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August 9, 2021

Via Electronic Filing

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Application for Authority to Transfer; CSWR-Florida Utility Operating
Company, LLC; North Peninsula Utilities Corporation

Dear Commission Clerk:

Attached please find an Application for Authority to Transfer filed by CSWR Florida Utility Operating Company, LLC ("CSWR-Florida UOC") relating to North Peninsula Utilities Corporation. A filing fee in the amount of \$1,500.00, as well as a Request for Confidential Classification as to Exhibit B of the Application, will be separately hand delivered to the Office of Commission Clerk.

Sincerely,

/s/ Thomas A. Crabb

Thomas A. Crabb
Susan F. Clark
Attorneys for Applicant
CSWR-Florida Utility Operating Company, LLC

FLORIDA PUBLIC SERVICE COMMISSION
INSTRUCTIONS FOR COMPLETING EXAMPLE
APPLICATION FOR TRANSFER OF CERTIFICATES OR FACILITIES
FROM A REGULATED UTILITY TO ANOTHER REGULATED UTILITY

**(Pursuant to Section 367.071, Florida Statutes, and
Rule 25-30.037(2), Florida Administrative Code)**

General Information

The attached form is an example application that may be completed by the applicant and filed with the Office of Commission Clerk to comply with Rule 25-30.037(2), Florida Administrative Code (F.A.C.). Any questions regarding this form should be directed to the Division of Engineering at (850) 413-6910.

Instructions

1. Pursuant to Rule 25-30.037(1)(a), F.A.C., if a transfer occurs prior to Commission approval, the utility shall submit an application for authority to transfer no later than 90 days after the sale closing date.
2. Fill out the attached application form completely and accurately.
3. Complete all the items that apply to your utility. If an item is not applicable, mark it "N.A." Do not leave any items blank.
4. Remit the proper filing fee pursuant to Rule 25-30.020, F.A.C., with the application.
5. Provide proof of noticing pursuant to Rule 25-30.030, F.A.C. This may be provided as a late-filed exhibit.
6. The completed application, attached exhibits, and the proper filing fee should be mailed to:

**Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

**APPLICATION FOR TRANSFER OF CERTIFICATES OR FACILITIES
FROM A REGULATED UTILITY TO ANOTHER REGULATED UTILITY**

**(Pursuant to Section 367.071, Florida Statutes, and
Rule 25-30.037(2), Florida Administrative Code)**

Pursuant to Rule 25-30.037(1)(a), F.A.C., if a transfer occurs prior to Commission approval, the utility shall submit an application for authority to transfer no later than 90 days after the sale closing date.

To: **Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The undersigned hereby makes application for the transfer of facilities and transfer or cancellation of Water Certificate No. _____ and/or Wastewater Certificate No. 249-S and amendment of Water Certificate No. _____ and/or Wastewater Certificate No. _____ in Volusia County, Florida, and submits the following information:

PART I APPLICANT INFORMATION

- A) Contact Information for Utility/Seller. The utility/seller's certificated name, address, telephone number, and if applicable, fax number, e-mail address, and website address. The utility's name should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations:

North Peninsula Utilities Corporation

Utility Name

115 E. Granada Blvd., Suite #12

Office Street Address

Ormond Beach

Florida

32176

City

State

Zip Code

P.O. Box 2803

Mailing Address (if different from Street Address)

Ormond Beach

Florida

32175

City

State

Zip Code

(386) 677-7847 (0) xxx-None
Phone Number Fax Number

59-2974927
Federal Employer Identification Number

developershw@gmail.com
E-Mail Address

None
Website Address

None 249-S
Water Certificate No. Wastewater Certificate No.

B) The contact information of the seller's authorized representative to contact concerning this application:

Robert Hillman
Name

P.O. Box 2803
Mailing Address

Ormond Beach Florida 32175
City State Zip Code

(386) 677-7847 (xxx) xxx-None
Phone Number Fax Number

developershw@gmail.com
E-Mail Address

C) Contact Information for Buyer. The buyer's name, address, telephone number, Federal Employer Identification Number, and, if applicable, fax number, e-mail address, website address, and new name of the utility if the buyer plans to operate under a different name. The buyer's business name, and if applicable, new utility name, should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations.

CSWR-Florida Utility Operating Company, LLC, (Prior to closing, Central States Water Resources, LLC, will assign all its rights & interests to CSWR-Florida Utility Operating Company, LLC, ("CSWR-Florida UOC"))
Buyer's Name

1650 Des Peres Road, Suite 303

Office Street Address

St. Louis

Missouri

63131

City

State

Zip Code

1650 Des Peres Road, Suite 303

Mailing Address (if different from Street Address)

Des Peres

MO

63131

City

State

Zip Code

(314) 380-8544

(314) 736-4743

Phone Number

Fax Number

38-4180174

Federal Employer Identification Number

regulatory@cswrgroup.com

E-Mail Address

CSWR - Florida Utility Operating Company, LLC

New Utility Name

- D) The contact information of the buyer's authorized representative to contact concerning this application:

Susan Clark/Tom Crabb

Name

301 South Bronough Street, Suite 200

Mailing Address

Tallahassee

Florida

32301

City

State

Zip Code

(850) 425-6654

(850) 425-6694

Phone Number

Fax Number

sclark@radeylaw.com; tcrabb@radeylaw.com; sturner@radeylaw.com;

dgueltzow@radeylaw.com

E-Mail Address

E) The name, address, telephone number, and if available, e-mail address and fax number of the person in possession of the books and records when the application is filed.

Robert Hillman
Name

115 E. Granada Blvd., Suite #12
Mailing Address

<u>Ormond Beach</u>	<u>Florida</u>	<u>32176</u>
City	State	Zip Code

<u>(386) 677-5702</u>	<u>(xxx) xxx-None</u>
Phone Number	Fax Number

developershw@gmail.com
E-Mail Address

F) Indicate the nature of the utility's/buyer's business organization (check one). Provide documentation from the Florida Department of State, Division of Corporations, showing the utility's/buyer's business name and registration/document number for the business, unless operating as a sole proprietor.

Corporation _____
Number

Limited Liability Company _____
L21000150005
Number

Partnership _____
Number

Limited Partnership _____
Number

Limited Liability Partnership _____
Number

Sole Proprietorship

Association

Other (Specify) _____

If the utility is doing business under a fictitious name, provide documentation from the Florida Department of State, Division of Corporations showing the utility's fictitious name and registration number for the fictitious name.

Fictitious Name (d/b/a) N/A
Registration Number

G) The name(s), address(es), and percentage of ownership of each entity or person which owns or will own more than 5 percent interest in the utility (Use additional sheet if necessary).

CSWR - Florida Utility Holding Company, LLC, is the 100% owner/member of CSWR -
Florida UOC - 1650 Des Peres Road, Suite 303, Des Peres, MO 63131

H) Provide the date and state of incorporation or organization of the buyer.
March 31, 2021, Florida. See Exhibit R for the buyer's Sunbiz documentation.

PART II **TRANSFER OF CERTIFICATE**

A) DESCRIPTION OF SALE AGREEMENT

- 1) Exhibit A - Provide a copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval.

- 2) Exhibit see below - Provide the following documentation of the terms of the transfer:
 - a) The date the closing occurred or will occur.
See Exhibit A Section 4.01 and Exhibit A (Supplement)

 - b) The purchase price and terms of payment.
See Exhibit A Section 1.02 and Exhibit A (Supplement)

 - c) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of non-regulated operations or entities.

Buyer is not acquiring any non-regulated assets or operations of the seller and is not assuming any of seller's liabilities or obligations. An asset list will be provided after the Feasibility Period. (See Exh. A (Supplement)).

- d) A description of all consideration between the parties, including promised salaries, retainer fees, stock, stock options, and assumption of obligations.

See Exhibit A and Exhibit A (Supplement).

- e) Provisions regarding the disposition, where applicable, of customer deposits and interest thereon, guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, and leases.

Prior to closing, Seller shall refund and/or retain and apply all customer deposits, as appropriate.

- f) A statement that the buyer will fulfill the commitments, obligations, and representations of the seller with regard to utility matters.

After closing, CSWR - Florida UOC will fulfill the commitments, obligations, and representations of the Seller with regard to utility matters.

- g) A provision that the buyer has or will obtain the books and records of the seller, including all supporting documentation for rate base additions since the last time rate base was established for the utility.

CSWR - Florida UOC has or will obtain the books and records of the Seller, including all supporting documentation for rate base additions since the last time rate base was established for the utility.

- h) A statement that the utility's books and records will be maintained using the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA).

The books and records of CSWR - Florida UOC will be maintained using the NARUC Uniform System of Accounts.

- i) A statement that the utility's books and records will be maintained at the utility's office(s) within Florida, or that the utility will comply with the requirements of Rule 25-30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location or out-of-state. If the records will not be maintained at the utility's office(s), the statement should include the location where the utility intends to maintain the books and records.

CSWR - Florida UOC will comply with the requirements of Rule 25-30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location.

B) FINANCIAL ABILITY

- 1) Exhibit B - Provide a detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided.

- 2) Exhibit B - Provide a list of all entities, including affiliates, upon which the buyer is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements.

See Exhibit B and Exhibit B (Supplement)

C) TECHNICAL ABILITY

- 1) Exhibit C - Provide the buyer's experience in the water or wastewater industry.

See Exhibit C

- 2) Exhibit D - Provide the buyer's plans for ensuring continued operation of the utility, such as retaining the existing plant operator(s) and office personnel, or contracting with outside entities.

D) TERRITORY DESCRIPTION, PUBLIC INTEREST, AND FACILITIES

- 1) Exhibit E - Provide a legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C.

- 2) Exhibit F - Provide a statement explaining why the transfer is in the public interest.
See Exhibit F

- 3) Exhibit G - Provide a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and compliance with all applicable standards set by the DEP, or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a description of the repairs or improvements that have been identified, the governmental entity that required the repairs or improvements, if applicable, the approximate cost to complete the repairs or improvements, and any agreements between the seller and buyer regarding who will be responsible for any identified repairs or improvements.
See Exhibit G

- 4) Exhibit H - Provide documentation of the utility's right to continued long-term use of the land upon which the utility treatment facilities are located. This documentation shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded long-term lease, such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided the applicant files a recorded copy within the time prescribed in the order granting the transfer.

- 5) Exhibit I - Provide a copy of all of the utility's current permits from the Department of Environmental Protection (DEP) and the water management district.

- 6) Exhibit J - Provide a copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary water quality standards report.

- 7) Exhibit K - Provide a copy of all of the utility's correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years.
- 8) Exhibit L - Provide a copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years.

E) PROPOSED TARIFF

Exhibit M - Provide a tariff containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. See Rule 25-30.037, F.A.C., for information about water and wastewater tariffs that are available and may be completed by the applicant and included in the application.

F) ACCOUNTING INFORMATION

- 1) Exhibit N - Provide the proposed net book value of the system as of the date of the proposed transfer, and a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested. If rate base has been established by this Commission, provide the docket and the order number. In addition, provide a schedule of all subsequent changes to rate base.

See Exhibit N.

