

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Lake Idlewild Utility Company, Application)
For Approval of Transfer of W.B.B. Utilities, Inc.) Docket No. _____
Water System in Lake County, Florida) Filed: September 2, 2014

**LAKE IDLEWILD UTILITY COMPANY
APPLICATION FOR APPROVAL OF TRANSFER
OF W.B.B. UTILITIES INC.'S WATER SYSTEM
IN LAKE COUNTY, FLORIDA**

Lake Idlewild Utility Company (“Lake Idlewild” or “Buyer”), by and through its undersigned representative, and pursuant to Sections 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code, hereby files this Application for approval of the transfer of the Water System of W.B.B. Utilities, Inc. (“Seller”) Certificate Nos. 531-W. In support of this Application, Lake Idlewild Utility Company states as follows:

APPLICANT INFORMATION

1. The name and address of the Buyer for purposes of this Application, and as it should appear on Lake Idlewild Utility Company Commission-issued water certificate are:

Gary A. Deremer, President
Lake Idlewild Utility Company
5320 Captains Court
New Port Richey, Florida, 34652
Tel: (727) 848 8292
Fax: (727) 848 7701

2. The name and address of Lake Idlewild Utility Company’s authorized representatives are:

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COMMISSION
CLERK

Representative's Name and Title:

Gary A. Deremer, President
Lake Idlewild Utility Company
5320 Captains Court
New Port Richey, Florida, 34652

Troy Rendell, Manager of Regulated Utilities
4939 Cross Bayou Boulevard
New Port Richey, FL 34652
727-848-8292

3. The Seller's representatives for purposes of this Application are:

Richard S. Bair, President
W.B.B. Utilities, Inc.
4223 Bair Ave.
Fruitland Park, FL 34731-5618
(352) 787-3445

4. The shareholders via W.B.B. Utilities, Inc. have been issued FPSC Certificate No. 531-W.

5. Attached hereto is Lake Idlewild Utility Company's Application for Approval of Purchase of the Seller's system in Lake County, Florida (the "Application"). The attached Application includes all of the information required by Rule 25-30.037, Florida Administrative Code.

A. APPLICATION FOR APPROVAL OF TRANSFER OF W.B.B. UTILITIES, INC

I. FINANCIAL AND TECHNICAL INFORMATION

6. Lake Idlewild Utility Company is a Florida corporation authorized to do business in Florida as of July 17, 2014. The names and addresses of Lake Idlewild Utility Company's corporate officers and directors are listed in **Exhibit "A"** to the Application.

7. **Exhibit "B"** to the Application is a statement indicating how this purchase is in the public interest, including a summary of Lake Idlewild Utility Company's experience in water and wastewater utility operations, a showing of Lake Idlewild Utility Company's financial ability to provide service and a statement that Lake Idlewild Utility Company will fulfill the commitments, obligations and representations of Lake Idlewild Utilities, LLC with regard to utility matters.

8. Lake Idlewild Utility Company is a privately held corporation and does not own any other water or wastewater utilities. **Exhibit "C"** to the Application is not applicable to Lake Idlewild Utility Company. However, **Exhibit "C"** is being provided to indicate the shareholders' other owned water and wastewater utilities.

9. The sale of the system took place on August 29, 2014. **Exhibit "D"** to the Application is a copy of the Asset Purchase Agreement, including attachments, by and between Seller and Lake Idlewild Utility Company, executed on or about July 22, 2014. Section 367.07(1), Florida Statutes, provides that a utility may sell its land, facilities and certificates prior to Commission determination that the sale is in the public interest, if the sale is made contingent upon Commission approval. Accordingly, Section 5.6 of the Asset Purchase Agreement provides that this sale is contingent upon Commission approval.

10. **Exhibit “E”** to the Application is a statement regarding the disposition of any outstanding regulatory assessment fees for the Seller’s system.

11. **Exhibit “F”** to the Application is a statement describing Lake Idlewild Utility Company’s financing of the sale.

12. **Exhibit “G”** to the Application is a list of any or all entities upon which Lake Idlewild Utility Company is relying to provide funding for the sale, and an explanation of the manner and amount of such funding, including financial statements and copies of any financial agreements with Lake Idlewild Utility Company

13. **Exhibit “H”** to the Application is a detailed listing of the proposed net book value of the Water System as of the date of the proposed transfer. It is Lake Idlewild Utility Company’s understanding that Rate Base was last established in Order No. PSC-94-0236-FOF-WS, issued March 3, 1994. It is also Lake Idlewild Utility Company’s understanding that the updated book value has been reported in the 2013 Annual Report filed by W.B.B. Utilities, Inc. In addition, Schedule 1.1 attached to the Asset Purchase Agreement contains a detailed listing of the utility assets purchased at this transaction.

14. **Exhibit “I”** to the Application is a statement confirming that Lake Idlewild Utility Company is not requesting an acquisition adjustment.

15. The books and records of Seller are available for inspection by the Commission. The name, address, and telephone number of the person who has possession of the books and records of Seller are as follows:

Richard S. Bair, President
W.B.B. Utilities, Inc.
4223 Bair Ave.
Fruitland Park, FL 34731-5618
(352) 787-3445

16. **Exhibit “J”** to the Application is a statement from Lake Idlewild Utility Company regarding the federal income tax returns of W.B.B. Utilities, Inc.

17. **Exhibit “K”** to the Application is a statement from Lake Idlewild Utility Company regarding the condition of the Water System being acquired and the status of its compliance with applicable standards set by the Florida Department of Environmental Protection (FDEP).

II. NOTICE OF ACTUAL APPLICATION

18. In accordance with Rule 25-30.030(2), Florida Administrative Code, Lake Idlewild Utility Company has obtained from the Commission a list of the names and addresses of the municipalities, the counties, the regional planning counsel, the Office of Public Counsel, the Commission’s Office of Commission Clerk, the appropriate regional office of the Department of Environmental Protection, the appropriate water management districts, and privately-owned water and wastewater utilities that hold a certificate granted by the Commission, and that are located within the county in which the systems proposed to be transferred are located.

19. In accordance with Rule 25-30.030(5), Florida Administrative Code, Lake Idlewild Utility Company will provide notice of this Application containing the information required under Rule 25-30.030(4), Florida Administrative Code by regular mail to the governing body of each county and municipality contained in the list obtained from the Commission as

referenced above, as well as the other entities contained in the list obtained from the Commission, within 7 days of filing this Application.

20. Pursuant to Rule 25-30.030(8), Florida Administrative Code, within 15 days of filing this Application, Lake Idlewild Utility Company will submit **Late-Filed Exhibit “L”** to the Application, which will include an affidavit confirming that the Notice of Application was provided as described in Paragraphs 19-20, along with a copy of the Notice and a copy of the list of entities obtained from the Commission.

21. In accordance with Rule 25-30.030(6), Florida Administrative Code, Lake Idlewild Utility Company will provide a notice by regular mail, to each customer of each system to be transferred within 7 days of filing this Application. Within 15 days of filings its Application, Lake Idlewild Utility Company will submit **Late-Filed Exhibit “M”** to the Application, which will include a copy of the Notice of Application provided to the customers, and an affidavit reflecting that it has provided the Notice of this Application to each customer of each system to be transferred.

22. In accordance with Rule 25-30.030(7), Florida Administrative Code, Lake Idlewild Utility Company will publish the Notice once in a newspaper of general circulation in the territory proposed to be transferred within 7 days of filing this Application. Within 15 days of filing this Application, Lake Idlewild Utility Company will submit **Late-Filed Exhibit “N”** to the Application, which will include an affidavit reflecting that the Notice has been published once in a newspaper of general circulation in each territory proposed to be transferred, along with proof of each publication.

III. FILING FEE

23. The application fee required by Section 367.145, Florida Statutes, and Rule 25-30.020, Florida Administrative Code, has been submitted to the Commission' Office of Commission Clerk along with the filing of this Application.

IV. TERRITORY DESCRIPTION

33. Attached hereto as **Exhibit "O"** is an accurate legal description of the water territory using township, range and section references as specified by Rule 25-30.030(2), Florida Administrative Code.

V. OTHER

24. **Exhibit "P"** to the Application provides evidence that Lake Idlewild Utility Company owns the land upon which the treatment facilities for the water system are located.

25. The rates for the Seller's systems were last established by the Commission in Order No. PSC-94-0236-FOF-WU, issued March 3, 1994. In addition, it is Lake Idlewild's understanding that the utility also received two index/pass through adjustments approved effective on November 29, 1996 and the latest effective on July 1, 2000. The purchase of the Seller's system will not have an immediate impact on Lake Idlewild Utility Company's current rates. However, Lake Idlewild requests that monthly water rates be approved. The former owner billed on a quarterly basis. Lake Idlewild has filed a separate tariff filing requesting the quarterly rates be revised to reflect monthly rates, with its justification to do so.

26. **Exhibit “Q”** to the Application contains sample tariff sheets for the water system proposed to be transferred reflecting the change in ownership, the existing rates and charges, and the territorial descriptions of the Water System.

27. **Exhibit “R”** - Lake Idlewild Utility Company is not in possession of Certificate 531-W. See PSC Order No. 24007, issued January 22, 1991.

WHEREFORE, Utility Company requests that this Commission:

- A. Grant Lake Idlewild Utility Company’s Application;
- B. Approve the transfer of the Water System owned by W.B.B. Utilities, Inc. to Lake Idlewild Utility Company as described herein and in the attached application and,
- C. Grant such other relief as appropriate.

Respectfully submitted this 2ND day of September, 2014.



Name: Gary A. Derermer
Title: President
Lake Idlewild Utility Company
5320 Captains Court
New Port Richey, FL 34652

EXHIBIT A
Rule 25-30.037 (2)(d)

If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors.

President and CEO – Gary A. Deremer, 5320 Captains Court, New Port Richey, FL 34652

Cecil Delcher – Vice President, 11702 Forest Hills Dr., Tampa, FL 33612

**Electronic Articles of Incorporation
For**

P14000061006
FILED
July 18, 2014
Sec. Of State
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LAKE IDLEWILD UTILITY COMPANY

The undersigned incorporator, for the purpose of forming a Florida profit corporation, hereby adopts the following Articles of Incorporation:

Article I

The name of the corporation is:

LAKE IDLEWILD UTILITY COMPANY

Article II

The principal place of business address:

5320 CAPTAINS COURT
NEW PORT RICHEY, FL. 34652

The mailing address of the corporation is:

C/O 4939 CROSS BAYOU BOULEVARD
NEW PORT RICHEY, FL. 34652

Article III

The purpose for which this corporation is organized is:

ANY AND ALL LAWFUL BUSINESS.

Article IV

The number of shares the corporation is authorized to issue is:

1,000

Article V

The name and Florida street address of the registered agent is:

GARY DEREMER
5320 CAPTAINS COURT
NEW PORT RICHEY, FL. 34652

I certify that I am familiar with and accept the responsibilities of registered agent.

Registered Agent Signature: GARY DEREMER

Article VI

The name and address of the incorporator is:

GARY DEREMER
5320 CAPTAINS COURT

NEW PORT RICHEY, FL 34652

Electronic Signature of Incorporator: GARY DEREMER

I am the incorporator submitting these Articles of Incorporation and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of this corporation and every year thereafter to maintain "active" status.

