No. 3 & 4: Hydrotank Inspection and Certification (required every five 5 years)	Two Hydrotanks, Schedule inspection performance.	\$5,000.00 (\$2,500.00 each)	1 & R
Well No. 3 & 4: No Auxiliary Power source on sight as required by rule 62-555. 320 (6)f.a.c.	Install 2 emergency LP Gas Generators with LP Tank on site (as required by rule 62- 555.320(6).f.a.c.)- local site prep, slab if needed installation and wiring. Does not include gas company deposit.	\$56,000.00 (\$28,00.00 each)	1

III. MAINTENANCE

These items address the corrective, routine and preventative maintenance relating to the Water Treatment Facility (WTF), Water Distribution System. Properly maintaining your equipment and facilities will increase your equipments useful life and help ensure environmental and plant operating permit compliance.

Concern	Suggested Remedy	Estimated Cost	Priority Level
Well No. 3 & 4: Piping corroded at plant and subject to erupt resulting in interruption of service.	Replace piping from injection point to point of discharge with sched.80 PVC.	\$1,500.00 (\$750.00 each)	2
Wellhouses for Well No. 3 & 4: Access control to WTP in poor condition, roof in poor condition, requires painting.	Replace front door and repair walls, replace shingles & paint building	\$8000.00 (\$4,000.00 each)	2
Well No. 3 & 4: Hydro tank shows signs of rusting giving potential to leaks and eruptions.	Pressure wash, treat rust, prime and paint Hydro tanks.	\$3182.00 (\$1,591.00 each)	2

Total Anticipated Cost of Improvements:

\$97,435.55

Note:

Cost estimates used are at today's pricing and do not reflect cost for inflation in year of 2007.

Prepared by: Ken Martin, Utilities Supervisor – U.S. Water Services Corporation

Part III Notice of Actual Application

Exhibits A.1 – A.8

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

1. - 8. Legal Notice - Will be a late filed exhibit.

DOCUMENT NUMBER-DATE
02323 MAR 27 8

Part III Notice of Actual Application

Exhibit B

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

Notice to customers will be a late filed exhibit.

Will contain affidavit of filing. Affidavit of person filing. Copy of Notice to Customers.

DOCUMENT NUMBER-DATE

02323 MAR 27 8

FPSC-COMMISSION CLERK

Part III Notice of Actual Application

Exhibit C

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

Notice in Newspaper Affidavit Publication will be a late filed exhibit.

DOCUMENT NUMBER -DATE

02323 MAR 27 8

Part IV Notice of Actual Application

Filing Fee

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

Please find attached filing fee totaling \$1,500.00 to cover Pasco Utilities, Inc. transfer of control application. ERC capacity between 501-2000.

Check #72006 forwarded to ADM/Fiscal on 3/27/08. R.V.N.

DOCUMENT NUMBER-DATE
02323 MAR 27 8

Part V Proof of Land Ownership

Exhibit A.1

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

Please see attached Pasco County Property Tax Records. Survey Map of Both Parcels

>

DOCUMENT NUMBER-DATE
02323 MAR 27 8

<< OR 1205/1189

Pasco County Official Records [PDF | JPG | **GIF**]

OR 1205/1192 >>

WARRANTY DEED, Book: 1205 Page: 1190

LS ANGUS VALL U 3

Certified Copies of any Official Record must be obtained from the Clerk of the Circuit Court.

At First Page

Page 1 of 2

Page 2

WARRANTY DEED (FROM CORPORATION) FORM R.E. 1 %-1 MANAGEMENT OF THE STREET OF TH This Indenture, Made, this 25th day of August Wherever used herein, the term "party" shall include the heirs, personal representatives, cessors and/or assigns of the respective parties hereto; the use of the singular number : include the plural, and the plural the singular; the use of any gender shall include all gent BETWEEN McDill Columbus Corporation a corporation existing under the laws of the State of Florida , having its 1 cipal place of business in the County of Hillsborough and State of Florida party of the first part, and Pas∞ Utilities, Inc., a Florida corporation* of the County of Hillsborough and State of Florida party of second part. WITNESSETH, that the said party of the first part, for and in consideration of the sur to it in hand paid by the said party of the second part, the receipt whereof is hereby acks ledged, has granted, bargained and sold to the said party of the second part forever, the lowing described land, situate, lying and being in the County of Pasco of Florida, to wit: Lots 737, 1170, and 2007 - Angus Valley - Unit #3 - As per legal descriptions on rear of Warranty Deed 57 GGU2**59**E7 30 m 40 Documentary Tex Pd 5... 41 s intangible Tax Pd. **Ծ**ՄԱԶՍԱ ՀԱ Jed Pillman, Clerk, Pasco Comply Pasco Utilities. Inc. P. O. Box 4118 Tampa, FL 33677

And the said party of the first part does hereby fully warrant the title to said land, and defend the same against the lawful claims of all persons whomsoever

In Witness Wirreof, the said party of the first part has caused these present be signed in its parce by its President, and its corporate seal to be affixed, attested by its storetary to the day and year above written.