- 2) Exhibit N/A - Provide a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established or the rate base was last established by the Commission, whichever is later. If the tax returns have not been obtained, provide a description of the steps taken to obtain the tax returns.

CSWR - Florida UOC has obtained all of the federal income tax returns of the seller from the date the rate base was last established by the Commission.

- 3) Exhibit O - Provide a statement regarding the disposition of outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years.

See Exhibit O.

- 4) Exhibit P - If the buyer currently owns other water or wastewater utilities that are regulated by this Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities.

See Exhibit P

G) NOTICING REQUIREMENTS

Exhibit - Q - Provide proof of noticing pursuant to Rule 25-30.030, F.A.C. This may be provided as a late-filed exhibit.

PART III

SIGNATURE

Please sign and date the utility's completed application.

APPLICATION SUBMITTED BY:



Applicant's Signature

CSWR-Florida Utility Operating Company, LLC

Applicant's Name (Printed)

President

Applicant's Title

8/9/2021

Date

Exhibit A

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("*Agreement*") is made as of the 15th day of May, 2021 by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its assigns ("*Buyer*"), and NORTH PENINSULA UTILITIES CORPORATION, a Florida corporation qualified and registered to transact business in the State of Florida ("*Seller*").

ARTICLE I
ACQUISITION OF THE PROPERTY

Section 1.01 The Property. Subject to the terms and provisions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of the following described property (the "*Property*");

(a) All immovable property, including all right, title and interest therein, described in EXHIBIT A, to be attached hereto prior to the conclusion of the Feasibility Period (as hereafter defined) and made a part hereof, including but not limited to any mineral and other subsurface rights, together with all buildings and improvements located thereon, and all appurtenant rights relating thereto, including, but not limited to, warranties and guaranties, access easements and other easements and rights relating thereto, access to utilities, rights of way and similar rights located on or within or relating to any of the foregoing (collectively, the "*Immovable Property*");

(b) All movable property and intangible property used in connection with the ownership and/or operation of the Immovable Property, including, but not limited to, all such property described in EXHIBIT B, to be attached hereto prior to the conclusion of the Feasibility Period (as hereafter defined) and made a part hereof (collectively, the "*Movable Property*");

(c) All of Seller's right, title, and interest in and to the area that the System (as defined below) services (the "*Service Area*"), as determined by Buyer and set forth in EXHIBIT C, to be attached hereto prior to the Closing (as hereinafter defined) and made a part hereof, including but not limited to, all real property interests such as easements, rights of way, permits and leases related to the System, and including any and all sewer facilities, equipment, lines, plants, pipes, manholes, meters, lift or pump stations and appurtenances; and

(d) All property or rights of whatever nature and kind that Seller owns which in any way is used or is useful in the operation of a sewer utility system located in Volusia County, Florida (the "*System*").

Section 1.02 Purchase Price.

(a) The purchase price (the "*Purchase Price*") for the Property shall be **One Million Four Hundred Thousand and 00/100 Dollars (\$1,400,000.00)**. The reasonable allocation of the Purchase Price between the categories in Sections 1.01(a) and 1.01(b) of the Property shall be set forth in EXHIBIT D prior to the Closing.

(b) The Purchase Price less any Earnest Money shall be payable in cash at Closing by wired funds and shall be paid by Buyer to Seller (to the account notified by Seller to Buyer prior to the Closing Date) on the Closing Date as defined in Section 4.01.

Section 1.03 Earnest Money. Within fifteen (15) days after the Effective Date (as defined below), Buyer shall deposit with a title company of its choice (the "*Title Company*") the sum of **Fifty Thousand and 00/100 Dollars (\$50,000.00)** as the earnest money under this Agreement (the "*Earnest Money*"). The Earnest Money shall be returned to Buyer or paid to Seller in accordance with the terms and conditions of this Agreement.

ARTICLE II
SURVEY AND TITLE REVIEW

Section 2.01 Survey. Buyer shall have the right, for its own benefit, to procure one or more ALTA surveys of the Immovable Property, subject to Section 2.03 (the "*Survey*"). The Survey shall be current, staked, and shall be made on-the-ground and signed, sealed, and certified in favor of Buyer by a duly licensed surveyor selected

or approved by Buyer and receipt of the Survey by Buyer prior to Closing, subject to Section 2.03, is a condition to Closing. The cost of the Survey shall be borne by the Buyer.

Section 2.02 Title Insurance. The Buyer shall, within fifteen (15) days after the Effective Date, order and must receive prior to the Closing, subject to Section 2.03, as a condition to Closing, a commitment for title insurance and complete, legible copies of all exception documents (the "*Title Commitment*") issued by the Title Company covering the Immovable Property, binding the Title Company to issue to Buyer at Closing an owner's policy of title insurance paid for by Buyer (the "*Title Policy*") on the standard form of policy in the amount specified by Buyer insuring good, merchantable, and insurable fee simple title to the Immovable Property in Buyer, free and clear of all restrictions, easements, encumbrances, mortgages, liens, claims and other matters except any Permitted Exceptions as defined in Section 2.03.

Section 2.03 Buyer's Review. Buyer shall have until the expiration of the Feasibility Period to examine the Title Commitment and the Survey, and to deliver to Seller in writing Buyer's objections to any items contained or set forth in the Title Commitment or the Survey (the "*Unacceptable Exceptions*"). If Seller is unable or unwilling to eliminate and remove all of the Unacceptable Exceptions, then within fifteen (15) days after receipt of Buyer's written notice, Seller shall notify Buyer in writing of its inability or unwillingness to remove the Unacceptable Exceptions (and such notice shall set forth which Unacceptable Exceptions that Seller is unable or unwilling to remove) and Buyer may terminate this Agreement by giving written notice of such election delivered to Seller. If Buyer so terminates this Agreement, the Earnest Money shall be promptly returned to Buyer, after which neither Party shall have any further rights, duties or obligations hereunder, except as expressly provided in this Agreement to the contrary. If Buyer does not so terminate this Agreement after receiving Seller's written notice, then the Unacceptable Exceptions together with other exceptions not objected to by Buyer shall become Permitted Exceptions (the "*Permitted Exceptions*").

Section 2.04 Feasibility Period.

(a) Seller shall allow Buyer and its agents, employees, contractors, and consultants access to the Property to conduct soil and engineering tests, inspections of equipment, personal property, lines and other components of the System and to conduct any other tests Buyer deems necessary or appropriate in its sole and absolute discretion to determine the feasibility of the Property for Buyer's intended use (the "*Feasibility Study*"), for a period of one hundred fifty (150) days after the Effective Date (the "*Feasibility Period*"). Buyer shall bear all costs and expenses of its investigation and restore the Property to its condition prior to such investigation, ordinary wear and tear excepted.

(b) If Buyer finds the Property unacceptable for any reason or no reason, then Buyer, in its sole and absolute discretion, may terminate this Agreement by written notice to Seller on or before the expiration of the Feasibility Period. If Buyer so terminates this Agreement, the Title Company shall, upon demand by Buyer, promptly return the Earnest Money to Buyer, Buyer shall return all documents provide to Buyer by Seller in accordance with Section 2.04(c) within ten (10) business days and thereafter neither Party shall have any further rights, duties or obligations to the other hereunder. However, if the Buyer does not terminate this Agreement on or before the expiration of the Feasibility Period, then the Buyer shall deposit with the Title Company an additional amount of Earnest Money in the amount of Fifteen Thousand Dollars (\$15,000.00) (the "*Additional Earnest Money*"), and the Additional Earnest Money shall be non-refundable to the Buyer if Buyer terminates the Agreement at any point thereafter other than if such termination by the Buyer is based upon the breach of the Seller of this Agreement.

(c) Seller shall deliver to Buyer within thirty (30) business days after the Effective Date of this Agreement, the most recent title commitments, title policies, surveys, environmental site assessments, preliminary plats and site plans, any cross access and easement documents in connection with the Property, any development agreements affecting the Property, lease agreements affecting the Property, any customer lists for the System and any other documents Buyer may reasonably request related to the Property and/or the System. Sixty (60) days after the Seller has provided all of the documents referenced in this Section 2.04(c), unless Buyer has terminated this Agreement in accordance with Section 2.04(b), Ten Thousand Dollars (\$10,000.00) of the Earnest Money shall become non-refundable under any circumstance other than the Seller's breach of this Agreement.

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Purchase and Site Agreement

(d) Provided Buyer pays sums as stipulated in subparagraph (b) above and subparagraph (c) above then the total non-refundable earnest money deposit will be Twenty-Five Thousand Dollars (\$25,000.00). As each amount described above becomes non-refundable, the earnest money deposit will be transferred to Seller's counsel to be held in Seller's Attorney's Trust Account at SunTrust Bank. The name of the account is "Jeffrey C. Sweet Trust Account."

Section 2.05 Other Termination Rights. In addition to any other rights and remedies set out herein (including but not limited to the termination rights in Sections 2.03, 2.04, 3.02(b) and 5.02), the Buyer shall have the right to terminate this Agreement as set out below:

(a) At any time up to and including the Closing Date if the regulatory bodies required to approve the sale of the System and the Property to the Buyer have not fully and unconditionally approved the sale upon the terms set out herein. In Buyer's sole and absolute discretion, Buyer may terminate this Agreement if the necessary regulatory approvals are not fully and unconditionally granted to Buyer in a form satisfactory to Buyer (as determined in Buyer's sole and absolute discretion) prior to the Closing by giving written notification of such termination to Seller, and upon such termination the Buyer shall receive a prompt return of the Earnest Money. Notwithstanding the foregoing, if the regulatory bodies deem the Purchase Price set forth herein to be in excess of the fair value for the Property, the Buyer shall have no right to adjust the Purchase Price nor shall the lack of approval of the Purchase Price be used by the Buyer as a basis to terminate this Agreement.

(b) In the event that, prior to the Closing, all or any portion of the Property is taken, condemned, expropriated, or made the subject of any eminent domain proceedings, or any of the foregoing is threatened (interchangeably, a "Taking"), Buyer may elect to either move to Closing and receive any Taking proceeds, plus an assignment of Seller's right, title, and interest thereto and claim therefor, as full satisfaction for the Taking, or Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing. If Buyer does not receive written notice of a Taking more than five (5) days prior to the Closing, the Closing Date shall be postponed to a date that is not less than five (5) days after Buyer's receipt of written notice of a Taking.

Section 2.06. Effect of Termination. Subject to Article V, upon the termination of this Agreement, the Title Company shall pay the Earnest Money to the appropriate party in accordance with the terms and conditions of this Agreement, and upon such payment being made the parties shall have no further liability hereunder (except with respect to liabilities of Seller accruing prior to such termination and those obligations hereunder which survive the termination of this Agreement).

ARTICLE III **REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 3.01 Representations, Warranties and Covenants of Seller. Seller hereby represents and warrants to Buyer that the facts recited below are true, complete and accurate as of the date hereof and will continue to be true, complete and accurate at Closing:

(a) Seller is a corporation, duly formed and in good standing under the laws of the State of Florida, is qualified to conduct business in the State of Florida and has the requisite power and authority to enter into and to perform the terms of this Agreement without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties. Seller is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Seller. This Agreement constitutes, and each document and instrument contemplated hereby to be created and delivered by Seller, when executed and delivered, shall constitute the legal, valid, and binding obligation by Seller, enforceable against Seller in accordance with its respective terms (subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally).