Article VII

The initial officer(s) and/or director(s) of the corporation is/are:

Title: D,P
GARY DEREMER
5320 CAPTAINS COURT
NEW PORT RICHEY, FL. 34652

Title: VP
CECIL DELCHER
11702 FOREST HILLS DRIVE
TAMPA, FL. 33612

Article VIII

The effective date for this corporation shall be:

07/17/2014

EXHIBIT B
Rule 25-30.037 (3)(j)

A statement 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.

The directors have been in the water and wastewater utility management, operations and maintenance related industry for numerous years bringing a level of Florida specific expertise that is not typical to private utility ownership within the State.

Gary Deremer – President: 29 years of Florida related water and wastewater industry experience; previous private utility ownership has included:

- Holiday Utility System – Holiday, FL
- Virginia City Utility System – New Port Richey, FL
- Dixie Groves Utility System – Holiday, FL
- Colonial Manor Utility System – Holiday, FL
- Pasco Utilities, Inc. – Zephyrhills, FL

Cecil Delcher – Vice President: 37 years of Florida related Operations, Construction, Capital Project Management; previous private utility ownership included:

- Pasco Utilities, Inc. – Zephyrhills, FL
- Colonial Manor Utility System – Holiday, FL
- D&D Wellfield Property

Mr. Deremer and Mr. Delcher have secured the services of U.S. Water Services Corporation to provide contract operating services and billing and collection services. Both Mr. Deremer and Mr. Delcher have controlled service delivery to more than 550+ facilities within the State of Florida during their careers, including billing/collection and customer service to more than 80,000 customers daily.

Currently, the shareholders of Lake Idlewild Utility Company are also shareholders in the following utilities, along with the Docket Numbers of each Commission approved transfer:

<u>Utility</u>	<u>Docket Number</u>	<u>Order Number</u>
Harbor Utility Company	120148-WS	PSC-12-0587-PAA-WU
Lakeside Utility Company	120317-WS	PSC-13-0425-PAA-WS

LP Utility Company	130055-WS	PSC-14-0130-PAA-WS
HC Utility Company	130175-WS	PSC-14-0314-PAA-WS
Brevard Utility Company	130174-WU	PSC-14-0326-PAA-WS
Sunny Hills Utility Company	130172-WS	PSC-14-0315-PAA-WS
Lake Osborne Utility Company	130173-WU	PSC-14-0327-PAA-WS
Jumper Creek Utility Company	130176-WS	PSC-14-0299-PAA-WS
The Woods Utility Company	130171-WS	PSC-14-0300-PAA-WS

In each of these Orders, the Commission has specifically found that the transfers were in the public interest and also determined that the buyers had demonstrated the technical and financial ability to provide service to the existing service territory.

In addition, these shareholders have three additional transfer dockets before the Public Service Commission as follows:

Country Walk – Docket No. 130294-WS

Brendenwood Utility Company – Docket No. 140121-WU

Raintree Utility Company – Docket No. 140120-WU

Each of the above Orders also refer to the financial statements provided in Document 02835-12 filed in Docket No. 140148-WS. These are the same two major shareholders for the buying utility (Lake Idlewild) and the same financial statements apply in this docket. Thus, based on the above this transfer is in the public interest; the buyer has both the technical and financial ability to provide service

The buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

EXHIBIT C
Rule 25-30.037 (2)(f)

List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

<u>Utility</u>	<u>Cerrificate No.</u>
Harbor Utility Company	522-W
Lakeside Utility Company	567-W & 494-S
LP Utility Company	620-W & 533-S
HC Utility Company	422-W & 359-S
Brevard Utility Company	002-W
Sunny Hills Utility Company	501-W & 435-S
Lake Osborne Utility Company	053-W
Jumper Creek Utility Company	667-W & 507-S
The Woods Utility Company	507-W & 441-S

EXHIBIT D
Rule 25-30.037 (2)(g)

A copy of the Asset Purchase Agreement, including attachments, by and between W.B.B. Utilities, Inc. and Lake Idlewild Utility Company executed on July 22, 2014 is attached hereto.

THIS ASSET PURCHASE AGREEMENT, dated as of this 22nd day of July 2014, by and between **W.B.B. Utilities, Inc.**, a Florida corporation with an address of **4223 Bair Avenue, Fruitland Park, FL 34731** (“Seller”), and **Lake Idlewild Utility Company**, a Florida corporation with an address of **5320 Captains Court, New Port Richey, FL 35652** or (“Buyer”), with reference to the following RECITALS:

RECITALS

A. Seller owns, maintains and operates a water production and distribution system (collectively the “System”) that provides water service to the residents of Lake Idlewild Estates located within Lake County, Florida (the “Service Area”).

B. Buyer is a public utility that furnishes water to the public in an assigned portion of the State of Florida.

C. Seller desires to sell, and Buyer desires to purchase the properties and rights of Seller owned and used in connection with its System, all upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the recitals and the covenants, representations, warranties and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. SALE AND PURCHASE OF THE SELLER’S WATER SYSTEM ASSETS

Subject to the terms and conditions hereinafter set forth, Buyer shall purchase from Seller, and Seller shall sell, assign, transfer, grant, convey and deliver to Buyer at Closing (hereinafter defined), all of the System assets, properties and rights of Seller (whether tangible or intangible, real, personal or mixed) which are held, used or useful in connection with the production, treatment, and distribution of water within the Service Area (the “Assets”).

The Assets are being sold in “As Is” condition and Seller makes no representations, covenants or warranties with respect to the condition of the Assets, except that the Assets are being sold free and clear of all mortgages, liens, pledges, security interest, charges, taxes, claims, restrictions and encumbrances of any nature whatsoever. This paragraph shall be construed in a manner that does not limit any other representations or warranties provided by Seller within this Agreement.

1.1 Assets Further Defined

The Assets shall, without limitation to the definition stated above, include the specific assets, properties and rights of Seller set forth on the following:

- (a) all the land, buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrant, pump stations, structures, irrigation service lines, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller, or in which Seller has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;
- (b) all rights of Seller under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate or other authorization or

approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets;

- (c) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the utility services provided by Seller in Lake County.

1.2 Excluded Assets

Notwithstanding the foregoing, the Assets shall not include any of the following:

- (a) any and all customer service lines that run from outside the meter box or from the curb stop to each individual residence, commercial or industrial structure served by the Assets;
- (b) Any customer water service lines that run from the curb to the residences;
- (c) all piping and fixtures internal to each individual customer's structure;
- (d) Seller's cash and accounts receivables as of the date of Closing; and
- (e) Sellers' Accounts Receivable
- (f) Tangible assets that seller has indicated will not be sold with the water plant as follows:
 - i. Any and All Non-Utility (non-PSC) asset listed on page 3 of the Book Asset Detail Report;
 - ii. Fuel Tank for Generator placed in service 5/17/04;
 - iii. Hand Pump for Fuel Tank placed in service 8/16/04;
 - iv. HP Office Jet-Printer, Fax, Copier placed in service 12/16/01;
 - v. Dell Computer placed in service 4/26/10;
 - vi. Chain Saw placed in service 9/14/05;
 - vii. Presser Washer placed in service 4/20/06;
 - viii. Mower Repairs placed in service 10/09/13;
 - ix. Small Compressor w/50 pc Air Tool placed in service 10/09/13.

1.3 Consideration

The total purchase price ("Purchase Price") for the Assets will include a total price up to **Fifty Eight Thousand Dollars (\$58,000.00)** for the portion of the assets attributable to the water service. Seller will be paid 90% (\$52,200.00) upon Closing with the final payment (10% or \$5,800.00) of being paid within 30 days of the Final Official Approval Date of Transfer established by the FPSC. Final Purchase Price will be determined by any change in Rate Base as determined by the FPSC during the Approval of Transfer Application. Buyer will perform a final due diligence of all facilities and assets. The due diligence is to ensure all assets are in the same working condition, that all permits are valid, current and that there are no compliance infractions in force at the time of the date of this final completion of this Agreement. If, after conducting the final due diligence, Buyer determines that the assets are not in the same working condition, that any permit is no longer valid or current, or that there are compliance infractions, Seller shall have 60 days to either correct the condition or reach an agreement with Buyer for a reduction to the purchase price. If Seller refuses to correct the condition or

is unable to reach agreement with Buyer concerning a reduction to the Purchase Price, Buyer may elect to terminate this Agreement without penalty or to proceed to Closing. The Seller shall then refund the \$52,200 already paid by the Buyer at Closing.

1.4 Contractual Obligations

Buyer shall not assume any obligations of Seller, under any contract, agreement, commitment, lease, certificate, order, notice, permit or other instrument, whether oral, written, express or implied not related to utility operation. Buyer shall fulfill commitments, obligations and representations of the seller with regard to utility matters only. Seller acknowledges that there are no outstanding developer agreements, guaranteed revenue contracts, or customer advances as of the date of this agreement.

1.5 Non-Assumption of Liabilities

All liabilities and obligations of Seller shall remain the sole responsibility of Seller, including any and all liabilities or obligations under any employee benefit plan, practice or arrangement or pension, retirement or savings plan. Buyer shall not assume and shall not be liable for any liabilities or obligations of Seller of any nature whatsoever, whether express or implied, fixed or contingent, whatsoever. Seller and Buyer acknowledge there are no customer deposits being held by the Seller as of the date of this agreement and none will be held at the date of closing.

2. CLOSING

Subject to the provisions of Sections 4 and 5, Closing hereunder (the "Closing") shall take place as mutually agreed upon by the Seller and Buyer, and which shall take place on or before August 29, 2014. The date of the Closing is referred to herein as the "Closing Date". The effective time of the legal transfer hereunder shall be 12:01 a.m. on the day following the Closing Date.

2.1 Items to be delivered at Closing

At the Closing and subject to the terms and conditions herein contained:

- (a) Seller shall deliver to Buyer the Assets, including, without limitation, the following:
 - (i) instruments and documents of conveyance and transfer, all in form reasonably satisfactory to Buyer and its counsel, as shall be necessary and effective to transfer and assign to, and vest in, Buyer good and marketable title to the Assets and all rights to operate the System as such is now being operated, including, but not limited to the following documents: a Deed for each parcel to be conveyed and a Bill of Sale and Assignments.
 - (ii) a complete and accurate list of the names and addresses of all customers of Seller, both in paper form and in electronic form on a diskette that can be downloaded to a computer, along with a billing history for each customer;
 - (iii) a complete listing of the last meter reading (ending read) in paper form and in electronic form for all customers of Seller referred to in Section 2.1(c) hereof.
 - (iv) keys to any and all buildings and gates; and simultaneously with such delivery, all such

steps shall be taken as may be required to put Buyer in actual possession and operating control of the Assets.

- (b) Seller shall deliver to Buyer the agreements, opinions, certificates and other documents and instruments referred to in **Section 5** hereof.
- (c) Buyer and Seller agree that final meter readings shall be conducted within seven (7) days immediately prior to Closing. These readings shall be utilized by the Seller for the purpose of issuing final bills, and shall constitute the opening readings for Buyer. Buyer shall use these readings to begin the billing cycle for its new customers following Closing, and shall not be responsible for the collection of any amounts due Seller for bills issued by Seller as a result the Seller's final meter reading.
- (d) Accurate asset listing and depreciation schedules updated through the closing date.