Attest:

Attest:

Actest:

Signor Seared and Delivered in our Presence:

McDILL COLLABUS COSPORATION

By Mayna d Fernandez, Presi

<< OR 1205/1189

Pasco County Official Records [PDF | JPG | GIF]

OR 1205/1192 >>

WARRANTY DEED, Book: 1205 Page: 1190

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Certified Copies of any Official Record must be obtained from the Clerk of the Circuit Court.

At First Page

Page 1 of 2

Page 2

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	Warranty I	iesn	
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Wherever used herein, the	ne term "party" shall include the	heirs, personal represes	ntatives, suc-
cessors and/or assigns of	the respective parties hereto; the	he use of the singular r	number shall
include the plural, and th	e plural the singular; the use of a	iny gender shall include	all genders.
BETWEEN McDill Colum			2.5
a corporation existing un	ier the laws of the State of Flor	ida hav	ring its prin-
			534 (1851
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Search Again Show Map Building Schematic Unavailable Estimate Taxes Frequently Asked Questions
Other Agency Data: <u>Tax Collector School Board Supervisor of Elections</u>

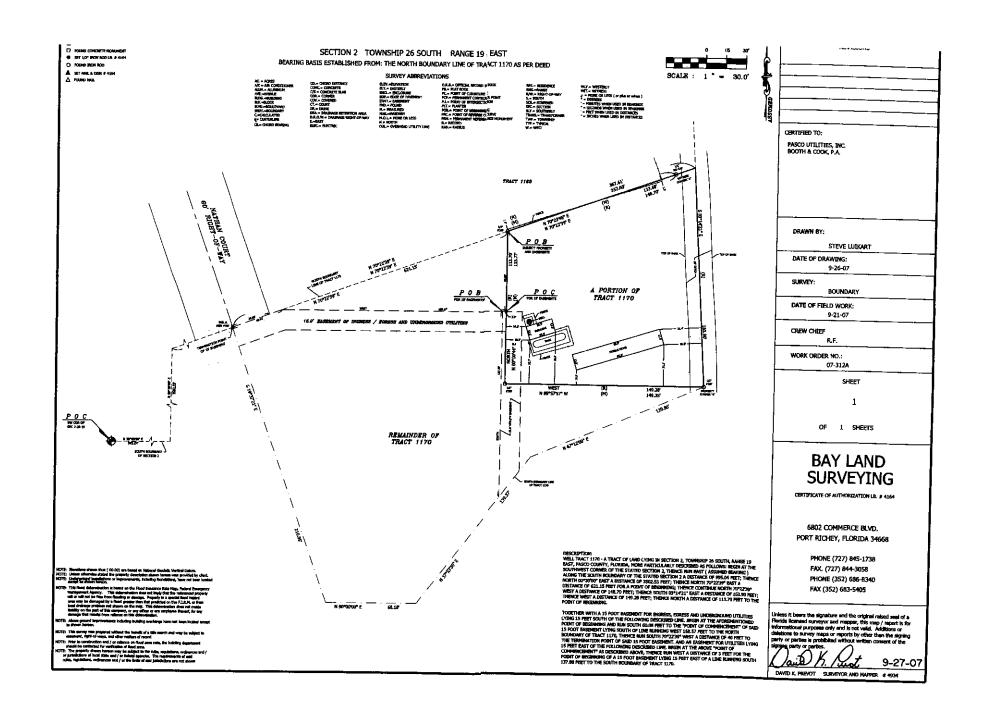
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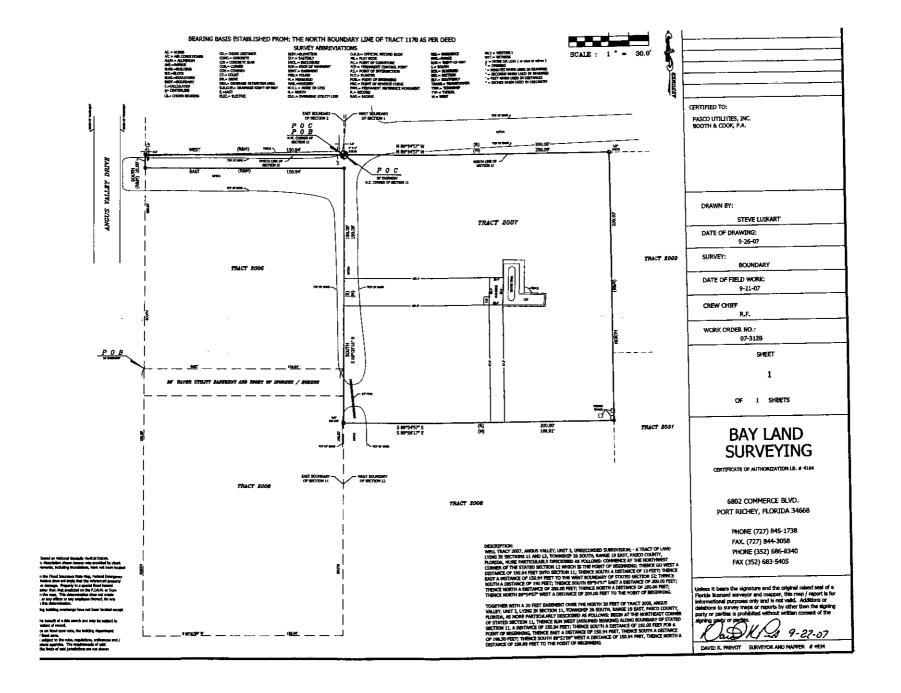
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Other Agency Data: <u>Tax Collector</u> <u>School Board</u> <u>Supervisor of Elections</u>