(b) Neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby is prohibited by, or requires Seller to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Seller, other than any regulatory approvals disclosed in writing to Buyer.

(c) Seller has and will have at Closing good, merchantable, and insurable title, in fee simple, to the Property, free and clear of all mortgages, liens, claims, or other encumbrances (except those required by the Title Company in the Title Commitment to be fully satisfied with the Purchase Price at the Closing).

(d) To be best of Seller's Knowledge there are no pending or threatened condemnation, liens, claims, other encumbrances, special assessments, or similar proceedings or charges affecting the Property or Seller by any governmental authority.

(e) Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate, or non-resident alien for purposes of US income taxation, pursuant to Section 1445 of the Internal Revenue Code.

(f) Seller has not: (i) filed any voluntary or had involuntarily filed against it in any court or with any governmental body pursuant to any statute either of the United States or of any State, a petition in bankruptcy or insolvency or seeking to effect any plan or other arrangement with creditors, or seeking the appointment of a receiver; (ii) had a receiver, conservator or liquidating agent or similar person appointed for all or a substantial portion of its assets; (iii) suffered the attachment or other judicial seizure of all, or substantially all of its assets; (iv) given notice to any person or governmental body of insolvency; or (v) made an assignment for the benefit of its creditors or taken any other similar action for the protection or benefit of its creditors. Seller is not insolvent and will not be rendered insolvent by the performance of its obligations under this Agreement.

(g) There are no leases affecting any portion of the Property except such leases disclosed to Buyer in writing by Seller and there are no options, rights of first refusal or contracts granting any rights to acquire any right, title or interest in any portion of the Property, except as listed in the Title Commitment, if any.

(h) To be best of Seller's Knowledge, Seller has not received any notice of any violation of any ordinance, regulation, law or statute of any government agency or instrumentality pertaining to the Property and/or the System or any portion thereof which has not been complied with in all respects.

(i) There is no action, suit, proceeding or claim affecting Seller, the Property and/or the System, relating to or arising out of any lease, option or contract affecting the Property or the System, or the ownership, operation, use or occupancy of the Property or the System, pending or being prosecuted in any court or by or before any agency or other governmental instrumentality nor, to the best of Seller's Knowledge, has any such action, suit, proceeding or claim been threatened or asserted. There is no proceeding pending or presently being prosecuted in connection with the assessed valuation or taxes of other impositions payable in respect of any portion of the Property.

(j) No work has been performed or is in progress at, and no materials have been furnished to, the Property which might give rise to mechanic's, materialman's or other liens against the Property.

(k) To be best of Seller's Knowledge, except as has been disclosed to Seller in writing by Buyer, the Property complies with all applicable laws of all governmental or quasi-governmental authorities having jurisdiction over, against or affecting the Property. Seller has not received written notice of any, and there are no violations of any laws, similar rules and regulations relating and/or applicable to the ownership, use and operation of the Property as it is now operated, and/or other licenses or permits, which remain uncured. All governmental or quasi-governmental occupancy and use permits, licenses, consents, approvals, permits, authorizations, certificates, and other requirements of the authorities necessary or required for the continued use and operation of the System and/or the Property for the purposes for which the same are intended (collectively, "Approvals"), if any, have been unconditionally and finally issued and paid for and are in full force and effect in accordance with the respective terms thereof. All work or conditions required to be performed or fulfilled pursuant to the Approvals (on or off-site) have been fully performed in accordance with the requirements thereof and the Property fully complies with the Approvals.

(l) To the best of Seller's Knowledge, no representation or warranty made by Seller in this Agreement, in any Exhibit attached hereto, or in any letter or certificate furnished to Buyer pursuant to the terms hereof, each of which is incorporated herein by reference and made a part hereof, contains any untrue statement of a fact or omits to state a fact necessary to make the statements contained herein or therein not misleading.

JK
JC

(m) Environmental Matters.

(i) Except as disclosed on the attached EXHIBIT E, to be attached hereto at least thirty (30) days prior to the conclusion of the Feasibility Period and made a part hereof, to the best of Seller's Knowledge, the Property is currently and has been in compliance with all Environmental Laws (as defined below) and Seller has not received any: (i) Environmental Notice (as defined below) or Environmental Claim (as defined below); or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing.

(ii) Except as disclosed on the attached EXHIBIT F, to be attached hereto at least thirty (30) days prior to the conclusion of the Feasibility Period and made a part hereof, to the best of Seller's Knowledge, Seller has obtained and is in material compliance with all Environmental Permits (as defined below) (each of which is disclosed on EXHIBIT F) necessary for operating the System or use of the Property and all such Environmental Permits are in full force and effect and shall be maintained in full force and effect by Seller through the Closing in accordance with Environmental Law, and Seller is not aware of any condition, event or circumstance that might prevent or impede, after the Closing, the operation of the System as currently conducted or the ownership, lease, operation or use of the Property. With respect to any such Environmental Permits, Seller has undertaken, or will undertake prior to the Closing, all measures necessary to facilitate transferability of the same, and Seller is not aware of any condition, event or circumstance that might prevent or impede the transferability of the same and has not received any Environmental Notice or written communication regarding any material adverse change in the status or terms and conditions of the same.

(iii) To the best of Seller's Knowledge, none of the Property is listed on, or to the best of Seller's Knowledge, has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA (as defined below), or any similar state list.

(iv) To the best of Seller's Knowledge, there has been no Release of Hazardous Materials (as defined below) in contravention of Environmental Law with respect to the Property or any real property currently or formerly owned, leased or operated by Seller in connection with the System, and Seller has not received an Environmental Notice that any of the Property or real property currently or formerly owned, leased or operated by Seller in connection with the System (including soils, groundwater, surface water, buildings and other structure located thereon) has been contaminated with any Hazardous Material which could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, Seller.

(v) To the best of Seller's Knowledge, no underground storage tanks are located on the Immovable Property and no construction debris has been buried on or under the Immovable Property.

(vi) To the best of Seller's Knowledge, there have been no off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by Seller and, to the best of Seller's Knowledge, any predecessors in connection with the System or the Property as to which Seller may retain liability.

(vii) To the best of Seller's Knowledge, Seller has not retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(viii) Seller has provided or otherwise made available to Buyer, within thirty (30) days of the Effective Date, and listed in EXHIBIT G, to be attached hereto within thirty (30) days of the Effective Date and made a part hereof: (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the Property or any real property currently or formerly owned, leased or operated by Seller in connection with the System which are in the possession or control of Seller related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future

Environmental Laws (including, without limitation, costs of remediation, pollution control equipment and operational changes).

(ix) Seller is not aware of nor reasonably anticipates, as of the Closing, any condition, event or circumstance concerning the Release or regulation of Hazardous Materials that might, after the Closing, prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the System and Property as currently carried out.

Section 3.02 Covenants of Seller.

(a) Seller will own, operate, use and manage the System and the Property only in the ordinary course of business consistent with past practice and in any event will ensure that, any provisions of this Agreement to the contrary notwithstanding, (i) the physical and environmental condition of the Property is the same at the time of the Closing as it is as of the Effective Date, only ordinary wear and tear as to the physical condition excepted, and (ii) Seller's title to the Immovable Property and the survey condition of the Immovable Property is the same at the time of the Closing as it is as of the Effective Date, only improvements to the title condition or survey condition performed or undertaken by Seller to address Unacceptable Exceptions excepted.

(b) Seller has disclosed that it does not have or maintain current hazard insurance on the Property and has no intent to obtain the same prior to the Closing. The risk of loss to the Property shall not pass to Buyer unless and until delivery of possession of the Property is delivered to Buyer. If an event of casualty occurs to the Property prior to Closing, the Buyer may elect to either move to Closing or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing, but if Buyer does not receive written notice of such casualty more than five (5) days prior to the Closing, the Closing Date shall be postponed to a date that is not less than five (5) days after Buyer's receipt of written notice of such casualty.

(c) Seller agrees to execute any documents required by the controlling governing authority to replat or rezone the Property.

(d) Seller agrees that from the Effective Date until either the termination of this Agreement or until after the Closing that Seller will not file any notices, requests, compliance documents, pleadings, or any other documents with any governmental or quasi-governmental authority that has jurisdiction over Seller in the operation, regulation or oversight of the System or any other endeavors of Seller (whether related to the System or not) without first providing at least ten (10) days prior notice to the Buyer for review and comment on such filing.

Section 3.03. Certain Definitions.

The following definitions apply in this Agreement:

(a) "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

(b) "Environmental Claim" means any action, governmental order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release (as defined below) of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

(c) "Environmental Notice" means any applicable law, and any governmental order or binding agreement with any governmental authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the

management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials.

(d) “*Environmental Laws*” means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit. The term “Environmental Laws” includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

(e) “*Environmental Permits*” means any permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

(f) “*Hazardous Materials*” means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

(g) “*Knowledge*” or “*Seller’s Knowledge*” means the actual knowledge of Seller and each of Seller’s Representatives; in each case, after due inquiry.

(h) “*Release*” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

(i) “*Representatives*” in relation to a person means such person’s managers, shareholders, members, officers, directors, employees, agents, advisors, affiliates, successors, and permitted assigns and for the avoidance of doubt the Representatives of Seller.

Section 3.04 **Disclaimer.** EXCEPT AS TO THOSE MATTERS EXPRESSLY COVERED BY THE REPRESENTATIONS AND WARRANTIES OF SELLER IN THIS AGREEMENT, SELLER EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF EVERY KIND AND CHARACTER (EXCEPT FOR THE WARRANTY OF TITLE IN THE DEED TO BE DELIVERED AT CLOSING), WHETHER EXPRESS OR IMPLIED AND BUYER ACCEPTS THE PROPERTY “AS IS”. BUYER SHALL HAVE NO CLAIM AGAINST SELLER, AND SELLER SHALL HAVE NO LIABILITY TO BUYER, WITH RESPECT TO ANY SUCH DISCLAIMED WARRANTIES OR REPRESENTATIONS.

Section 3.05 **As Is Sale.** This transaction is “As Is Where Is” with no warranties, express or implied, other than the representations and warranties expressly set forth herein. Excepting the representations and warranties expressly set forth herein, Seller expressly disclaims all representations and warranties of every kind, nature, description and character whether express or implied and Buyer hereby accepts the property “As Is Where Is”. Buyer shall have no claim against Seller, of any kind, nature or description and Seller shall have no liability to Buyer, of any kind, nature or description, other than the representations and warranties described herein.

ARTICLE IV
CLOSING

Section 4.01 Closing.

(a) Subject to the terms and conditions of this Agreement, the Closing of the purchase and sale of the Property pursuant to this Agreement (the "*Closing*") shall take place at the Title Company forty-five (45) days after the later of the expiration of the Feasibility Period and the approval by any regulatory bodies in a form satisfactory to Buyer as set forth in more detail in Section 2.05(a), or (i) such earlier date as is elected by Buyer by giving not less than three (3) days prior notice to Seller, or (ii) such later date as agreed in writing by Seller and Buyer (the "*Closing Date*").