In the event that Buyer determines that payments that it has received are payments for the period of time that Seller owned the Assets, Buyer will forward these payments to Seller within a reasonable period of time. In making such determinations, among other ways to determine whether the payment received is for payments due prior to Closing, Buyer will consult with Seller on the amount of the amounts due to Seller prior to Closing and will compare these amounts due with the amount received.

- (e) Buyer shall pay all costs of closing including, but not limited to, recording the deed for the land and buildings on which the assets are located, intangible taxes, and any title costs, including title insurance, as required by the Buyer. Buyer also agrees to pay all Florida Department of Environmental Protection Operating Fees for the current year.

2.2 Transfer of Utilities

Seller and Buyer will cooperate to transfer any and all utility services, including telephone, electric, chlorine, and gas service providing such service to any of the Assets as of the Closing Date.

2.3 Further Assurances

Seller, from time to time after the Closing, at Buyer's request, and without compensation, will execute, acknowledge and deliver to Buyer such other instruments of sale, conveyance, assignment and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably require in order to vest in Buyer, and/or to place Buyer fully in possession of, all of the Assets.

3. CONDUCT OF PARTIES PENDING CLOSING

3.1 Seller agrees that, with respect to the Assets, pending the Closing and except as otherwise agreed to in writing by Buyer:

- (a) The business of Seller shall be conducted solely in the ordinary course consistent with past practice and shall maintain and service the tangible Assets in good working order such that they will be in proper working order at Closing.

- (b) Seller will use its best efforts to maintain its relations and goodwill with its suppliers, customers and any others having business relations with it.
- (c) Seller shall comply with all laws, ordinances, rules, regulations and orders applicable to it and to the conduct of its business.
- (d) Seller will promptly advise Buyer in writing of all events between the date hereof and Closing which could render any representation or warranty under the Agreement, if restated and republished as of Closing, untrue or incorrect in any material respect.
- (e) Seller will promptly advise Buyer in writing promptly after Seller receives knowledge of the threat or commencement of any dispute, claim, action, suit, proceeding, arbitration or investigation against or involving the Assets or the sale and transfer thereof to Buyer, or of the occurrence of any event (exclusive of general economic factors affecting business in general) of a nature that is or may be materially adverse to the business, operations, properties, assets, prospects or condition (financial or otherwise) of Seller.
- (f) Seller will conduct its business in such a manner that at the Closing the representations and warranties of Seller contained in this Agreement shall be true as though such representations and warranties were made on and as of such date. Furthermore, Seller will use its best efforts to cause all of the conditions to this Agreement to be satisfied on or prior to the Closing Date.
- (g) Seller will give to Buyer free and full access to and the right to inspect, during normal business hours, all of the premises, properties, assets, records, contracts and other documents relating to its business and operations, and shall permit them to consult with the officers, employees, accountants, counsel and agents of Seller.

4. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller under this Agreement are subject to the fulfillment or satisfaction, or waiver by Seller, prior to or at the Closing, of each of the following conditions precedent:

4.1 Closing Certificate; Performance by Buyer

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and Seller shall have been furnished with a certificate or certificates of Buyer dated the Closing Date, signed by an officer of Buyer, certifying, in such detail as Seller may reasonably request, to the fulfillment of the foregoing conditions and that all representations and warranties made by Buyer in this Agreement are true and correct as of Closing, except such as have been rendered incorrect because of events which occurred after the date hereof, as disclosed in writing by Buyer to Seller within a reasonable time after the event occurred.

4.2 Litigation Affecting Closing

On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or in the consummation of the transactions contemplated hereby, and no

investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

5. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer under this Agreement are conditioned upon the fulfillment or satisfaction, or waiver by Buyer, prior to or at the Closing, of each of the following conditions precedent:

5.1 Satisfaction with Operational and Real Estate Title Issues

(a) Buyer shall be satisfied with its review of the real estate and the quality of title to be conveyed to Buyer from Seller.

5.2 Closing Certificate; Performance by Seller

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and Buyer shall have been furnished with a certificate or certificates of Seller dated the Closing Date, signed by the appropriate officials of Seller, certifying, in such detail as Buyer may reasonably request, to the fulfillment of the foregoing conditions and that all representations and warranties are true and correct as of Closing.

5.3 Litigation Affecting Closing

On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, and no investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

5.4 Seller Authorizations

Seller shall have furnished Buyer with certified copies of all proceedings of Seller, including a signed and certified copy of the appropriate document(s) authorizing the transactions hereby contemplated.

5.5 Governmental Approvals

Buyer shall have received within 12 months (365 days), all governmental approvals and authorizations needed for the transfer of the Assets, including, but not limited to, the FPSC, FDEP, and the Water Management District, upon terms and conditions acceptable to Buyer, to enable Buyer to assume ownership and operation of the System Assets and to provide water service to the public in the service territory presently being served by Seller. Seller agrees to provide complete cooperation throughout the governmental approval, including but not limited to, assisting in the financial audit of the Sellers books and records by the FPSC. Buyer and Seller will use reasonable efforts to achieve any necessary additional approvals within ninety (90) days from the official FPSC Transfer Date.

5.6 Regulatory Approval Contingency.

The sale of assets contemplated by this Agreement is subject to and contingent upon the receipt of a favorable Florida Public Service Commission ("FPSC") staff recommendation and FPSC approval upon

terms and conditions reasonably acceptable to Buyer and Seller as to such recommendation and approval. As provided in Section 367.071, Florida Statutes, the parties desire to close the transaction in advance of the FPSC Staff's recommendation and the FPSC's approval. In the event that the FPSC staff and/or the FPSC determines that the sale and transfer of the Water System Assets is not in the public interest and that Buyer will not fulfill the commitments, obligations, and representations of the utility, and, therefore, the FPSC denies such transfer, or in the event that the FPSC staff recommends and/or the FPSC approves the sale and transfer of the Water System Assets upon terms and conditions not reasonably acceptable to Buyer and Seller then the Water System Assets remain with the Seller and any and all agreements or understandings will be null and void between the Seller and Buyer.

5.8 Satisfaction of Buyer

All actions, proceedings, resolutions, instruments and documents required to carry out this Agreement or incidental hereto and all other related matters shall have been approved on the Closing Date by Buyer in the exercise of its reasonable judgment.

6. REPRESENTATIONS AND WARRANTIES OF SELLER

6.1 Seller hereby represents and warrants to Buyer as follows:

- (a) Organization. W.B.B. Utilities, Inc. as a Corporation is duly organized, validly existing and in good standing under the laws of the State of Florida.
- (b) System Ownership. Seller holds the exclusive right, title, interest and power to sell the assets of **W.B.B. Utilities, Inc.**
- (c) Current Operations. Seller has all requisite power and authority and all agreements, contracts, commitments, leases, certificates, licenses, permits, regulatory authorizations and other instruments required to conduct the business of the System as it has been and is now being conducted and to own and operate the System.
- (d) Legal Authority. Seller has the full power and lawful authority to transfer to Buyer the rights, title and interest in and to the System.
- (e) Due Authorization; Valid and Binding. Seller has the full power and lawful authority to execute and deliver this Agreement and all related agreements and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement and all related documents and agreements by all necessary proceedings. This Agreement and all related agreements constitute the valid and binding obligation of Seller.
- (f) No Approvals or Violations. This Agreement does not require any further approvals of any other party, does not violate any law, ordinance or regulation, does not conflict with any order or decree, and does not conflict with or result in a breach of any contract, lease or permit to which Seller is a party.
- (g) Party to Decree. Seller is not party to, or subject to the provision of, any judgment, order, writ, injunction or decree of any court or of any governmental official, agency or instrumentality relating to the System or the Assets.

- (h) List of Assets. Schedule 1.1 contains a true and complete list of the Assets.
- (i) Customer Records. The data contained in the customer records provided to Buyer is true and accurate.

6.2 Seller hereby represents and warrants to Buyer as follows:

- (a) Undisclosed Liabilities. There are no liabilities or obligations of Seller, either accrued, absolute, contingent or otherwise, relating to the Assets. For purposes of this Agreement, the term liabilities shall include, without limitation, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility accrued, absolute, contingent or otherwise.
- (b) No Other Parties. No person other than Seller owns or has any interest in any equipment or other tangible assets or properties currently utilized or necessary to the operations or business of the Seller's Assets.
- (c) Rights to Facilities. Seller has good and valid rights to occupy and to obtain access to the areas where the distribution lines and other facilities of the Assets are located.
- (d) Compliance with Law. Seller is not in any material violation of any law, ordinance or governmental rule or regulation to which it or its business, operations, assets or properties is subject and has not failed to obtain, or to adhere to the requirements of, any certificate, license, permit or other governmental authorization necessary to the ownership of its assets and properties or to the conduct of its business.

6.3 Seller hereby represents and warrants to and with Buyer as follows with respect to compliance with environmental laws:

- (a) Compliance with Law. To the best of Seller's actual knowledge, Seller has been and is in compliance with all Environmental Laws (as hereinafter defined).
- (b) Adequacy of Permits. To the best of Seller's actual knowledge, after diligent inquiry and investigation, Seller has obtained and continues to possess all permits, licenses, approvals or other authorizations which are required under the Environmental Laws, has filed such timely and complete renewal applications as may be required prior to the Closing Date, and also has complied with all reporting and record keeping requirements under the Environmental Laws.

7. **REPRESENTATIONS AND WARRANTIES OF BUYER**

7.1 Buyer hereby represents and warrants to Seller as follows:

- (a) Organization. Buyer is a corporation duly organized and validly existing and in good standing under the laws of the State of Florida.
- (b) Due Authorization; Valid and Binding. Buyer has the full power and lawful authority to execute this Agreement and to consummate and perform the transactions contemplated

hereby and has duly and validly authorized the execution of this Agreement by all necessary proceedings. This Agreement constitutes the valid and binding obligations of Buyer.

- (c) Financial Wherewithal. Buyer has the financial wherewithal to complete the purchase of the Assets as contemplated hereunder and upon completion of Closing, to operate and manage the Assets at, or exceeding, the level of service provided by the Seller prior to Closing.

8. INDEMNIFICATION

8.1 Indemnification of Seller

For a period of one (1) year from and after the Closing, Buyer will reimburse, indemnify and hold Seller and its officials and employees harmless from and against any and all liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including attorney's fees and costs resulting from, relating to, or arising out of:

- (a) the provision of water service by Buyer for the period following Closing;
- (b) issues of regulatory compliance and claims by third parties for events that occur following the date of Closing that are not attributable to events that occurred prior to Closing;
- (c) the failure of Buyer to perform any of its covenants following Closing; and
- (d) the enforcement of this **Section 8**.

8.2 Indemnification of Buyer

From and after the Closing, Seller will reimburse, indemnify and hold Buyer and its affiliates, and their officers, directors and employees, harmless from and against any and all liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including attorney's fees and costs resulting from, relating to, or arising out of:

- (a) any liabilities or obligations of Seller of any nature whatsoever except for those liabilities and obligations of Seller which Buyer specifically assumes pursuant to this Agreement;
- (b) any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of Seller under this Agreement, or from any misrepresentation in, or omission from, any Schedule or information furnished to Buyer pursuant to this Agreement or in connection with the negotiation, execution or performance of this Agreement;
- (c) the provision of water service by Seller for the period prior to the date of Closing;
- (d) issues of regulatory compliance and claims by third parties for events that are attributable to events that occurred prior to Closing;

(e) the enforcement of this **Section 8**.