<u>Search Again</u> <u>Show Map</u> Building Schematic Unavailable <u>Estimate Taxes</u> Frequently <u>Asked Questions</u>
Other Agency Data: <u>Tax Collector</u> <u>School Board</u> <u>Supervisor of Elections</u>

Data C	urrent as	Of:	Wee	kly Archiv	ve - Saturday, March 01, 2008					
P	arcel ID		02-26-	00001-1700 (Card: 001 of 001)						
Cla	ssification	1		Vacant F	esidential					
	Ma	ailing Addre	ss		Assessme	nt (totals))			
	PAS	CO UTILITIES	INC		Ag Land	•	\$ 0			
	TAM	PO BOX 4118 PA, FL 336774	1118		Land		\$36,524			
		ysical Addre			г.	Building		\$0		
	6	630 NATHAN C	Τ		E)	ktra Features	3	\$732		
	WESLEY (CHAPEL, FL 33!	544-3282		Tota	ıl Assessme	ent	\$37,256		
	Legal De	scription (Fi	rst 4 Lines)		Sa	ve Our Home	es	\$0		
		VALLEY UNIT 3			Та	xable Value	•	\$37,256		
		OF LOT 1170				Addic Value		\$37,230		
		V COR OF SEC H BDY OF SEC								
	AEG 3001									
		1/		il (Card: 00		· · · · · · · · · · · · · · · · · · ·	1			
Line	Use	Description	Zoning	Units Type		Price	Condition	Value		
1	0200	MBL HM SUB	00AR	20,179.00	SF	\$1.81	1.00	\$36,524		
			Additiona	Land Info	ormation					
Acres	0.46	Tax Are	a 360	00 FEMA	AA Code A Residential Code AGVLLP2					
	Building Information (Card: 001 of 001)									
	Unimproved Parcel 00 - Unimproved									
	Extra Features (Card: 001 of 001)									
Lin	е	Descriptio	n	Year	Units		Value			
1 OLD MH				1989		2		\$429		
2		UDU-M	L	1975	1 \$303					
	Sales History									
	Previous		PASCO UTILITIES INC							
Yea		Month		Book/F	. •	Туре	Am	ount		
198	2	08	ll l	\$0 \$0						

<u>Search Again</u> <u>Show Map</u> Building Schematic Unavailable <u>Estimate Taxes</u> <u>Frequently Asked Questions</u>
Other Agency Data: <u>Tax Collector</u> <u>School Board</u> <u>Supervisor of Elections</u>





Part V Other

Exhibit B

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

Utility name and rates remain the same, no change in corporate structure. Updated current TARIFF with current issuing officer assuming purchase is approved by PSC.

Tariff re-write is enclosed to bring to current FPSC standards, along with example customer bill.

Wowder taut fruended to ECR. RUN. 3-27.08.

DOOLMENT NUMBER CATE

02323 MAR 27 8

Part V Other

Exhibit C

Transfer of Major Control PSC Application – Pasco Utilities, Inc.

Copy of Utility Certificate attached. Original has been lost by original owners. Record search was conducted to no avail.



FLORIDA PUBLIC SERVICE COMMISSION

CERTIFICATE NUMBER

168-W

Upon	con	side	eratio	n	of	the	record	it	is	hereby	ORDERED	that
autho	rity	be	and	is	he	ereby	grante	ed	to			

————	, 5	
	PASCO UTI	LITIES, INC.
Whose principal ad	ldress is	
	2942 West	Columbus Drive
	Tampa, Fl	orida (Pasco County)
to providewate	r	service in accordance with the
provisions of Chapt tions and Orders of by the Orders of t	f this Comr	orida Statutes, the Rules, Regula- nission in the territory described ssion.
This Certificat suspended, cancelled	e shall rer d or revoke	nain in force and effect until d by Orders of this Commission.
ORDER 6078	_DATEDMax	ch 20,1974DOCKET 73625-W
ORDER	_DATED	DOCKET
ORDER	_DATED	DOCKET
ORDER	_DATED	DOCKET
FLORIDA		ER OF THE ERVICE COMMISSION William B. Clo Mally
(SEAL)		Administrative Secretary

Chairman