(b) At the Closing, Seller shall deliver to Buyer the following:

(i) A certificate of good standing for Seller plus the requisite duly executed corporate approvals for the sale;

(ii) A general warranty deed in executed form, conveying good, merchantable, and insurable title in fee simple to all of the Immovable Property, free and clear of any and all mortgages, liens, encumbrances, claims, conditions, easements, assessments, and restrictions, except for the Permitted Exceptions, if any;

(iii) A duly executed bill of sale, conveying all of the Movable Property described in EXHIBIT B, free and clear of any and all mortgages, liens, claims, restrictions, and encumbrances;

(iv) A duly executed termination of lease, terminating any existing lease agreements encumbering or relating to the Property;

(v) A duly executed assignment of any interest in any other Property used and/or useful in the operation of the System that is owned by Seller;

(vi) Such other instruments and documents that are customarily executed by a seller of immovable property in the county in which the Property is located, including, but not limited to, resolutions or unanimous written consents of the Board of Directors of Seller, and if required the shareholders of Seller, to authorize the sale of the Property to Buyer pursuant to this Agreement;

(vii) Tax statements for calendar year of Closing;

(viii) Possession of the Property;

(ix) If requested by Buyer, and to the extent assignable, duly executed, conveyances and assignments to Buyer of any and all consents, authorizations, variances, waivers, licenses, permits, and approvals from any federal, state, county, municipal, or other governmental or quasi-governmental agency, department, board, commission, bureau, or other entity or instrumentality relating to the Property, including, without limitation, those relating to environmental, foundation, use, utilities, building, fire, traffic, and zoning heretofore or hereafter held by or granted to Seller (collectively, the "*Approvals*"). No additional consideration shall be due by Buyer for the Approvals, it being understood and agreed by Seller that the Purchase Price covers the Property, the Approvals, and the Claims (as hereinafter defined); and

(x) If requested by Buyer, duly executed assignments to Buyer, with full substitution and subrogation, of any and all claims, actions, rights, causes of action, rights of action, and warranties, whether arising in contract, tort, or otherwise, including, but not limited to, environmental claims, actions, rights, causes of action, rights of action, and warranties, that Seller has or may have against any and all persons and entities as a result of any apparent or non-apparent damage to, destruction of, or diminution in value of the Property, or any part thereof, occurring prior to the Closing (collectively, the "*Claims*"). No additional

consideration shall be due by Buyer for the Claims, it being understood and agreed by Seller that the Purchase Price covers the Property, the Approvals, and the Claims.

(c) At the Closing, Buyer shall deliver to Seller the following:

- (i) The Purchase Price; and
- (ii) Such other instruments and documents that are customarily executed by a buyer of immovable property in the county in which the Property is located.

Section 4.02 Closing Costs and Prorations. Buyer and Seller hereby covenant and agree that:

(a) Seller shall pay the costs of any roll back taxes, one-half (1/2) of the escrow fee charged by the Title Company, and Seller's attorneys' fees and expenses. Seller shall also pay all fees, costs, and expenses for title curative work and any other work that Seller agrees to perform or undertake in order to address any Unacceptable Exceptions and/or to otherwise enable Seller to sell and deliver to Buyer good, merchantable, and insurable fee simple title to the Property as required by this Agreement.

(b) Buyer shall pay all remaining title fees charged by the Title Company (including but not limited to all premiums for title insurance), recording fees, and Buyer's attorneys' fees.

(c) All ad valorem real estate taxes and assessments levied or assessed against the Property shall be prorated according to the calendar year as of the Closing Date, based on the most recent tax bill and assessments levied for the same.

ARTICLE V **DEFAULTS AND REMEDIES**

Section 5.01 Buyer's Default and Seller's Remedies.

(a) Buyer's Default. Buyer shall be in default under this Agreement if and only if any and all conditions to be satisfied under the terms of this Agreement prior to Closing have been satisfied (or duly waived) and Buyer fails or refuses to perform Buyer's obligations at Closing for any reason other than a default by Seller. For the avoidance of doubt, a termination under Section 2.04 will not constitute an event of default by Buyer.

(b) Seller's Remedies. If Buyer is in default under this Agreement, the sole and exclusive remedy of Seller, shall be receipt of the Earnest Money. Buyer and Seller agree that in such case the Earnest Money shall be liquidated or stipulated damages under Florida law for a breach or default by Buyer under this Agreement and/or any other actions or claims that could arise out of or are related to this Agreement because of the difficulty, inconvenience, and uncertainty of ascertaining actual damages for such default. Therefore, in no event shall Buyer be liable for or Seller be entitled to any actual damages or any other type of damages or remedy under any action or claim that could arise out of or that could any way relate to this Agreement other than the right to receive the stipulated amount of the Earnest Money as full satisfaction of Seller's claims.

Section 5.02 Seller's Defaults and Buyer's Remedies.

(a) Seller's Defaults. Seller shall be in default under this Agreement on the occurrence of any of one or more of the following events:

- (i) Any breach of a representation or warranty made by Seller in this Agreement or failure of any such representation or warranty to be true, accurate and complete; or
- (ii) Any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement.

(b) Buyer's Remedies. If Seller defaults under this Agreement (whether before or after the Closing or before termination or after termination in relation to provision that survive termination) Buyer may:

(i) If such default is identified prior to Closing, terminate this Agreement by written notice to Seller and Title Company, in which event the Title Company shall promptly refund the Earnest Money and the Additional Earnest Money, if any, to Buyer;

(ii) Enforce specific performance of this Agreement against Seller; and/or

(iii) Pursue such other remedies as may be available at law or in equity, including a suit for any damages and the right to recover attorneys' fees and costs against Seller; however, Buyer waives the right to pursue any claims against any Representatives of Seller or shareholder in their individual or personal capacity.

any officer, director or

Section 5.03 Attorneys' Fees. If either party defaults under this Agreement, and the non-defaulting party employs an attorney to enforce the terms hereof, such non-defaulting party shall be entitled to reasonable attorneys' fees and costs from the defaulting party.

Section 5.04 Survival. The provisions of this Section 5 and of Article III, Article VI, Article VII shall survive the termination of this Agreement. The provisions of Article III shall survive the Closing for a period of five (5) years, except that the representations and warranties in Sections 3.01(a), (b), and (c) shall survive indefinitely. All other provisions of this Agreement shall survive Closing unless otherwise expressly stated.

ARTICLE VI COMMISSIONS

Section 6.01 Commission. No commissions are due and/or owing for the procurement of this Agreement to any third parties for the benefit of Buyer; however, to the extent that Seller owes any commissions to an agent that has arisen out of the procurement of this transaction, Seller shall be solely responsible to pay the same. Seller shall defend, indemnify, and hold harmless Buyer from and against any and all claims by any person or entity for brokerage fees, brokerage commissions, finder's or other fees, which shall include, but shall not be limited to, any and all court costs, attorneys' fees and other costs and expenses relating thereto, alleged to be due to any broker and/or agent with whom Seller has dealt in connection with this Agreement or the sale of the Property to Buyer, and Buyer shall defend, indemnify, and hold harmless Seller from and against any and all claims by any person or entity for brokerage fees, brokerage commissions, finder's or other fees, which shall include, but shall not be limited to, any and all court costs, attorneys' fees and other costs and expenses relating thereto, alleged to be due to any broker and/or agent with whom Buyer has dealt in connection with this Agreement or the purchase of the Property by Buyer.

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 7.01 Effective Date of Agreement. The term "Effective Date" as used herein shall mean the date this Agreement has been fully executed by Seller and Buyer, as indicated by their signatures below, and a signed copy thereof is delivered to and acknowledged by the Title Company.

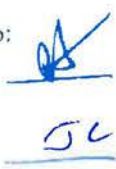
Section 7.02 Notices. All notices, demands and requests which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective when sent to the address or telecopy number of the party to receive such notice set forth below if effected by telecopy, e-mail or other electronic transmission, hand delivery, by Federal Express or other reputable courier service, or when deposited in any post office or mail receptacle regularly maintained by the United States Government, certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to Buyer: Josiah M. Cox
Central States Water Resources, Inc.
1650 Des Peres Road, Suite 303
St. Louis, MO 63131

with a copy to: James A. Beckemeier
Beckemeier LeMoine Law
13421 Manchester Rd., Suite 103
Saint Louis, Missouri 63131
Phone: (314) 965-2277
Facsimile: (314) 965-0127
E-mail: jim@bl-srl.com

If to Seller: Robert L. Hillman, President
North Peninsula Utilities Corporation
PO Box 2803
Ormond Beach, FL 32175-2803
Phone: (386) 677-7847
Facsimile: _____
E-Mail: developershw@gmail.com

with a copy to:


JC

Jeffrey S. Sweet
595 W. Granada Blvd
Suite A Ormond Beach, Fla 32174
Attention: Penney Curry
Phone: 386-676-5669
Facsimile: 386-677-8436
E-Mail: penney.curry@jsweetlaw.com

Section 7.03 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND ALL PROCEEDINGS OR OBLIGATIONS HEREUNDER SHALL BE MADE AND ARE PERFORMABLE IN VOLUSIA COUNTY, FLORIDA.

Section 7.04 Successors and Assigns. This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective heirs, administrators, successors and assigns. Buyer shall have the right to assign this Agreement to an affiliate by providing written notice to Seller of such assignment. However, Seller shall not have the right to assign this Agreement without the written consent of the Buyer.

Section 7.05 Counterparts and Amendments. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument. This Agreement may only be amended by a written document signed by each of the parties hereto, which document shall make specific reference to this Agreement.

Section 7.06 Time. Time is of the essence in the performance of each term, condition, and covenant contained in this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act. If any date for performance of any term, condition or provision hereof shall fall on a Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day.

Section 7.07 Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or

unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but shall be enforced to the greatest extent permitted by law.

Section 7.08 Entire Agreement. Buyer and Seller each acknowledges and agrees that at all times each have intended that none of the preliminary negotiations concerning this Agreement would be binding on any party. This Agreement and the Exhibits attached hereto prior to the Closing Date contain all the covenants, conditions, agreements and understandings between the parties and shall supersede all prior covenants, conditions, agreements, letters of intent, term sheets, and understandings between Seller and Buyer with respect to the purchase and sale of the Property and all other matters contained in this Agreement.

Section 7.9 Final Exhibits. The legal description of the Immovable Property contained in the Survey shall be substituted for the legal description of the Immovable Property used in EXHIBIT A as of the date hereof without the necessity of the parties executing any additional amendments to this Agreement. EXHIBIT C shall be included as part of this Agreement when, and in the form, notified to Seller by Buyer in writing. EXHIBIT D shall be included as part of this Agreement if and when it is in the form, agreed by Seller and Buyer in writing prior to Closing. With regard to EXHIBITS E, F, and G, in the event Seller fails to provide a list of all relevant information for the respective Exhibit at least thirty (30) days prior to the end of the Feasibility Period, Buyer will assume there is no such relevant information and the respective Exhibit will be marked "None."