8.3 General

Each party shall provide the other party with reasonable notice of any claims arising under this **Section 8**. The indemnification rights of the parties under this **Section 8** are independent of and in addition to such rights and remedies as the parties may have at law or in equity or otherwise for any misrepresentation, breach of warranty, or failure to fulfill any agreement or covenant hereunder.

9. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations, warranties and agreements made by the parties in this Agreement or in any written agreement, document, or certificate furnished hereunder or in connection with the negotiation, execution and performance of this Agreement shall survive the Closing for a period of one (1) year. Notwithstanding any investigation or audit conducted before or after the Closing Date or the decision of any party to complete the Closing, each party shall be entitled to rely upon the representations, warranties and agreements set forth herein and therein.

10. MISCELLANEOUS

10.1 Contents of Agreement; Parties in Interest; etc.

This Agreement sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. It shall not be amended or modified except by written instrument duly executed by each of the parties hereto.

10.2 Binding Effect

All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the legal representatives, successors and assigns of Seller or Buyer.

10.3 Notices

Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Buyer:

Mr. Gary A. Deremer, President
Lake Idlewild Utility Company
C/O 4939 Cross Bayou Blvd.
New Port Richey, FL 34652

If to Seller:

Mr. Richard Bair
W.B.B. Utilities, Inc.
4223 Bair Ave
Fruitland Park, FL 34731-5618

or to such other address as the addressee may have specified in a written notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, telegraphed or mailed.

10.5 Florida Law to Govern

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of Florida, without giving effect to any conflicts of law's provisions.

10.6 No Benefit to Others

The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto, and their legal representatives, successors and assigns, and they shall not be construed as conferring any rights on any other persons.

10.7 Headings, Gender, etc.

All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

10.8 Exhibits and Schedules

All Exhibits, Attachments and Schedules referred to herein are intended to be and hereby are specifically made a part of this Agreement.

10.09 Severability

Any provision of this Agreement that is invalid or unenforceable in any jurisdiction or under any circumstance shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction or under any circumstance shall not invalidate or render unenforceable such provision in any other jurisdiction or under any other circumstance, unless, in either event, the involved or unenforceable provision causes this Agreement to fail of its essential purpose.

10.10 Counterparts

This Agreement may be executed in any number of counterparts and any signatory hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all signatories. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

10.11 Continuance of Cooperation

SELLER agrees to work with the BUYER without compensation in the pursuit of resolving Water System issues as they are presented through the FPSC Transfer process, any FDEP issues that may arise, and easement attainment issues as they are presented. This Cooperation shall survive the Closing for a period of one (1) year from the date of Closing.

Agreement on the date first written.

SELLER:

W.B.B. Utilities, Inc.

By: Richard Bair
President

Print: Richard Bair

BUYER:

Lake Idlewild Utility Company

By: Gary Deremer
President

Print: Gary Deremer

Book Asset Detail 1/01/14 - 12/31/14

59-1992465

FYE: 12/31/2014

Asset	d t	Property Description	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Division: Contribution in Aid of Co										
Group: 304 Structures & Improvmt										
25		Structures	1/01/83	820.75	818.44	2.31	820.75	0.00	S/L	28.0
		304 Structures & Improvmt		<u>820.75</u>	<u>818.44</u>	<u>2.31</u>	<u>820.75</u>	<u>0.00</u>		
Group: 307 Wells & Springs										
26		Wells & Springs	1/01/83	107.85	107.85	0.00	107.85	0.00	S/L	27.0
		307 Wells & Springs		<u>107.85</u>	<u>107.85</u>	<u>0.00</u>	<u>107.85</u>	<u>0.00</u>		
Group: 310 Power Generatn Equip										
27		Power Generation Equip	11/30/92	1,014.60	1,014.60	0.00	1,014.60	0.00	S/L	17.0
		310 Power Generatn Equip		<u>1,014.60</u>	<u>1,014.60</u>	<u>0.00</u>	<u>1,014.60</u>	<u>0.00</u>		
Group: 320 Water Treatment Equip										
28		Water Treatment Equipment	1/01/83	3,696.00	3,239.58	112.00	3,351.58	344.42	S/L	33.0
		320 Water Treatment Equip		<u>3,696.00</u>	<u>3,239.58</u>	<u>112.00</u>	<u>3,351.58</u>	<u>344.42</u>		
Group: 331 Transmis & Distributn										
29		Transmission & Distribution Equipm	1/01/83	13,609.50	10,761.86	358.14	11,120.00	2,489.50	S/L	38.0
		331 Transmis & Distributn		<u>13,609.50</u>	<u>10,761.86</u>	<u>358.14</u>	<u>11,120.00</u>	<u>2,489.50</u>		
Group: 333 Services										
30		Services	1/01/83	44.31	37.29	1.27	38.56	5.75	S/L	35.0
		333 Services		<u>44.31</u>	<u>37.29</u>	<u>1.27</u>	<u>38.56</u>	<u>5.75</u>		
Group: 334 Meters										
31		Meters	1/01/83	1,394.36	1,394.36	0.00	1,394.36	0.00	S/L	17.0
		334 Meters		<u>1,394.36</u>	<u>1,394.36</u>	<u>0.00</u>	<u>1,394.36</u>	<u>0.00</u>		
Group: Service Availability Chgs										
32		SAC on 6 lots sold in 1996	8/01/96	4,206.00	2,628.68	150.21	2,778.89	1,427.11	S/L	28.0
33		SAC Collected on 3 Lots in 1997	7/01/97	2,506.00	1,476.75	89.50	1,566.25	939.75	S/L	28.0
34		SAC Collected on 3 Lots in 1998	7/01/98	5,415.00	2,997.55	193.39	3,190.94	2,224.06	S/L	28.0
40		SAC on 2 Lots for 2000	2/29/00	3,610.00	1,740.55	128.93	1,869.48	1,740.52	S/L	28.0
43		SAC Collected on 7 Lots-2001	7/01/01	12,635.00	5,640.63	451.25	6,091.88	6,543.12	S/L	28.0
48		SAC on 8 Lots in 2002	9/01/02	14,440.00	5,930.67	515.71	6,446.38	7,993.62	S/L	28.0
49		SAC ON 2 LOTS in 2003	3/15/03	3,610.00	1,396.74	128.93	1,525.67	2,084.33	Amort	28.0
50		SAC on 1 Lot in 2003	7/15/03	1,805.00	676.83	64.46	741.29	1,063.71	Amort	28.0
51		SAC on 2 Lots in 2003	12/15/03	3,610.00	1,300.04	128.93	1,428.97	2,181.03	Amort	28.0
59		SAC 2 Lots 2004	3/18/04	3,610.00	902.50	95.00	997.50	2,612.50	S/L	38.0
60		SAC 1 Lots 2004	7/28/04	1,805.00	451.25	47.50	498.75	1,306.25	S/L	38.0
61		SAC 2 Lots 2004	12/29/04	3,610.00	902.50	95.00	997.50	2,612.50	S/L	38.0
62		SAC on 2 Lots 2005	3/31/05	3,610.00	807.50	95.00	902.50	2,707.50	S/L	38.0
63		SAC on 2 Lots 2005	5/27/05	3,610.00	807.50	95.00	902.50	2,707.50	S/L	38.0
67		SAC ON 1 LOT 2006	6/29/06	1,805.00	356.25	47.50	403.75	1,401.25	S/L	38.0
68		SAC on 1 Lot 2006	7/20/06	1,805.00	356.25	47.50	403.75	1,401.25	S/L	38.0
		Service Availability Chgs		<u>71,692.00</u>	<u>28,372.19</u>	<u>2,373.81</u>	<u>30,746.00</u>	<u>40,946.00</u>		
		Contribution in Aid of Co		<u>92,379.37</u>	<u>45,746.17</u>	<u>2,847.53</u>	<u>48,593.70</u>	<u>43,785.67</u>		

Division: Public Service Commission

Group: 303 Land

1	Land	3/26/80	1,905.00	0.00	0.00	0.00	1,905.00	Memo	0.0
303 Land			1,905.00	0.00	0.00	0.00	1,905.00		

Group: 304 Structures & Improvmt

2	Fence-Chain Link Around Water Plan	2/28/96	248.86	155.57	8.89	164.46	84.40	S/L	28.0
5	Structures	1/01/83	820.75	818.44	2.31	820.75	0.00	S/L	28.0
46	Concrete Ballast & Support-Well Dis	10/07/02	959.51	394.10	34.27	428.37	531.14	S/L	28.0
54	Fencing	6/07/04	1,075.95	365.08	38.43	403.51	672.44	S/L	28.0
64	Fence Addition	4/10/05	330.82	100.47	11.82	112.29	218.53	S/L	28.0
79	Fence(New)-Water Plant Area	3/31/08	1,741.71	342.10	62.20	404.30	1,337.41	S/L	28.0
91	New Door on Water Plant Bldg	11/30/09	464.40	74.65	16.59	91.24	373.16	S/L	28.0
304 Structures & Improvmt			5,642.00	2,250.41	174.51	2,424.92	3,217.08		

Group: 307 Wells & Springs

6	6" Well	1/01/83	3,761.97	3,761.97	0.00	3,761.97	0.00	S/L	27.0
7	8" Well	11/17/89	6,537.00	5,695.29	242.11	5,937.40	599.60	S/L	27.0
72	Dig Well 20ft deeper	9/15/06	5,221.40	1,450.42	193.39	1,643.81	3,577.59	S/L	27.0
96	Repair broken pipe-small well	2/14/13	306.50	5.68	11.35	17.03	289.47	S/L	27.0
99	New 6" Neptune Turbine Flow Meter	8/08/13	3,184.00	58.96	117.93	176.89	3,007.11	S/L	27.0
307 Wells & Springs			19,010.87	10,972.32	564.78	11,537.10	7,473.77		

Group: 309 Supply Mains

3	New Air Compressor	10/07/97	638.83	329.34	19.96	349.30	289.53	S/L	32.0
4	New Master Water Meter	2/20/98	1,000.00	484.38	31.25	515.63	484.37	S/L	32.0
8	Supply Mains	1/31/95	14,154.54	8,183.10	442.33	8,625.43	5,529.11	S/L	32.0
309 Supply Mains			15,793.37	8,996.82	493.54	9,490.36	6,303.01		

Group: 310 Power Generatn Equip

9	Power Generation Equip-Aux. Gen.	5/13/89	695.50	695.50	0.00	695.50	0.00	S/L	17.0
10	Power Generation Equip	11/01/92	1,014.60	1,014.60	0.00	1,014.60	0.00	S/L	17.0
38	Aux. Gen. Improvements	4/17/00	548.20	435.37	32.25	467.62	80.58	S/L	17.0
39	Manual Transfer Switch- Aux. Gen.	2/18/00	779.20	618.84	45.84	664.68	114.52	S/L	17.0
310 Power Generatn Equip			3,037.50	2,764.31	78.09	2,842.40	195.10		