Section 7.10 Buyer Exchange. Seller and Buyer agree to cooperate should the other elect to purchase the Property or other real property as part of a like-kind exchange under IRC section 1031. Any contemplated exchange shall not impose upon the cooperating party any additional liability or financial obligation, and Buyer or Seller, as appropriate agrees to hold the other harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon either party's ability to acquire a suitable exchange property or effectuate an exchange. In the event any exchange contemplated by Buyer or Seller should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

Section 7.11 Rollback Taxes, Standby Fees and Special Assessments. If this sale results in the assessment after Closing of additional taxes, standby fees or special assessments for periods of Seller's ownership (including taxes assessed as a result of a change in ownership or usage), the additional taxes, fees or assessments plus any penalties and interest shall be paid by Seller to Buyer within fifteen (15) days of receipt by Buyer of a statement for such taxes, fees or assessments.

Section 7.12 Ambiguities Not to Be Construed against Party Who Drafted Agreement. The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this Agreement.

Section 7.13 No Special Relationship. The parties' relationship is an ordinary commercial relationship of seller and buyer, and they do not intend to create and have not created the relationship of principal and agent, partnership, joint venture, or any other special relationship.

Section 7.14 Confidentiality. The parties will keep confidential this Agreement, this transaction, and all information learned in the course of this transaction, except to the extent disclosure is required by law or court order or to enable third parties to advise or assist Buyer to investigate the Property or either party to close this transaction.

Section 7.15 Business Day. As used in this Agreement, the term "business day" means Monday through Friday of each week, except for days on which banks in Volusia county, Florida are closed for business. If the final date of any period which is set out any section of this Agreement falls upon a day which is not a business day, then, and in such event, the time of such period will be extended to the next business day.

Section 7.16 Further Assurances. From the date hereof, Seller and Buyer each agrees to do such things, perform such acts and make, execute, acknowledge and deliver such documents as may be reasonably necessary and customary to complete the transactions contemplated by this Agreement. In particular, Seller and Buyer each agrees to do such things as may be reasonably necessary with respect to the transfer of the Property.

Section 7.17 Right of Seller to Continue to Market Property. The Seller shall have the right to continue to market the Property until the Closing and to receive and enter into back up purchase agreements on the condition that the Seller expressly notifies any other potential third-party buyers, without breaching Section 7.14 herein, of the fact that there is a binding agreement in place with a buyer.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority and effective and binding as of the date first set above.

BUYER:

CENTRAL STATES WATER RESOURCES, INC.,
a Missouri corporation

By: _____
Josiah M. Cox, President

SELLER:

NORTH PENINSULA UTILITIES CORPORATION,
a Florida corporation

By: _____
Robert L. Hillman, President

RECEIPT OF EARNEST MONEY

The undersigned Title Company hereby acknowledges its receipt of an executed copy of this Agreement and, the Earnest Money provided herein and, further, agrees to comply with and be bound by the terms and provisions of this Agreement, without demand, including, without limitation, those terms relating to the disposition of the Earnest Money.

Name of Title Company

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

Description of the Immovable Property

(The legal description(s) of the Land, Improvements thereon, Easements, & Rights of Way shall be determined by survey and title commitments, which shall be inserted prior to the Closing).

[TO BE INSERTED PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD]



JC

EXHIBIT B

Description of the Movable Property

(tools, devices, equipment, furniture, fixtures, machinery, supplies, and other tangible items)

[TO BE PROVIDED BY SELLER PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD]

Handwritten initials in blue ink, possibly 'JK' or similar, located at the bottom right of the page.

EXHIBIT C

Service Area Map

(area in which the System service lines, plant, pipes, manholes, meters, lift or pump stations and appurtenances, utility facilities, etc. are located)

[SERVICE AREA MAP & LEGAL DESCRIPTION TO BE INSERTED PRIOR TO CLOSING]

EXHIBIT D
[Purchase Price Allocation]

[TO BE INSERTED PRIOR TO CLOSING]

EXHIBIT E
[Environmental Non-Compliance]

[TO BE PROVIDED BY SELLER THIRTY (30) DAYS PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD]

EXHIBIT F

[List of Permits and Non-Compliance with Permits]

[TO BE PROVIDED BY SELLER THIRTY (30) DAYS PRIOR TO CONCLUSION OF THE FEASIBILITY PERIOD]




EXHIBIT G

[Reports, Studies, Audits, Records, Data, Site Assessment, Economic Models, etc.]

[TO BE PROVIDED BY SELLER WITHIN THIRTY (30) DAYS OF THE EFFECTIVE DATE]



AGREEMENT

This Agreement ("Agreement") is entered into this 10¹⁶ day of May, 2021, by and between North Peninsula Utilities Corporation, a Florida corporation ("Seller") and Central States Water Resources, Inc., a Missouri Corporation ("Buyer").

WHEREAS, Seller and Buyer have entered into a Purchase and Sale Agreement of even date herewith for the Buyer to purchase the Property described therein (the "APA"); and

WHEREAS, the Seller is concerned that if the Buyer is unable to close on the purchase of the said assets by December 31, 2021, that United States government may increase the amount of capital gains taxes that Seller would owe on this transaction effective after January 1, 2022.

NOW THEREFORE, the Seller and Buyer have agreed to split any additional tax liability that Seller may incur due to a change in the current capital gains tax rates if the transaction does not close by December 31, 2021, in accordance with the terms set forth herein.

1. Tax Credit Payment. If the Closing (as defined in the APA) occurs after December 31, 2021, and the laws regarding capital gains taxes have changed after the Effective Date (as defined in the APA), then the Seller will have its tax preparer run an illustration as to the capital gains taxes that would have been due under the law prior to the Effective Date as compared to the law in effect after the Effective Date, and to the extent there is an increase in the taxes owed by the Seller due to the change in the tax law, the Buyer will pay to Seller one-half (1/2) of the additional amount due and owing by the Seller at the time of the Closing.

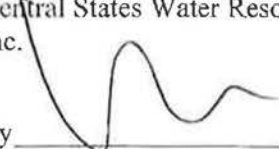
Handwritten signature and initials in blue ink, appearing to be 'JC'.

2. Entire Agreement. The parties stipulate that this Agreement constitutes the full and complete understanding and agreement of the parties regarding any amounts that the Buyer will owe to Seller as a result of a change in the capital gains tax laws.


3. Choice of Law and Venue. This Agreement shall be construed in accordance with and be governed by the laws of the State of Florida, and any dispute that arises out of this Agreement shall be brought in Volusia County, Florida, with the prevailing party in any dispute that arises out of this Agreement being entitled to recover its reasonable attorneys' fees in addition to any other remedies available to such party.

4. Amendments & Assignment. The parties agree that they may amend this Agreement as necessary or desirable; provided however, that all such amendments shall be valid only if in writing and executed by both parties. In addition, this Agreement may be assigned on the same terms as set forth in the APA.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Central States Water Resources,
Inc.
By 

Josiah M. Cox, President

North Peninsula Utilities
Corporation
By 

Robert L. Hillman, President



Exhibit A
(Supplement)

EXHIBIT A (Supplement)

Part II, Item A(2)(a): A closing date is not specified in the *Purchase and Sale Agreement* (Exhibit A) because closing is dependent upon, among other things, a Commission order authorizing transfer of North Peninsula's assets. All conditions that must be satisfied before closing can occur are specified in Section 4.01 of Exhibit A.

Part II, Item A(2)(b): The purchase price for North Peninsula's wastewater assets can be found in Section 1.02(a) of the *Purchase and Sale Agreement* (Exhibit A). The Purchase Price less any Earnest Money shall be payable in cash at Closing by wired funds and shall be paid by Buyer to Seller (to the account notified by Seller to Buyer prior to the Closing Date) on the Closing Date as defined in Section 4.01. CSWR-Florida UOC is requesting the amount of the purchase price be treated as confidential for purposes of this application.

Part II, Item A(2)(c): Article I of the *Purchase and Sale Agreement* (Exhibit A) generally describes the property to be acquired as follows:

(a) All immovable property, including all right, title and interest therein, described in EXHIBIT A, to be attached hereto prior to the conclusion of the Feasibility Period (as hereafter defined) and made a part hereof, including but not limited to any mineral and other subsurface rights, together with all buildings and improvements located thereon, and all appurtenant rights relating thereto, including, but not limited to, warranties and guaranties, access easements and other easements and rights relating thereto, access to utilities, rights of way and similar rights located on or within or relating to any of the foregoing (collectively, the "*Immovable Property*");

(b) All movable property and intangible property used in connection with the ownership and/or operation of the Immovable Property, including, but not limited to, all such property described in EXHIBIT B, to be attached hereto prior to the conclusion of the Feasibility Period (as hereafter defined) and made a part hereof (collectively, the "*Movable Property*");

(c) All of Seller's right, title, and interest in and to the area that the System (as defined below) services (the "*Service Area*"), as determined by Buyer and set forth in EXHIBIT C, to be attached hereto prior to the Closing (as hereinafter defined) and made a part hereof, including but not limited to, all real property interests such as easements, rights of way, permits and leases related to the System, and including any and all water and sewer facilities, equipment, lines, plants, pipes, manholes, meters, lift or pump stations and appurtenances; and

(d) All property or rights of whatever nature and kind that Seller owns which in any way is used or is useful in the operation of a water and sewer utility system located in Volusia County, Florida (the "*System*").

Following conclusion of the Feasibility Period (as defined in Section 2.04 of the agreement) and prior to closing major units or items of acquired property (land,

improvements, and rights of way, tools, devices, equipment, furniture, fixtures, machinery, supplies, and other material tangible items) will be identified and included on EXHIBIT A and EXHIBIT B to the *Purchase and Sale Agreement*; however, the dollar values of those items will not be individually identified.

Buyer will not acquire any non-regulated assets or operations of the seller and is not assuming any of seller's liabilities or obligations. The transaction is limited to the acquisition of assets used to provide regulated water and wastewater service.

Part II. Item A(2)(d): The purchase price stated in Section 1.02 of the *Purchase and Sale Agreement* (Exhibit A) will be paid in cash at closing. There is no other consideration between the parties, including salaries, retainer fees, stock, stock options, or assumption of any seller obligation.

Part II. Item A(2)(e): Under terms of the *Purchase and Sale Agreement*, CSWR-Florida UOC is not acquiring or assuming responsibility for pre-closing obligations of the seller, including seller's obligations related to customer deposits. Prior to closing, it would be seller's responsibility to return all such deposits in accordance with Florida Commission rules and seller's approved tariff. Prior to closing, buyer will review all leases and developer agreements and will assume or renegotiate those agreements on a case-by-case basis. Any customers or developers who paid advances to North Peninsula prior to closing will be given full credit for those payments after closing.

Exhibit B
(Redacted)

CSWR, LLC and Subsidiaries

Consolidated Financial Statements

December 31, 2020 and 2019



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RSM US LLP

Independent Auditor's Report

Board of Directors
CSWR, LLC and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of CSWR, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSWR, LLC and Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years the ended, in accordance with accounting principles generally accepted in the United States of America.

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AUDIT | TAX | CONSULTING

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

St. Louis, Missouri
March 11, 2021

CSWR, LLC and Subsidiaries
As of December 31, 2020 and 2019

Consolidated Balance Sheets

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash	\$	
Accounts Receivable, net		
Other Current Assets		
Total Current Assets		
Property, Plant and Equipment, Net		
Non-Current Assets		
Preliminary Survey and Investigation		
Other Long-Term Assets		
Total Non-Current Assets		
Goodwill		
Intangible Assets		
Total Assets	\$	
Current Liabilities		
Accounts Payable	\$	
Notes Payable - Current		
Other Current Liabilities		
Total Current Liabilities		
Long-Term Liabilities		
Notes Payable, net of Current Portion		
Contributions in Aid of Construction		
Other Long-Term Liabilities		
Total Long-Term Liabilities		
Member's Equity		
Paid-In Capital		
Retained Deficit		
Total Member's Equity		
Total Liabilities and Member's Equity	\$	

See notes to consolidated financial statements

CSWR, LLC and Subsidiaries

For the years ended December 31, 2020 and 2019

Consolidated Statements of Operations

	<u>2020</u>	<u>2019</u>
Operating Revenue		
Operating Revenue	\$	
Operating Expense		
Operations and Maintenance		
General and Administrative		
Depreciation and Amortization		
Total Operating Expense		
Operating Loss		
Other Income (Expense)		
Other Revenue		
Interest		
Total Other Income (Expense)		
Net Loss before Taxes		
Income Tax Benefit		
Net Loss	\$	

See notes to consolidated financial statements

CSWR, LLC and Subsidiaries
 For the years ended December 31, 2020 and 2019

Consolidated Statements of Member's Equity

	Paid-In Capital	Retained Deficit	Total Member's Equity
Balance at December 31, 2018	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Capital Contributions			\$ [REDACTED]
Net Loss			\$ [REDACTED]
Balance at December 31, 2019			\$ [REDACTED]
Capital Contributions			\$ [REDACTED]
Net Loss			\$ [REDACTED]
Balance at December 31, 2020	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

See notes to consolidated financial statements

CSWR, LLC and Subsidiaries

For the years ended December 31, 2020 and 2019

Consolidated Statements of Cash Flows

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Net Loss	\$	\$
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization		
Amortization of deferred financing costs to interest expense		
Loss on transfer of preliminary survey & investigation expense		
Loss on disposal of property, plant and equipment		
Interest capitalized to notes payable		
Interest capitalized to deferred financing costs		
Interest capitalized to allowance for funds used during construction		
Change in assets (increase) decrease		
Accounts receivable, net		
Other current assets		
Other long-term assets		
Change in liabilities - increase (decrease)		
Current liabilities		
Other long-term liabilities		
Net cash used in Operating Activities		
Cash Flows from Investing Activities		
Purchase of property, plant and equipment		
Acquisition of preliminary survey and investigation		
Net cash used in Investing Activities		
Cash Flows from Financing Activities		
Payments on notes payable		
Contributions for construction		
Capital contributions		
Net cash provided by Financing Activities		
Net Increase in Cash		
Cash, Beginning of Period		
Cash, End of Period		

See notes to consolidated financial statements

NOTE 01: NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CSWR, LLC ("CSWR") and its wholly owned subsidiaries, Missouri Central States Water Resources, LLC ("Missouri Central States"), Arkansas Central States Water Resources, LLC ("Arkansas Central States"), Kentucky Central States Water Resources, LLC ("Kentucky Central States"), Texas Central States Water Resources, LLC ("Texas Central States") and Louisiana Central States Water Resources, LLC ("Louisiana Central States"), collectively "the Company".

The accounts of Missouri Central States' wholly owned subsidiaries are included. Those subsidiaries are: Hillcrest Utility Holding Company, Inc. ("Hillcrest"), Raccoon Creek Utility Holding Company, Inc. ("Raccoon Creek"), Indian Hills Utility Holding Company, Inc. ("Indian Hills"), Elm Hills Utility Holding Company, Inc. ("Elm Hills"), Confluence Rivers Utility Holding Company, Inc. ("Confluence Rivers") and Osage Utility Holding Company, Inc. ("Osage"), which in turn each own operating subsidiaries that carry out day-to-day operations of the Company.

The accounts of Arkansas Central States' wholly owned subsidiaries are also included. Those subsidiaries are: Hayden's Place Utility Holding Company, LLC ("Hayden's Place"), St. Joseph's Glen Utility Holding Company, LLC ("St. Joseph's Glen"), Sebastian Lake Utility Holding Company, LLC ("Sebastian Lake"), Eagle Ridge Utility Holding Company, LLC ("Eagle Ridge"), Flushing Meadows Utility Operating Company, LLC ("Flushing Meadows") and Oak Hill Utility Holding Company, LLC ("Oak Hill"), which in turn each own operating subsidiaries that carry out day-to-day operations of the Company.

The accounts of Kentucky Central States' wholly owned subsidiary, Bluegrass Water Utility Holding Company, LLC ("Bluegrass") are included. Bluegrass owns an operating subsidiary that carries out the day-to-day operations of the Company.

The accounts of Texas Central States' wholly owned subsidiary, CSWR-Texas Utility Holding Company, LLC ("CSWR-Texas") are included. CSWR-Texas owns an operating subsidiary that carries out the day-to-day operations of the Company.

The accounts of Louisiana Central States' wholly owned subsidiary, Magnolia Water Utility Holding Company, LLC ("Magnolia") are included. Magnolia owns an operating subsidiary that carries out the day-to-day operations of the Company.

The Company has additional, inactive subsidiaries which, while included in The Company's financial statements, are immaterial to the consolidated financial results.

All significant inter-company transactions and account balances have been eliminated in consolidation.

Nature of Operations and Acquisition

CSWR is a private water and wastewater utility company. The Company's primary purpose, through its subsidiaries, is to establish and maintain compliant water and wastewater treatment facilities for underserved communities and private facility owners by creating economically viable options compliant

NOTE 01: NATURE OF OPERATIONS AND BASIS OF PRESENTATION (continued)

with the Clean Water Act and the Safe Drinking Water Act. The Company holds certificates of public convenience and necessity granted by the Missouri Public Service Commission, ("Missouri PSC"), under which the Company provides water and wastewater services in Missouri. In the state of Kentucky, the Company holds certificates of public convenience and necessity granted by the Kentucky Public Service Commission, ("Kentucky PSC"), under which the Company provides water and wastewater services in Kentucky. In the state of Texas, the Company holds certificates of public convenience and necessity granted by the Public Utility Commission of Texas, ("Texas PUCT"), under which the Company provides water and wastewater services in Texas. In the state of Louisiana, the Company has been granted authority to operate water and wastewater systems by the Louisiana Public Service Commission, ("Louisiana PSC"). The Company also provides water and wastewater services in Arkansas; however, Arkansas Central States' subsidiaries are currently under the water and sewer revenue threshold that requires rate regulation from the Arkansas Public Service Commission, ("Arkansas PSC").

The Company is a wholly owned subsidiary of US Water Systems, LLC. (the "Parent").

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates.

Recognition of Revenue

On January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") Topic 606, Revenue From Contracts With Customers using the modified retrospective approach, applied to contracts which were not completed as of January 1, 2019. Under this approach, periods prior to the adoption have not been restated and continue to be reported under the accounting standards in effect for those periods.

Under ASC 606, a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied and the customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration which the Company expects to be entitled to receive in exchange for goods or services. Under the standard, a contract's transaction price is allocated to each distinct performance obligation. For contracts within the scope of ASC 606, the Company recognizes revenue through the following steps: 1) identifies the contract with a customer; 2) identifies the performance obligations within the contract; 3) determines the transaction price; 4) allocates the transaction price to the performance obligations in the contract; and 5) recognizes revenue when, or as, the Company satisfies each performance obligation.

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's revenues from contracts with customers are discussed below. Customer payments for contracts are generally due within 30 days of billing and none of the contracts with customers have payment terms that exceed one year; therefore, the Company elected to apply the significant financing component practical expedient, and no amount of consideration has been allocated as a financing component.

The Company's revenue is generated from water and wastewater services delivered to customers. These contracts contain a single performance obligation, the delivery of water and wastewater services, as the promise to transfer the individual service is not separately identifiable from other promises within the contract and is not distinct. Revenue is recognized over time, as water and sewer services are provided, and includes amounts billed to customers on a cycle basis and unbilled amounts based on one month of service. The amounts the Company has a right to invoice are determined by a periodic flat fee, metered usage or both where applicable, indicating that the invoice amount corresponds directly to the value transferred to the customer. The Company elected to use the right to invoice and the disclosure of remaining performance obligations practical expedients for these revenues.

Income Taxes

CSWR, LLC has elected to be treated as a partnership for federal income tax purposes and does not record income taxes. Instead, its taxable earnings and losses are allocated in accordance with the Operating Agreement and are included in the income tax returns of the members. Accordingly, no provision is made for federal and state income taxes in the consolidated financial statements.

The Company's subsidiaries have elected to be treated as "C" Corporations. Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due, plus deferred taxes related primarily to net operating losses timing differences.

The Company has assessed its federal and state tax positions and determined there were more likely than not no uncertainties or possible related effects that need to be recorded as of or for the years ended December 31, 2020 and 2019.

The federal and state income tax returns of the Company for the years ended December 31, 2020 and 2019 are subject to examination by the respective taxing authorities, generally for three years after they were filed.

Accounts Receivable

Accounts receivable includes utility customer accounts receivable, which represent amounts billed to water and wastewater customers on a cycle basis. Accounts receivable also includes unbilled revenue for services provided but not billed to customers. Credit is extended based on the guidelines of the applicable state regulatory body and collateral is generally not required.

The Company provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of accounts receivable. This estimate is based on historical experience coupled with a review of the current status of existing receivables. The allowance and associated accounts

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

receivable are reduced when the receivables are determined to be uncollectible. The allowance at December 31, 2020 and 2019 was [REDACTED] respectively.

Property, Plant and Equipment

Property, plant and equipment is generally stated at cost. Major additions and improvements are capitalized and, where rate regulated, placed in service subject to review and revaluation by the applicable state regulatory body, while maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated lives for computing depreciation and amortization on property, plant and equipment are:

Utility Plant in Service - Sewer	10-50 Years
Utility Plant in Service - Water	10-50 Years
Furniture, Fixtures, and Other	7-20 Years

Preliminary Survey and Investigation Charges

The Company capitalizes all expenditures for preliminary surveys, plans, investigations and other expenditures made for the purpose of determining the feasibility of the acquisition of system assets. When the acquisition of system assets occurs, these costs are reclassified to the appropriate utility plant account. If the initiative is abandoned, the costs are expensed in the period in which Management makes the determination.