Group: 311 Pumping Equip

11	Pumping Equipment	11/26/90	3,104.20	3,104.20	0.00	3,104.20	0.00	S/L	17.0
12	Pumping Equipment	1/31/95	9,907.05	9,907.05	0.00	9,907.05	0.00	S/L	17.0
73	50 HP PUMP	9/15/06	2,523.00	1,113.08	148.41	1,261.49	1,261.51	S/L	17.0
74	Labor for Pump Replacement	9/15/06	1,919.88	846.98	112.93	959.91	959.97	S/L	17.0
95	New 6" Gate Valve	11/15/10	912.17	113.66	53.66	167.32	744.85	S/L	17.0
97	Air Vol Control System	2/14/13	925.00	27.21	54.41	81.62	843.38	S/L	17.0
98	New Solenoid Valve	2/14/13	363.05	10.68	21.36	32.04	331.01	S/L	17.0
100	New Check Valve	10/20/13	630.86	18.55	37.11	55.66	575.20	S/L	17.0
311 Pumping Equip			20,285.21	15,141.41	427.88	15,569.29	4,715.92		

Group: 320 Water Treatment Equip

13	Water Treatment Equipment	1/01/83	3,696.00	3,239.58	112.00	3,351.58	344.42	S/L	33.0
14	Water Treatment Equipment	1/31/95	4,209.87	2,420.08	127.57	2,547.65	1,662.22	S/L	33.0
37	Rewire Controls for Liquid Chlorine	1/28/00	393.76	177.75	23.16	200.91	192.85	S/L	17.0
66	DbI Strap Saddle & Injection Quill	12/18/05	468.72	227.66	27.57	255.23	213.49	S/L	17.0
75	Plant Improvements	4/12/07	10,551.90	2,078.38	319.75	2,398.13	8,153.77	S/L	33.0
89	Pulstron Ser E Chlorine Pump 100psi	7/18/09	1,017.12	653.85	145.30	799.15	217.97	S/L	7.0
320 Water Treatment Equip			20,337.37	8,797.30	755.35	9,552.65	10,784.72		

Group: 330 Distributn Reservrs

76	New 7500 Gal Steel Tank	11/12/08	32,205.00	5,904.25	1,073.50	6,977.75	25,227.25	S/L	30.0
101	Repair @ Water Tank	11/19/13	262.50	4.38	8.75	13.13	249.37	S/L	30.0
330 Distributn Reservrs			32,467.50	5,908.63	1,082.25	6,990.88	25,476.62		

Group: 331 Transmis & Distributn								
16	Transmission & Distribution Equipm	1/01/83	13,609.50	10,761.86	358.14	11,120.00	2,489.50 S/L	38.0
17	Transmission & Distribution Equipm	1/31/95	36,342.17	17,692.85	956.37	18,649.22	17,692.95 S/L	38.0
35	Flg Adaptor, Wtr Serv@Entrance	3/27/99	766.43	292.48	20.17	312.65	453.78 S/L	38.0
77	New 2" Air Release Valve	2/27/08	800.91	134.90	40.05	174.95	625.96 S/L	20.0
90	Air Release Valve	9/21/09	1,112.00	158.01	55.60	213.61	898.39 S/L	20.0
102	Water Main Repair-4212 Bair Ave	2/14/13	937.13	12.33	24.66	36.99	900.14 S/L	38.0
103	Replace curb stop & piping @ 4145	3/20/13	460.79	6.06	12.13	18.19	442.60 S/L	38.0
104	Repair broken 6" main @ 4132 Bair /	3/25/13	1,047.50	13.78	27.57	41.35	1,006.15 S/L	38.0
105	Addl repair @ 4145 Bair Ave	3/25/13	195.08	2.57	5.13	7.70	187.38 S/L	38.0
106	Repair broken 6" main @ 4116 Bair /	7/16/13	809.84	10.66	21.31	31.97	777.87 S/L	38.0
1005	Repair 6" Water Main-4128 Bair Ave	5/11/14	1,156.36	0.00	15.22	15.22	1,141.14 S/L	38.0
331 Transmis & Distributn			57,237.71	29,085.50	1,536.35	30,621.85	26,615.86	
Group: 333 Services								
18	Services	1/01/83	44.31	37.29	1.27	38.56	5.75 S/L	35.0
333 Services			44.31	37.29	1.27	38.56	5.75	
Group: 334 Meters								
19	Meters	1/01/83	1,394.36	1,394.36	0.00	1,394.36	0.00 S/L	17.0
20	Meter	11/20/93	159.91	159.91	0.00	159.91	0.00 S/L	17.0
21	23 Double Meters	1/31/95	6,835.03	6,835.03	0.00	6,835.03	0.00 S/L	17.0
107	9 Single Meter Boxes Installed	4/10/13	517.60	15.22	30.45	45.67	471.93 S/L	17.0
108	1 Single, 1 Double Meter Box Install	7/23/13	113.41	3.34	6.67	10.01	103.40 S/L	17.0
334 Meters			9,020.31	8,407.86	37.12	8,444.98	575.33	
Group: 335 Hydrants								
22	6 Hydrants w/ Valves	1/31/95	9,459.97	4,375.25	236.50	4,611.75	4,848.22 S/L	40.0
335 Hydrants			9,459.97	4,375.25	236.50	4,611.75	4,848.22	
Group: 340 Office Furn & Equip.								
42	disp HP Office Jet-Printer, Fax, Copier & !	12/16/01	153.79	153.79	0.00	153.79	0.00 S/L	6.0
340 Office Furn & Equip.			153.79	153.79	0.00	153.79	0.00	
*Less: Dispositions and Transfers			153.79	153.79	0.00	153.79	0.00	
Net 340 Office Furn & Equip.			0.00	0.00	0.00	0.00	0.00	
Public Service Commission			194,394.91	96,890.89	5,387.64	102,278.53	92,116.38	
*Less: Dispositions and Transfers			153.79	153.79	0.00	153.79	0.00	
Net Public Service Commission			194,241.12	96,737.10	5,387.64	102,124.74	92,116.38	
Grand Total			286,774.28	142,637.06	8,235.17	150,872.23	135,902.05	
Less: Dispositions and Transfers			153.79	153.79	0.00	153.79	0.00	
Net Grand Total			286,620.49	142,483.27	8,235.17	150,718.44	135,902.05	

Book Current Year Additions

59-1992465

FYE: 12/31/2014

Asset	Property Description	Date In Service	Book Cost
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Division: Public Service Commission

Group: 331 Transmis & Distributn			
1005 Repair 6" Water Main-4128 Bair Ave		5/11/14	1,156.36
331 Transmis & Distributn			<u>1,156.36</u>
	Public Service Commission		<u>1,156.36</u>
	Grand Total		<u>1,156.36</u>

Book Current Year Disposals

59-1992465

FYE: 12/31/2014

Asset	Property Description	Disposal Date	Disposal Method	Book Cost/Basis	Gross Proceeds	Expense of Sale	Unrecovered Book Cost	Book Gain/Loss
Division: Public Service Commission								
Group: 340 Office Furn & Equip.								
	42 HP Office Jet-Printer, Fax, Copier & Scanner	1/01/14	Sold	153.79	0.00	0.00	0.00	0.00
	340 Office Furn & Equip.			<u>153.79</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Public Service Commission			<u>153.79</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Grand Total			<u>153.79</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

EXHIBIT E
Rule 25-30.037 (2)(r)

A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

Seller will provide all regulatory assessment fees, fines or refunds owed up to the date of the purchase of the Systems.

EXHIBIT F
Rule 25-30.037 (2)(i)

A statement describing the financing of the purchase.

The system was purchased with Shareholder's cash.

EXHIBIT G
Rule 25-30.037 (2)(k)

A list of all entities upon which the applicant is relying to 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 of ownership interest in the utility.

The system was purchased with Shareholder's cash. The utility, Lake Idlewild was incorporated in the State of Florida on July 14, 2014, as such there are no financial statements of the utility. There are no other "entities" upon which the applicant is relying to provide funding to the buyer. The financial statements would be the individual shareholder's personal financial information. These may be made available for review by the staff at the utility's office; however, due to the personal nature of these statements, they cannot be provided to the PSC since they will then become public record. See Exhibit "B" attached to the application.

EXHIBIT H
Rule 25-30.037 (2)(l)

The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. Identify all adjustment made to update this rate base (or net book value) to the date of the proposed transfer.

Net Book Value of Rate Base to be determined by the FPSC. However, below are the values as reported in W.B.B. Utilities, LLC's 2013 Annual Report filed with the FPSC as of December 31, 2013:

Utility Plant in Service:	\$194,116
Land:	1,905
Accumulated Depreciation	(77,725)
Contributions in Aid of Construction (CIAC):	(92,380)
Accumulated Amortization CIAC:	<u>43,052</u>
Net Rate Base:	<u>\$ 68,968</u>

For additional information, please see Schedule 1.1 of the Asset Purchase Agreement that provides detail of the utility plant-in-service, depreciation, CIAC, and amortization up to the date of the APA.

EXHIBIT I
Rule 25-30.037 (2)(m)

A statement setting forth the reasons for an acquisition adjustment, if one is requested.

To be determined by the FPSC. However, based on the Rate Base reported in the 2013 Annual Report and the purchase price, no acquisition adjustment is appropriate or requested.

EXHIBIT J
Rule 25-30.037 (2)(o)

A statement from the buyer that it has obtained or will obtain copies of all the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

Seller has provided any and all Federal income tax returns to Buyer.

EXHIBIT K
Rule 25-30.037 (2)(p)

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 Department of Environmental Protection.

After reasonable investigation, it has been determined that the system acquired from W.B.B. Utilities, Inc. appears to be in satisfactory condition and are in compliance with all applicable standards set by the Florida Department of Environmental Protection (“FDEP”) and do not have any outstanding Notices of Violation or Consent Orders with the FDEP.

EXHIBIT L
Rule 25-30.030

An affidavit that the notice of actual application was given in accordance with Section 367-045(1), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail.

To be provided late-filed.

EXHIBIT M
Rule 25-30.030

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.

To be provided late-filed.

EXHIBIT N
Rule 25-30.030

Immediately upon completion of the publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30-030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit.

To be provided late-filed.

EXHIBIT O

A description of the territory proposed to be served using township, range and section references as specified in Rule 25-30.030 (2).

W.B.B. Utilities Inc.

WATER LEGAL DESCRIPTION

Lake County

Lake Idlewild Estates

The following described lands located in portions of Section 35, Township 18 South, Range 24 East, Lake County, Florida:

Section 35

The South $\frac{3}{4}$ of the West $\frac{1}{2}$ of the NW $\frac{1}{4}$ less Lake Idlewild.

EXHIBIT P
Rule 25-30.037 (2)(q)

Evidence that the utility owns the land where the utility treatment facility are located. Or, where 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.

See Attached.

Parcel # 3518240150-00A-00000
Alt. Key 2694891

Prepared by/Return to:
Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, FL 34668

Consideration: \$14,740.00

File #14-544

THIS INSTRUMENT WAS PREPARED WITHOUT EXAMINATION OF TITLE FROM INFORMATION GIVEN BY THE PARTIES HEREIN. MARKETABILITY OF TITLE OR ACCURACY OF DESCRIPTION IS NEITHER GUARANTEED NOR INSURED.