Regulation

The Company's Missouri, Kentucky, Texas and Louisiana utilities are subject to economic regulation by the respective PSCs. The Missouri PSC, Kentucky PSC, Texas PUC and Louisiana PSC generally authorize revenue at levels intended to recover the estimated costs of providing service, plus a return on net investments, or rate base. The Missouri PSC approved a rate increase April 8, 2020 with an effective date of July 1, 2020 for Confluence Rivers and a rate increase December 30, 2020 with an effective date of January 29, 2021 for Elm Hills. Regulators may also impose certain penalties or grant certain incentives. Due to timing and other differences in the collection of utility revenue, an incurred cost that would otherwise be charged to expense by a non-regulated entity is (at the direction of the state PSC) to be deferred as a regulatory asset if it is probable that the cost is recoverable in future rates. Conversely, GAAP requires the recording of a regulatory liability for amounts collected in rates to recover costs expected to be incurred in the future or amounts collected in excess of costs incurred and refundable to customers.

The Company had a regulatory asset of \$ [REDACTED] ("Other Long-Term Assets"), with accumulated amortization of [REDACTED] and [REDACTED] at December 31, 2020 and 2019 respectively. Amortization expense for the periods ended December 31, 2020 and 2019 was [REDACTED] and [REDACTED] respectively.

The Company's net regulatory liability for removal costs recoverable through rates at December 31, 2020 and 2019 was [REDACTED] and [REDACTED] respectively. Salvage expense of the liability for removal costs was [REDACTED] and [REDACTED] for the periods ended December 31, 2020 and 2019 respectively.

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These liabilities are included in Property, Plant and Equipment, Net as a subset of accumulated depreciation.

Contributions in Aid of Construction

Regulated utilities may receive advances for construction and/or contributions in aid of construction from customers, home builders, real estate developers, home-owners associations, etc., to fund construction necessary to extend or enhance services or operating facilities to new areas. Advances that are no longer refundable are reclassified as contributions of capital. Contributions are permanent collections of plant assets or cash for a specific capital construction project. For tariff ratemaking purposes, the amount of such contributions generally serves as a rate base reduction since the contributions represent non-investor supplied funds. Generally, the Company depreciates utility plants funded by contributions and amortizes its contributions balance as a reduction to depreciation expense, producing a result which is functionally equivalent to reducing the original cost of the utility plant for the contributions. Amortization of contributions in aid of construction was [REDACTED] and [REDACTED] for the periods ended December 31, 2020 and December 31, 2019, respectively.

Goodwill and Other Intangible Assets

Included in the Company's financials are goodwill and intangible assets which are the result of pushdown accounting from its parent. Goodwill arising from business combinations is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized but tested for impairment at least annually or more frequently if events and circumstances exist that indicate that a goodwill impairment test should be performed. The Company has selected December 31 as the date to perform the annual impairment test. Intangible assets with definite useful lives are amortized over their estimated useful lives to their estimated residual values. Goodwill, the Trade Name and Certificate of Convenience and Necessity have an indefinite life on the consolidated balance sheets. There are no intangible assets with a definite life on the consolidated balance sheets.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases: Amendments to the FASB Accounting Standards Codification, which amends the existing guidance on accounting for leases, and is effective for fiscal years beginning after December 15, 2021 for entities other than public business entities. This ASU requires the recognition of lease assets and liabilities on the consolidated balance sheets and the disclosure of key information about leasing arrangements. Early adoption is permitted and modified retrospective application is required for leases that exist or are entered into after the beginning of the earliest comparative period in the consolidated financial statements. The Company is currently evaluating the impact, if any, of adopting ASU 2016-02 on the Company's consolidated financial statements and related disclosures.

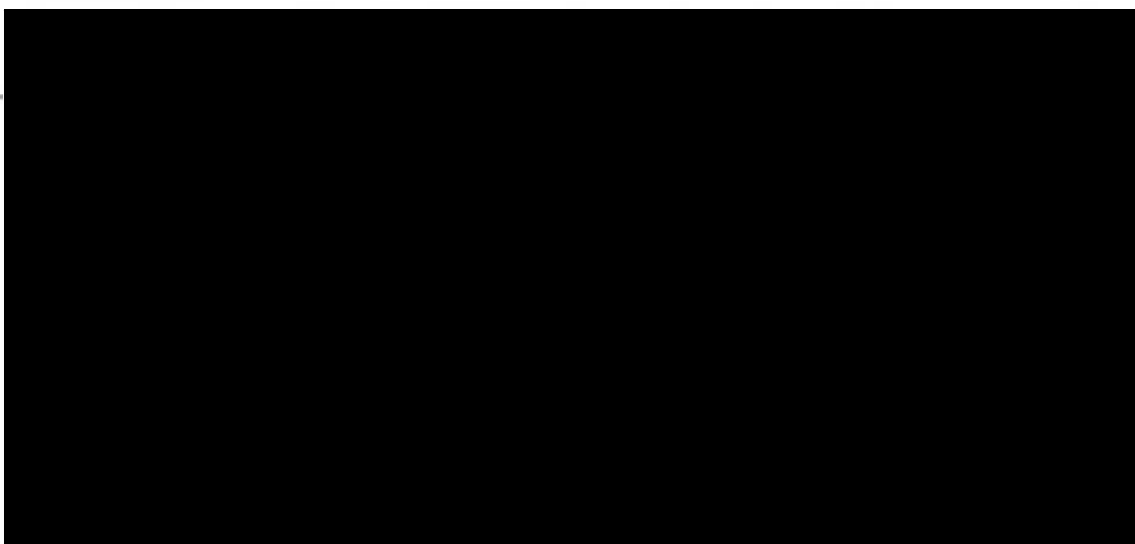
In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit

NOTE 02: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

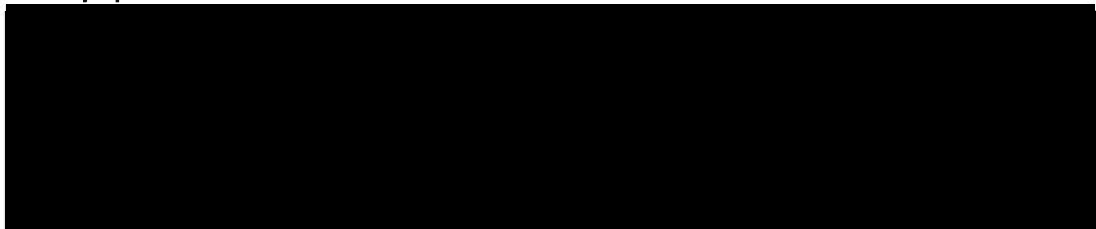
losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year ending December 31, 2022. The Company is currently in the process of evaluating the impact, if any, of adoption of this ASU on the consolidated financial statements.

NOTE 03: ASSET PURCHASES AND FACILITY OPERATIONS

Asset Purchases



Facility Operations



NOTE 04: CONSOLIDATED STATEMENT OF CASH FLOWS

Cash paid for interest during the periods ending December 31, 2020 and December 31, 2019 was [REDACTED] and [REDACTED] respectively. The Company did not have any cash paid for income taxes during the periods ended December 31, 2020 and 2019.

As of December 31, 2020, [REDACTED] in property, plant and equipment and [REDACTED] in preliminary survey and investigation charges were funded by accounts payable. Preliminary survey and investigation

NOTE 04: CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

charges totaling [REDACTED] were reclassified to property, plant, and equipment during the period ending December 31, 2020.

As of December 31, 2019, [REDACTED] in property, plant and equipment and [REDACTED] in preliminary survey and investigation charges were funded by accounts payable. Preliminary survey and investigation charges totaling [REDACTED] were reclassified to property, plant, and equipment during the period ending December 31, 2019. Interest capitalized to property, plant, and equipment was [REDACTED] for the period ending December 31, 2019.

NOTE 05: CASH CONCENTRATION

As of December 31, 2020 and 2019, the Company's cash balance per depositor exceeded federally insured limits.

NOTE 06: PROPERTY, PLANT AND EQUIPMENT

Capital assets, consisting of property, plant and equipment purchased or constructed by the Company, are stated at cost. Depreciation has been computed over the estimated useful life of each asset using the straight-line method. Interest costs have been capitalized based on the average outstanding capital expenditures. In addition, certain technical and engineering related studies associated with the project have also been capitalized and included in the basis of the assets.

Major classes of property, plant and equipment consist of the following:

	2020	2019
Utility Plant in Service - Sewer	\$ [REDACTED]	\$ [REDACTED]
Utility Plant in Service - Water	[REDACTED]	[REDACTED]
Furniture, Fixtures and Other	[REDACTED]	[REDACTED]
Less: Accumulated Depreciation	[REDACTED]	[REDACTED]
In Service Property, Plant and Equipment - Net	\$ [REDACTED]	\$ [REDACTED]
Construction Work in Progress	[REDACTED]	[REDACTED]
Property, Plant & Equipment Net	\$ [REDACTED]	\$ [REDACTED]

Net depreciation expense for the periods ended December 31, 2020 and December 31, 2019 totaled and [REDACTED] and [REDACTED] which consisted of [REDACTED] and [REDACTED] in depreciation on property, plant and equipment, net salvage expense of the regulatory assets and liabilities [REDACTED] and [REDACTED] respectively, as disclosed in Note 2, and [REDACTED] and [REDACTED] in reduction of expense for amortization of contributions in aid of construction as disclosed in Note 2, respectively.

NOTE 07: NOTES PAYABLE – RELATED PARTY

The Company, through its subsidiaries, entered into agreements with [REDACTED] a related party through common ownership, at various times between 2016 and 2018, for a maximum principal amount of [REDACTED]. Associated with the agreements were construction notes payable to provide financing for the construction, improvements, and equipment for the Company’s subsidiaries. During the construction period, all interest accrued on the loan was rolled into the principal balance of the loan. [REDACTED] For some of these construction notes payable, the Company was not obligated to make any payments of interest or principal on the accrued interest or the principal amount owed until the first calendar month immediately following the construction completion date, at which point principal and interest payments are due monthly at various maturities between October 2036 and December 2039. As of December 31, 2020, and 2019, the outstanding loan balance, including accrued interest and origination fee, was [REDACTED] and [REDACTED] and unamortized deferred financing costs were [REDACTED] and [REDACTED] respectively. The outstanding loan balance, including capitalized interest and origination fee, less unamortized financing costs is as follows as of December 31:

	2020	2019
Notes Payable balance, including accrued interest and origination fee	[REDACTED]	[REDACTED]
Unamortized deferred financing costs	[REDACTED]	[REDACTED]
Current portion of notes payable	[REDACTED]	[REDACTED]
Notes Payable, net of current portion	[REDACTED]	[REDACTED]

Future maturities of notes payable are as follows:

Years ending December 31,

2021	[REDACTED]
2022	[REDACTED]
2023	[REDACTED]
2024	[REDACTED]
2025	[REDACTED]
Thereafter	[REDACTED]

The agreements are secured by specific portions of the Company’s assets and require adherence to specific restrictive covenants. For the years ending December 31, 2020 the Company had not satisfied certain covenant obligations. Through the date of issuance of the independent auditors report the debt has not been called and as of December 31, 2020, the lender provided written covenant waivers evidencing that no event of default has occurred which would cause the lender to exercise before April 1, 2022, its options to pursue the remedies outlined in the loan agreements.