SPECIAL WARRANTY DEED

THIS INDENTURE, made this 29 day of Aug, 2014 by and between **W.B.B. UTILITIES, INC., a Florida corporation**, whose address is 4223 Bair Ave., Fruitland Park, FL 34731, hereinafter called the Grantor, and **LAKE IDLEWILD UTILITY COMPANY, a Florida corporation**, whose address is c/o 4939 Cross Bayou Blvd., New Port Richey, FL 34652, hereinafter called the Grantee.

WITNESSETH, that the said Grantor, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars in hand paid by the Grantee and other valuable considerations, the receipt whereof is acknowledged, hereby grants, bargains and sells to the said Grantee, forever, the following described land in the County of **LAKE**, Florida, to wit:

See the attached Exhibit "A" incorporated herein by reference.

TO HAVE AND TO HOLD the above referenced property with appurtenances, unto the said Grantee, its successors and assigns forever.

SUBJECT TO all easements, restrictions and reservations of record and taxes for 2014 and subsequent years.

AND SAID GRANTOR does hereby fully specially warrant the title to said lands and will defend the same against the lawful claims of any person whomsoever claiming by, through or under the said Grantor, but against none other.

IN WITNESS WHEREOF, the above named corporate Grantor has caused these presents to be signed in its name by its undersigned officers, and its seal affixed the day and year first hereinabove written.

W.B.B. UTILITIES, INC.
a Florida corporation

Richard S. Bair
Richard S. Bair, President

Signed, sealed and delivered
in the presence of:

P Windsor
Witness signature
PENNY WINDSOR
print name of witness

Andrew Haliday
Witness signature
Andrew Haliday
print name of witness

STATE OF Florida

COUNTY OF Lake

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared Richard S. Bair as President of W.B.B. Utilities, Inc., a Florida corporation,

who is/are personally known to me or
 who has/have produced _____ (type of identification) as
identification

and who acknowledged before me that the foregoing instrument was executed for the reasons expressed therein.

Witness my hand and official seal this 20 day of August, 2014.

my commission expires on:

Kimball Haliday
Notary public

seal of notary

Printed, typed or stamped name of notary

Exhibit "A "

Tract "A" and the North one-half of vacated Bair Avenue lying south of said Tract "A", LAKE IDLEWILD ESTATES, according to the map or plat thereof as recorded in Plat Book 26, Page 35 of the Public Records of Lake County, Florida.

REC 5.02
DOC 1.55
TF 1.00
copy 1.00

BOOK 1083 PAGE 0861

This Warranty Deed Made and executed the 24th day of October A. D. 1990 by
W.B.B., INC.

a corporation existing under the laws of Florida, and having its principal place of business at 4116 Bair Avenue, Fruitland Park, Florida 34731 hereinafter called the grantor, to
W.B.B. UTILITIES, INC.

a corporation existing under the laws of the State of Florida, with its permanent postoffice address at 5116 Bair Avenue, Fruitland Park, Florida 34731 hereinafter called the grantees:

(Wherever used herein the terms "grantor" and "grantee" include all the parties to this instrument and their heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations)

Witnesseth: That the grantor, for and in consideration of the sum of \$ 10.00 and other valuable considerations, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto the grantees, all that certain land situate in Lake County, Florida, viz:

The parcel labelled "TRACT A" of LAKE IDLEWILD ESTATES SUBDIVISION, according to the plat thereof recorded at Plat Book 26, Page 35, Public Records of Lake County, Florida.

This conveyance is subject to the Declaration of Restrictions recorded at O. R. Book 774, Page 2330, Public Records of Lake County, Florida, and amendment of same recorded at Book 1066, Page 0463, Public Records Lake County, Florida.

Subject to easements, restrictions and rights-of-way of record

Together with all the tenements, hereditaments and appurtenances thereto belonging or in any-wise appertaining.

To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantees that it is lawfully seized of said land in fee simple; that it has good right and lawful authority to sell and convey said land; that it hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances except taxes subsequent to December 31, 1989.



In Witness Whereof the grantor has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its proper officers thereunto duly authorized, the day and year first above written.

ATTEST Molly W. Bair Secretary W.B.B., INC.

Signed, sealed and delivered in the presence of:
R.M. Marshall By Richard E. Bair President

STATE OF FLORIDA
COUNTY OF LAKE

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared RICHARD E. BAIR and MOLLY W. BAIR

well known to me to be the President and Secretary respectively of the corporation named as grantor in the foregoing deed, and that they severally acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 24th day of October A. D. 1990

STATE OF FLORIDA DOCUMENTARY STAMP TAX DEPT. OF REVENUE NOV-8'90 11.55

Richard E. Bair
NOTARY PUBLIC

This instrument prepared by:
Address This Instrument Was Prepared By:
CAROL N. DAVIS
P.O. Drawer 491519
Leesburg, FL 34748-1519

My Commission Expires
Notary Public, State of Florida
My Commission Expires Oct 23, 1990

Nov 8 9 21 AM '90

EXHIBIT Q
Rule 25-30.037 (2)(s)

Sample tariff sheets for each system proposed to be transferred reflecting the change in ownership, the existing rates and charges, and the territorial descriptions for the water system.

See Attached.

WATER TARIFF

LAKE IDLEWILD UTILITY COMPANY
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

Lake Idlewild Utility Company
NAME OF COMPANY

5320 Captains Court

New Port Richey, Florida 34652
(ADDRESS OF COMPANY)

(727) 848-8292
(Business Telephone Number)

(888) 228-2124
(Emergency Telephone Number)

FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

WATER TARIFF
TABLE OF CONTENTS

	Sheet Number
Communities Served Listing.....	4.0
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Rates and Charges Schedules	11.0
Rules and Regulations	6.0
Service Availability Policy and Charges	19.0
Standard Forms.....	22.0
Technical Terms and Abbreviations	5.0
Territory Authority	3.0

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

TERRITORY AUTHORITY

CERTIFICATE NUMBER – 531-W

COUNTY – Lake

COMMISSION ORDER(S) APPROVING TERRITORY SERVED –

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
24007	01/22/91	900826-WU	Certificate

(Continued to Sheet No. 3.1)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

LAKE COUNTY

Lake Idlewild Estates

The following described lands located in portions of Section 35, Township 18 South, Range 24 East, Lake County, Florida:

Section 35

The South $\frac{3}{4}$ of the West $\frac{1}{2}$ of the NW $\frac{1}{4}$ less Lake Idlewild.

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheets No.</u>
Lake	Lake Idlewild Estates	RS	13.0

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is LAKE IDLEWILD UTILITY COMPANY
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. 5.0)

- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
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Change of Customer's Installation	8.0	11.0
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Delinquent Bills.....	7.0	8.0
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Meter Accuracy Requirements	10.0	24.0
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(Continued to Sheet No. 6.1)

GARY A. DEREMER
 ISSUING OFFICER

PRESIDENT
 TITLE

LAKE IDLEWILD UTILITY COMPANY
WATER TARIFF

ORIGINAL SHEET NO. 6.1

(Continued from Sheet No. 6.0)

	<u>Sheet Number:</u>	<u>Rule Number:</u>
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Unauthorized Connections – Water	10.0	19.0

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.
- The Company shall provide water service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.
- 2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.
- 3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service," prepared by the Florida Public Service Commission.
- 4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.
- 5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.
- 6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.
- 7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service. The Company reserves the right to discontinue or withhold water service to such apparatus or device.
- 8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, water service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. 7.0)

- 9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

- 10.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the Customer only for the purposes specified in the application for water service. Water service shall be rendered to the Customer for the Customer's own use and the Customer shall not sell or otherwise dispose of such water service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's water service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from remetering.)

- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

- 12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. 8.0)

- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.
- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.
- 16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly – as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

- 17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WATER - Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.
- 21.0 ALL WATER THROUGH METER - That portion of the Customer's installation for water service shall be so arranged to ensure that all water service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.
- 22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be refunded or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.
- 25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

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INDEX OF RATES AND CHARGES SCHEDULES

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GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service to all Customers for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD – Monthly

RATE – NOT APPLICABLE

MINIMUM CHARGE – Base Facility Charge

TERMS OF PAYMENT – Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE –

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RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY – Available throughout the area served by the Company.

APPLICABILITY – For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS – Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD – Monthly

RATE –

<u>Meter Sizes</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 11.87
3/4"	\$ 17.81
1"	\$ 29.68
1 1/2"	\$ 59.35
2"	\$ 94.96
3"	\$ 178.05
4"	\$ 296.75
6"	\$ 593.51
Charge per 1,000 gallons	\$ 1.55

MINIMUM CHARGE – Base Facility Charge

TERMS OF PAYMENT – Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE –

TYPE OF FILING – Certificate Transfer

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IRRIGATION SERVICE

RATE SCHEDULE IS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For irrigation water service to all residential customers.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE - NOT APPLICABLE

- MINIMUM CHARGE - Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.
- EFFECTIVE DATE -
- TYPE OF FILING - Certificate Transfer

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PRIVATE FIRE PROTECTION

RATE SCHEDULE PF

AVAILABILITY – Available throughout the area served by the Company.
APPLICABILITY – For private fire protection service to customers.
LIMITATIONS – Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
BILLING PERIOD – Monthly
RATE – NOT APPLICABLE

GALLONAGE CHARGE – Not Applicable

MINIMUM CHARGE – Base Facility Charge

TERMS OF PAYMENT – Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE –

TYPE OF FILING – Certificate Transfer

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CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Charge</u>
Residential Service	<u>NOT APPLICABLE</u>
General Service	

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a).

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

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METER TEST DEPOSIT

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

<u>METER SIZE</u>	<u>FEE</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

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MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

LATE PAYMENT CHARGE – This charge would be levied when a customer's billing account is not paid timely and is therefore delinquent.

NSF CHARGE - This charge may be levied pursuant to Chapter 832, Florida Statutes, when a customer pays by check and that check is dishonored by the customers banking institution.

Schedule of Miscellaneous Service Charges

	<u>During Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$22.00	\$33.00
Normal Reconnection Charge	\$22.00	\$33.00
Violation Reconnection Charge	\$35.00	\$55.00
Premises Visit Charge (in lieu of disconnection)	\$22.00	\$33.00
Late Payment Charge		\$5.00
NSF Check Charge	Pursuant to Statute 832.08(5)	

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INDEX OF SERVICE AVAILABILITY POLICY AND CHARGES

<u>Description</u>	<u>Sheet Number</u>
Schedule of Charges.....	31.0
Service Availability Policy.....	20.0

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SERVICE AVAILABILITY POLICY

TERMS & ABBREVIATIONS

- 1.0 **"ACTIVE CONNECTION"** - Means a connection to the Company's system at the point of delivery of service, whether or not service is currently being provided.
- 2.0 **"BACK FLOW PREVENTOR"** - Means a valve or device installed in order to prevent contamination of the potable water in the lines of the Company by virtue of a cross connection or flow from the Customers' property into the Company's system.
- 3.0 **"CONTRIBUTION(S)-IN-AID-OF-CONSTRUCTION" (CIAC)** - Means any amount or item of money, services, or property received by the Company from an Applicant, any portion of which is provided at no cost to the Company, which represents an addition or transfer to the capital of the Company, and which is utilized to offset the acquisition, improvement, or construction costs of the Company's property, facilities, or equipment used to provide utility services to the public. The term includes plant capacity charges, main extension charges, meter and service installation charges.
- 4.0 **"CONTRIBUTOR"** - Means a person, builder, developer or other entity who makes a contribution-in-aid-of-construction.
- 5.0 **"CUSTOMER CONNECTION CHARGE"** - Means any payment made to the Company for the cost of installing a connection from the Company's water or wastewater lines, including but not limited to the cost of piping and the meter installation fee.
- 6.0 **"CUSTOMER INSTALLATION"** - Means all pipes, shut-offs, valves, fixtures, and appliances or apparatus of every kind and nature which are located on the Customer's side of the "Point of Delivery" and used in connection with or forming part of the installation necessary for rendering water service to the Customer's premises regardless of whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 7.0 **"DEVELOPER'S AGREEMENT"** - Means a written agreement setting forth in detail the terms and conditions under which the Company will render services to a developer's property.
- 8.0 **"ECONOMIC FEASIBILITY"** - Means a test by which the operating income of the Company to be earned from prospective customers within the area to be served by a proposed expansion of facilities is divided by the investment in such facilities to determine if the Company will earn a fair return on its investment in the proposed extension.
- 9.0 **"EQUIVALENT RESIDENTIAL CONNECTION" (ERC)** - Means (a) 350 gallons per day, (b) the number of gallons the Company demonstrates is the average daily flow for a single residential unit, or (c) the number of gallons which has been approved by the Department of Environmental Protection for a single residential unit.

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TERMS & ABBREVIATIONS

- 10.0 **"GUARANTEED REVENUE AGREEMENT"** - Means a written agreement by which an applicant agrees to pay a charge designed to cover the Company's costs including, but not limited to, the cost of operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the Company, for facilities that are subject to the agreement, a portion of which may not be used and useful to the Company or its existing customers.
- 11.0 **"HYDRAULIC SHARE"** - Means the pro rata share of the capabilities of the Company's facilities to be made available for service to the contributor. The pro rata share is multiplied by the unit cost (per gallon) of providing the facilities to determine the proportional share of the cost to be borne by the contributor.
- 12.0 **"INSPECTION FEE"** - Means either the actual or the average cost to the Company of inspecting, or having inspected, the facilities constructed by a contributor or by an independent contractor for connection to the facilities of the Company.
- 13.0 **"MAIN EXTENSION CHARGE"** - Means a charge made by the Company for the purpose of covering all or part of the Company's capital costs in extending its off-site water or wastewater facilities to provide service to specified property. The charge is determined on the "Hydraulic Share" basis or other acceptable method reasonably related to the cost of providing the service.
- 14.0 **"METER INSTALLATION FEE"** - Means the amount authorized by the Commission which is designed to recover the cost of installing the water measuring device at the Point of Delivery including materials and labor required.
- 15.0 **"OFF-SITE FACILITIES"** - Means either the water transmission mains and facilities or the wastewater collection trunk mains and facilities, including, but not limited to, manholes, wastewater force mains and wastewater pumping stations, the purpose of which is either to provide water service to properties within the service territory of the service Company or to collect wastewater received from properties within the territory.
- 16.0 **"ON-SITE FACILITIES"** - Means the portion of the water distribution system or the wastewater collection and treatment system that has been, or is to be, located wholly within the property to which service is to be extended. If off-site facilities cross the property of the Customer via an easement, the on-site facilities shall mean the water distribution system or the wastewater collection system that is located on the Customer's property, exclusive of the off-site facilities.
- 17.0 **"REFUNDABLE ADVANCE"** - Means money paid or property transferred to the Company by the Applicant for the installation of facilities which may not be used and useful for a period of time. The advance is made to temporarily defray the Company's costs so that the proposed extension may be rendered economically feasible and, in turn, so that service may be obtained. As additional Customers connect to the system, portions of the advance will be returned to the Applicant over a specified period of time in accordance with a written agreement.

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- 18.0 **"SERVICE AVAILABILITY POLICY"** - Means the section of the Company's tariff which sets forth a uniform method of determining the plant capacity charge or other charges to be paid and conditions to be met, by Applicants for service in order to obtain water or wastewater service.
- 19.0 **"SPECIAL SERVICE AVAILABILITY CONTRACT"** - Means an agreement for charges for the extension of service which is not provided for in the Company's Service Availability Policy.
- 20.0 **"SYSTEM (PLANT) CAPACITY CHARGE"** - Means the charge made by the Company for each new connection to the system which charge is designed to defray a portion of the cost of the utility system.
- 21.0 **"UTILITY SERVICE FEES"** - Means fees that the Company will credit against the Service Availability Charges that are effective at the time application for service is made.
- 22.0 **"TREATMENT FACILITIES"** - Treatment Facilities means the facilities used for the production and treatment of water or for the treatment and disposal of wastewater.

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SERVICE AVAILABILITY POLICY

- I. **PURPOSE** The Company is implementing this Service Availability Policy (hereinafter "Policy") to set forth the terms and conditions under which the Company will be the sole provider of service from Company facilities to individual or developer Applicants within its certificated area; and describes the charges which are intended to defray portions of the costs associated with existing and new facilities of the Company in a fair and nondiscriminatory manner.
- II. **APPLICABILITY** The provisions of this policy are applicable to all Customers and potential customers within the Certificated Service Area of the Company.
- III. **GENERAL PROVISIONS** The following provisions apply to all extensions to the Company's facilities. No service will be provided until the Company receives the Commission's approval, as provided below, and where applicable, all terms of Section 367.045, Florida Statutes are met. The Applicant must agree to pay all costs associated with a request for service that requires an expansion of the Company's exclusive service area which is set forth in its Certificate of Authorization.
 1. **Commission Approval** The terms and conditions of the Company's Service Contracts, Developer's Agreements and Refundable Advance Agreements are subject to the approval of the Commission as outlined below:
 - a. Extensions that are in accordance with the Standard Service Contract, Standard Developer's and/or Standard Refundable Advance Agreements, approved by the Commission for use with this Service Availability Policy, will not need additional Commission approval.
 - b. Where situations exist that are not provided for in the Company's standard agreements, the Company may enter into a Special Service Availability Contract with a developer provided, however, that the Commission approve said Special Service Availability Contract before any extension is made.
 - c. Approval of a developer's agreement does not preclude the Commission from affecting its provisions in the future if, pursuant to Commission approval, the terms and conditions of the Company's service availability policy are changed.
 2. **Extension Only Within Certificated Service Areas** The Company will make extensions to its facilities, to all customers within its certificated service area as may be required by one or more customers, provided the revenues to be derived therefrom shall be sufficient to afford a fair and reasonable return on the Company's investment in providing the service. To this end the Company will require, depending upon the specific circumstances, conveyance of title as described in Section V-3-b of this Service Availability Policy, service availability charges, refundable advances, contributions-in-aid-of-construction (CIAC), and/or allowance for funds prudently invested (AFPI) charges be paid by the Applicant.

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3. **Extensions Where Economically and Operationally Feasible** If service is requested for property not in the Company's existing Certificated Service Area, the Company may agree to provide service where economically and operationally feasible subject to appropriate approval(s) from regulatory authorities.
4. **Obligations of the Company** As provided in this policy, the Company's obligations are to extend its existing facilities within its Certificated Service Area, and to provide service to all customers within its certificated area under the terms and conditions herein. The Company will respond to each Applicant within 30 days. Where a proposed main extension is involved, only those services specifically provided for in the Company's Commission-approved Service Contracts, Developer's Agreements or Refundable Advance Agreements, which are properly executed by the Applicant and the Company, shall obligate the Company to perform any task, or furnish any service to an Applicant or any other party.
5. **General Application for Service** The Commission requires that all Applicants for utility services within its certificated area shall make a written request (Application) for the service desired from the Company. (The Company's Application Form is in SECTION VII - MISCELLANEOUS of this tariff). This application is notice to the Company that service is desired and an expression of the Applicant's willingness to conform to the Company's policies, tariffs, rules and regulations which are in effect and on file with the Commission.
6. **On-Site Facilities** The Company shall be entitled to inspect all connections (including on-site facilities) to Company facilities. The Applicant shall reimburse the Company for all costs associated with the performance of these inspections.
7. **Refusal of Service** The Company may refuse commencement of service to an Applicant for any of the following reasons:
 - a. **Proposed Service is not lawful.** The proposed service is not lawful under the current Statutes and Rules of the Commission, or
 - b. **Conditions not yet met.** A condition of the Service Availability Policy, Service Contract, Developer's Agreement or Refundable Advance Agreement has not yet been met, or
 - c. **Adverse effects on existing customers.** The proposed service would adversely affect the quality or reliability of service to existing customers (e.g. capacity of existing Company facilities is insufficient), or
 - d. **Economic feasibility.** The proposed service is not economically feasible as defined in Chapter 25-30.515, Florida Administrative Code (Commission Rules), or
 - e. **Property outside certificated service area.** Property for which service is requested is outside of the Company's certificated service area and the Company has determined that extension of its certificated service area is not economically justified.

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SERVICE AVAILABILITY POLICY

V. **MAIN EXTENSION RULES** Where there is not an existing main available, the Company will extend its main to provide service provided the Applicant has first entered into a Commission-approved Service Contract, Developer's Agreement or Refundable Advance Agreement with the Company.

1. **Applications for Main Extensions** Whenever an extension to one of the Company's mains is involved, it shall be in accordance with the following rules:

Any Applicant shall, in addition to the general application for service, make a written request regarding the specific main extension desired from the Company. Said application, as required by Commission Rules (Chapter 25-30.525, Florida Administrative Code) shall include, but not be limited to the following information, if applicable:

- a. A legal description of the property including reference to section, township and range.
- b. A drawing of the property showing its boundaries.
- c. The present zoning classification of the property.
- d. A plat map.
- e. Three sets of a site and utility plan (and floor plan for commercial developments).
- f. The intended land use of the development, including densities and types of use.
- g. The name and address of the person or entity making the application for extension of service.
- h. The nature of the Applicant's title to or interest in the described property.
- i. The date, or estimated date, service will be needed.

2. **Rules for Extending Mains to a Single Residence or a Single Commercial Facility** Where an extension of the Company's facilities is required to provide service to a single residence or a single commercial facility, the Company will furnish a cost estimate of the proposed extension, a preliminary sketch of the extension, and the terms and conditions to be contained in the Service Contract necessary for service to be extended.

3. **Rules for Extending Mains to Developer Facilities** Service to a developer requiring an extension of the Company's facilities will be conducted under the terms and conditions of a Developer's Agreement or a Refundable Advance Agreement wherein the Company will negotiate with the developer whether it will design, construct and install extensions from existing facilities to the property to be served or have the developer undertake these activities. If the company installs the necessary facilities, it will prepare a Developer's Agreement detailing the cost estimate and other items necessary for such extensions to be made. If the developer is to perform the design, construction and installation, the developer must obtain approval of the Company as outlined in the Commission's Rules. Developer's Agreements are subject to the approval of the Commission and shall be in accordance with the following:

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- a. **Existing facilities to a development.** If the request is for service to a development, and the provision of service will be by the extension of existing facilities through Company investment, the Company shall be responsible for all engineering, planning, design, and construction.
- b. **Developer providing facilities.** If the request is for service to a development and the developer will be providing the necessary facilities for the extension, or will be paying for the construction of the facilities, the developer shall be responsible for the planning, design, and development of construction drawings needed to extend the existing facilities to serve the proposed development. The plans, designs and development drawings shall be in accordance with applicable laws or ordinances. The Company will furnish general construction specifications, an estimate of all costs to be borne by the developer (including all applicable Service Availability Charges) that are in addition to the costs of the facilities the developer is to construct, and a quotation of advances to be made upon execution of a Developer's Agreement. By way of further explanation, the Developer will be responsible for the following:
- (1) **Design of new water facilities.** The developer will retain the services of a registered professional engineer to prepare all plans and specifications for water facilities (hereinafter "facilities") to connect to the Company's facilities at points designated by the Company. Said plans and specifications must be approved by the Company prior to submission to any regulatory agency for review.
 - (2) **Approvals and permits.** The developer shall be required to obtain all necessary approvals and permits for construction of the new facilities from the appropriate regulatory agencies.
 - (3) **Construction of facilities.** The developer will, at its own expense, construct and install all facilities in accordance with the plans and specifications as approved by the Company. Additionally, the developer shall be responsible for certifying to the appropriate regulatory agency that the facilities have been installed and tested in accordance with the plans and specifications prepared by the developer's engineer.
 - (4) **Warranty on workmanship.** The developer shall warrant all facilities against defect in materials and workmanship for a period of one year from the date of acceptance of said facilities by the Company.
 - (5) **Inspection of facilities.** The Company shall have the right to inspect the construction of the facilities and to

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recommend reasonable changes. Additionally, within sixty (60) days after the completion and certification of the facilities, the Company may perform an inspection of the facilities. The developer shall reimburse the Company for all costs associated with the performance of these inspections, as provided for in this tariff.

- (6) **Conveyance of title.** Prior to a letter of acceptance being issued by the Company, the developer shall immediately convey title of the facilities to the Company, and before accepting the responsibility for operation and maintenance of the facilities, the developer shall provide, without charge to the Company, the following information:
- (a) Cost Report - which shall detail, as provided for in the National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts, all costs incurred in the construction of the facilities, including engineering, inspection, and administrative costs,
 - (b) Three copies of "As-Built-Plans" - Shall be 24"x36" Mylar, showing precise location of all lines and appurtenances in relation to an identifiable property line or referenced monument,
 - (c) Easements - as required,
 - (d) Contractor's waiver and release of lien,
 - (e) Contractor's Letter of Warranty or Developer's Contract Bond,
 - (f) Absolute Bill of Sale,
 - (g) All required fees and charges.

4. **Company Extends for Its Own Future Benefit** If the company installs (or has installed) facilities for its future benefit capacity in excess of what would normally be required for the requested extension, the incremental cost for this excess capacity shall not be included in cost estimates to Applicants; and shall be the Company investment or recovered by a Refundable Advance Agreement.

- VI. **SERVICE AVAILABILITY CHARGES** The following charges will be applied, if applicable. The charges are subject to change from time to time as deemed necessary by the Company and the Commission. These charges are defined as a CIAC, and do not entitle the Applicant to any rights of ownership. The Company will own and maintain the facilities for which these charges are levied. The specific charges, as approved by the Commission and provided in the rates portion of this tariff, are described as follows:

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1. **Plant Capacity Charges** The Company will collect a fee, designed to defray a portion of the cost of the facilities not covered in other Service Availability Charges.
2. **Meter Installation Charges** The Company will collect, for water service installations, a fee to cover the costs required to install a meter, including meter boxes, fittings, etc. at the point of delivery.
3. **Service Installation Charges** The Company will collect a fee to cover the costs required to install a service line from the Company's main to the point of delivery.
 - a. **Short Service** - Tapping into the main line, which would be located on the same side of the street as property to be served and putting in the service line.
 - b. **Long Service** - Tapping into the main line, which would be located on the opposite side of an "unpaved" road of the property to be served and putting in the service line.
 - c. **Long Service** - Tapping into the main line, which would be located on the opposite side of "paved" road of property to be served. Putting in the service line by method of jacking or boring the service line under the street.
4. **Main Extension Charges** The Company will collect a fee to offset a portion of the cost of the mains. Where there is an existing main available, the charges to the Applicant will be the charges as provided in this tariff. Where there is not an existing main available, the charges to the Applicant for the Company to extend its main to service the Applicant will be the actual cost, which will be recovered either through a Service Contract, Developers Agreement or Refundable Advance Agreement, all of which are subject to prior Commission approval.
5. **Allowance for Funds Prudently Invested (AFPI)** The Company will collect Commission-approved fee designed to cover the carrying costs of actual Company investment in plant prudently constructed for future customer use. Such investment will include plant and may include distribution lines, and will be applicable to all NEW connections utilizing such plant. When application is made for service, AFPI charges will be collected at the same time that payment(s) are made for other Service Availability Charges. The AFPI charge will increase for the maximum period allowed by the Commission, after which time it will remain constant. It will continue to be charged to all NEW connections until such time as the total Equivalent Residential Connections (ERC's) equal or exceed the capacity of the plant for which the charge is being collected.
6. **Inspection Fee** - Not applicable
7. **Backflow Prevention Device** Customers who wish to have reclaimed water service must pay a fee for a backflow prevention device which the Company will install on the Customer's water service line. This requirement is mandated by the

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Florida Department of Environmental Protection to prevent any possible cross-connection or backflow from contaminating the water supply line with reclaimed water. The Company may also require Customers with other cross-connection hazards to install and pay for a backflow prevention device as specified by Company engineers.

VII. **SPECIAL CONDITIONS** Under certain circumstances, as outlined below, special funding arrangements will be necessary or have been arranged for payment of the charges described in this Service Availability Policy.

1. **Refundable Advances** Where extensions are required for contiguous properties for which service has not yet been provided (hereinafter "Qualified Property") and, where the Company determines that an extension is economically justified or is appropriate to improve system reliability or enhance the quality of service to existing customers; a separate Refundable Advance Agreement may be undertaken by the Applicant and the Company, at the time of the request for service, temporarily defray the cost of any off-site extension of mains and other facilities necessary to provide service to the Applicant's property.
 - a. **Basis of Refundable Advance.** The amount of the refundable advance will be based on the actual cost of the off-site mains and other facilities. Such facilities shall be designed and constructed in accordance with the Company's plans for service to the immediate surrounding area.
 - b. **Charges Paid by the Applicant.** Charges paid by the Applicant over and above the Applicant's hydraulic share of the facilities shall be refunded, interest free, in accordance with the terms and conditions of a Commission-approved Refundable Advance Agreement which the Company will execute with the Applicant.
 - c. **Prorated Share of the Capacity.** The Company will collect fees from other Applicants of the Qualified Property based upon their prorated hydraulic share of the facilities. Within sixty (60) days of collection of said fees by the Company, a refund of said fees shall be made to the Applicant in accordance with the Refundable Advance Agreement.
 - d. **Limits on Refund.** Notwithstanding any other provisions of this section, the life of the Refundable Advance Agreement shall be as provided in the Agreement, after which time the balance of any possible refund not already made to the Applicant pursuant to the terms and conditions of the Refundable Advance Agreement will be retained by the Company and such Refundable Advance Agreement will be canceled. In no event shall an Applicant recover an amount (without interest) greater than the difference between the capitalized cost of such improvements and the Applicant's own hydraulic share of the cost of such improvements.

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

TABLE OF DAILY FLOWS

<u>Types of Establishment</u>	<u>Estimated Daily Flows</u>		
Apartment Buildings (per apartment)	250	gpd	[1]
Banquet Halls	25	gpd	
Bars and Cocktail Lounges.....	5	gpcd	[2]
Bathrooms (non-residential, per toilet or urinal)	300	gpd	
Beauty Shops (per seat)	170	gpd	
Boarding Schools (students and staff)	75	gpcd	
Boarding Houses	75	gpcd	
Bowling Alleys (toilet wastes only, per lane)	100	gpd	
Churches (per seat)	3	gpd	
Country Clubs (per member)	25	gpcd	
Day Schools (with cafeteria, no gymnasium or showers)	15	gpcd	
Day Schools (with cafeteria, gymnasium or showers)	25	gpcd	
Day Workers at Offices and Schools	20	gpcd	
Drive-in Theaters (per car space)	5	gpd	
Factories (with showers)	30	gpcd	
Factories (no showers)	10	gpd/100 sq. ft.	
Funeral Homes	10	gpd/100 sq. ft.	
Gas Stations (no car wash)	450	gpd	
Hospitals (with laundry)	250	gpd/bed	
Hospitals (no laundry)	200	gpd/bed	
Hotels and Motels (per room & unit)	125	gpd	
Laundromats (per washing machine)	225	gpd	
Mobile Home Parks (per trailer)	225	gpd	
Movie Theaters and Auditoriums (per seat)	3	gpd	
Nursing Homes	150	gpd/100 sq. ft.	
Office Buildings	17	gpd/100 sq. ft.	
Public Institutions (other than those listed herein)	75	gpcd	
Restaurants & Cocktail Lounges (per seat)	50	gpd	
Restaurants (take-out)	50	gpd/100 sq. ft.	
	(350	gpd minimum)	
Restaurants (fast food, per seat)	35	gpd	
Single Family Residences	350	gpd	
Townhouse Residences	280	gpcd	
Shopping Centers	17	gpd/100 sq. ft.	
Stadiums, Frontons, Ball Parks, etc. (per seat)	3	gpd	
Stores (without kitchen wastes)	5	gpd/100 sq. ft.	
Speculative Buildings	30gpd plus	10 gpd	
		per 100 sq. ft.	
Warehouses	30gpd plus	10 gpd	
		per 1,000 sq. ft.	

[1] gpd - gallons per day

[2] gpcd - gallons per capita per day

THE ABOVE ESTIMATED DAILY FLOWS WILL APPLY EXCEPT WHERE OTHERWISE INDICATED. HISTORICAL DATA SHOULD BE USED WHEN AVAILABLE.

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

SERVICE AVAILABILITY CHARGES

<u>Description</u>	<u>Amount</u>
<u>Main Extension Charge</u> per ERC	\$887.00
<u>Meter Installation Charge</u> 5/8" x 3/4"	\$110.00
All other meter sizes	Actual Cost
<u>Meter with Built-In Backflow Preventer</u> All Meter Sizes	Actual Cost
<u>Plan Review Charge</u>	Actual Cost
<u>Plant Capacity Charge</u> per ERC	\$793.00
<u>Service Installation Charge</u> 3/4"	N/A
All other sizes	Actual Cost
<u>Stand Alone Backflow Prevention Device</u> All Types	Actual Cost

EFFECTIVE DATE –

TYPE OF FILING – Certificate Transfer

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF STANDARD FORMS

<u>Description</u>	<u>Sheet No.</u>
APPLICATION FOR WATER SERVICE	23.0
COPY OF CUSTOMER'S BILL	24.0

GARY A. DEREMER
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PRESIDENT
TITLE

LAKE IDLEWILD UTILITY COMPANY
WATER TARIFF

ORIGINAL SHEET NO. 34.0

COPY OF CUSTOMER'S BILL

TO BE SUPPLIED AT LATER DATE

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

EXHIBIT R
Rule 25-30.037 (2)(t)

Lake Idlewild Utility Company is not in possession of Certificate 531-W. See PSC Order No. 24007, issued January 22, 1991.