NOTE 07: NOTES PAYABLE -RELATED PARTY (continued)

Deferred Financing Costs

Costs incurred in connection with financing activities are deferred and amortized to interest expense using the straight-line method over the terms of the related debt agreement. The straight-line method approximates the deferred interest method. Unamortized deferred financing costs of [REDACTED] and [REDACTED] are included in the accompanying consolidated balance sheets as a reduction of debt at December 31, 2020 and 2019, respectively. Amortization expense included in interest expense was [REDACTED] and [REDACTED] for the periods ended December 31, 2020 and 2019, respectively.

NOTE 08: OPERATING LEASE

The Company has a lease agreement for office space. During 2020, the prior lease agreement expired and the Company entered a new agreement. Under the expiring lease agreement, the Company paid monthly rent payments of [REDACTED] per month through March 2020. The Company's current lease has a term of five years and requires monthly rent payments of [REDACTED] beginning April, 2020 through March 2025.

Total future minimum commitments related to these leases are as follows:

2021 -	[REDACTED]
2022 -	[REDACTED]
2023 -	[REDACTED]
2024 -	[REDACTED]
2025 -	[REDACTED]
Total -	[REDACTED]

The current lease agreement included a leasehold incentive as reimbursement for costs related to improving the leasehold and preparing the space for the Company's use. This incentive totaled [REDACTED] and was a receivable, included in Other Current Assets, to The Company at December 31, 2020. The incentive also results in a liability which is to be amortized over the life of the lease as a reduction of rent expense. The Leasehold Incentive Liability is recorded on the Company's financial statements, net of accumulated amortization of [REDACTED] in Other Long-Term Liabilities. Rent expense amounted to [REDACTED] and [REDACTED] for the periods ended December 31, 2020 and December 31, 2019, respectively. Amortization expense of the Leasehold Incentive Liability amounted to [REDACTED] for the period ended December 31, 2020.

NOTE 09: EMPLOYEE BENEFIT PLAN

The Company has a retirement plan for its employees which allows participants to make contributions by salary reduction pursuant to Section 401(k) of the Internal Revenue Code. The Company can make a discretionary profit-sharing contribution to employees any time during the year. Employees vest immediately in their contributions and the Company's profit-sharing contributions. The Company's contributions to the 401(k) plan totaled [REDACTED] and [REDACTED] for the periods ended December 31, 2020, December 31, 2019, respectively.

NOTE 10: COMMITMENTS AND CONTINGENCIES

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of the Company's management, the probable resolution of such contingencies will not have a material adverse effect on the financial position, cash flows or results of operations of the Company.

NOTE 11: INCOME TAXES AND LOSS CARRYFORWARD

Deferred income tax provisions/benefits for the Company's C-Corp subsidiaries are calculated for certain transactions and events because of differing treatments under accounting principles generally accepted in the United States of America and the currently enacted tax laws of the federal, state, and local governments. The Company accounts for federal income taxes in accordance with FASB ASC 740, whereby deferred taxes are provided on temporary differences arising from assets and liabilities whose bases are different for financial reporting and income tax purposes. Current deferred federal income taxes relate primarily to timing differences including a net operating loss carryforward and certain expenses that are not deductible for tax purposes. Deferred income tax assets and liabilities are computed for those temporary differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Examples of these temporary differences include the future tax benefits of operating loss carryforwards recognized for financial reporting purposes and the allowance for doubtful accounts which will provide a tax benefit only upon the direct write off of customer balances.

The net deferred tax asset consists of the following components as of December 31:

	<u>2020</u>	<u>2019</u>
Accumulated net operating loss	█	█
Allowance for doubtful accounts	█	█
Deferred tax asset/(liability)	█	█
Less valuation allowance	█	█
Deferred tax asset/(liability) - Net	\$ -	\$ -

The deferred tax assets as of December 31, 2020 and 2019 are a result of net operating losses for federal and state taxes that are available for carryforward to future periods and certain timing differences. There is a degree of uncertainty inherent in determining if it is more likely than not that the benefits from certain net operating loss carryforwards and other deferred tax assets may not be realized. Management has assessed this risk and has provided a valuation allowance of █ and █ on these deferred tax assets as of December 31, 2020 and 2019, respectively until the company starts to generate taxable income.

It is reasonably possible that management's estimate of the amount of tax benefit the Company will realize from the use of the tax loss carryforwards and other timing differences will change significantly in the future along with the related tax benefits.

NOTE 12: RECLASSIFICATIONS

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation. Total assets, total liabilities, and net loss were not affected.

NOTE 13: SUBSEQUENT EVENTS

Subsequent to year end, the Company paid approximately [REDACTED] to acquire certain operating assets, primarily property, plant and equipment, that provides water supply and distribution services, and sewer collection and treatment services in Missouri, Texas, Kentucky and Louisiana. The assets acquired are expected to approximate the amount paid.

Management has evaluated subsequent events through the date of the independent auditors report, March 11, 2021, the date these consolidated financial statements were available to be issued.

CSWR, LLC and Subsidiaries
 Supplemental Information to the
 Consolidated Financial Statements
 For the year ended December 31, 2020

CONSOLIDATING BALANCE SHEETS

	Consolidated	Consolidation Elimination	CSWR, LLC	Missouri-CSWR	Hillcrest	Raccoon Creek	Indian Hills	Confluence Rivers	Elm Hills	Osage	Louisiana-CSWR	Magnolia
Current Assets												
Cash												
Accounts Receivable, net												
Other Current Assets												
Total Current Assets												
Property, Plant and Equipment, Net												
Non-Current Assets												
Preliminary Survey & Investigation												
Investment in Associated Companies												
Receivable from Associated Companies												
Other Long-Term Assets												
Total Non-Current Assets												
Goodwill												
Intangible Assets												
Deferred Income Tax												
Total Assets												
Current Liabilities												
Accounts Payable												
Notes Payable - Current												
Other Current Liabilities												
Total Current Liabilities												
Long-Term Liabilities												
Notes Payable, net of Current Portion												
Payable to Associated Companies												
Contributions in Aid of Construction												
Other Long-Term Liabilities												
Total Long-Term Liabilities												
Deferred Income Tax Liability												
Members' Equity												
Paid-In Capital												
Retained Deficit												
Total Members' Equity												
Total Liabilities and Equity												

Exhibit B - 20 of 23

CSWR, LLC and Subsidiaries
 Supplemental Information to the
 Consolidated Financial Statements
 For the year ended December 31, 2020

CONSOLIDATING BALANCE SHEETS

	Kentucky- CSWR	Bluegrass	Arkansas- CSWR	Hayden's Place	St. Joseph's Glen	Sebastian Lake	Eagle Ridge	Oak Hill	Flushing Meadows	TX-CSWR	CSWR-TX Operating	Inactive Entities
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Current Assets
 Cash
 Accounts Receivable, net
 Other Current Assets
 Total Current Assets

Property, Plant and Equipment, Net

Non-Current Assets
 Preliminary Survey & Investigation
 Investment in Associated Companies
 Receivable from Associated Companies
 Other Long-Term Assets
 Total Non-Current Assets

Goodwill
 Intangible Assets
 Deferred Income Tax

Total Assets

Current Liabilities
 Accounts Payable
 Notes Payable - Current
 Other Current Liabilities
 Total Current Liabilities

Long-Term Liabilities
 Notes Payable, net of Current Portion
 Payable to Associated Companies
 Contributions in Aid of Construction
 Other Long-Term Liabilities
 Total Long-Term Liabilities

Deferred Income Tax Liability

Members' Equity
 Paid-In Capital
 Retained Deficit
 Total Members' Equity

Total Liabilities and Equity

CSWR, LLC & Subsidiaries
 Supplemental Information to the
 Consolidated Financial Statements
 For the year ended December 31, 2020

CONSOLIDATING STATEMENT OF OPERATIONS

	Consolidated	CSWR, LLC	Missouri- CSWR	Hillcrest	Raccoon Creek	Indian Hills	Confluence Rivers	Elm Hills	Osage	Louisiana- CSWR	Magnolia
Operating Revenue											
Operating Revenue											
Operating Expense											
Operations and Maintenance											
General and Administrative											
Depreciation and Amortization											
Total Operating Expense											
Operating Loss											
Other Income (Expense)											
Other Revenue											
Interest											
Total Other Income (Expense)											
Net Loss before Taxes											
Net Income (Loss)											

Exhibit B - 22 of 23

CSWR, LLC & Subsidiaries
 Supplemental Information to the
 Consolidated Financial Statements
 For the year ended December 31, 2020

CONSOLIDATING STATEMENT OF OPERATIONS

	Kentucky- CSWR	Bluegrass	Arkansas- CSWR	Hayden's Place	St. Joseph's Glen	Sebastian Lake	Eagle Ridge	Oak Hill	Flushing Meadows	TX-CSWR	CSWR-TX Operating	Inactive Entities
Operating Revenue												
Operating Revenue												
Operating Expense												
Operations and Maintenance												
General and Administrative												
Depreciation and Amortization												
Total Operating Expense												
Operating Loss												
Operating Loss												
Other Income (Expense)												
Other Revenue												
Interest												
Total Other Income (Expense)												
Net Loss before Taxes												
Net Loss before Taxes												
Net Income (Loss)												
Net Income (Loss)												

Exhibit B - 23 of 23

Exhibit B
(Supplement)

EXHIBIT B (SUPPLEMENT)

Part II (B)(1): CSWR-Florida Utility Operating Company, LLC, was created for the purpose of acquiring and operating water and wastewater systems in Florida as a public utility. Unless and until it acquires such systems, the company has no financial statements. In lieu of such information, the audited financial statements of CSWR, LLC, for 2019 and 2020 are provided as Exhibit B.

Part II (B)(2): To fund the acquisition proposed in this application, CSWR, LLC, will invest sufficient equity in CSWR-Florida UOC to (a) pay the purchase price and all costs related to the acquisition of assets currently owned by North Peninsula Utilities Corporation, (b) fund necessary capital improvements, and (c) provide working capital to sustain operations until fully compensatory rates are implemented and CSWR-Florida UOC becomes self-sufficient.

Exhibit C

EXHIBIT C

CSWR-Florida UOC, is part of an affiliated group of holding and utility operating companies currently providing water and wastewater services to customers in Missouri, Arkansas, Kentucky, Texas, Louisiana, and Tennessee. The affiliate group includes CSWR, LLC, (“CSWR”) which employs personnel with managerial and operational expertise necessary to provide essential services to its utility affiliates. The services CSWR provides include, but are not limited to, executive management, administrative, legal, accounting, finance, engineering, accounts payable, and risk management. CSWR also invests equity capital used to acquire utility assets and systems (such as those for which authority is sought by this application), make required capital improvements, and provide working capital necessary to operate those systems until they become self-sufficient.

Since their formation, CSWR and its affiliates have invested more than \$102 million to acquire and operate, small water and wastewater systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, and Tennessee that currently serve more than 50,620 water and 80,892 wastewater customers. In each of those jurisdictions state utility regulators determined CSWR and its affiliates have the financial strength and the managerial, and operational experience and expertise necessary to acquire, improve, own, and operate water and wastewater systems in a manner that serves the public interest.

CSWR’s affiliates have filed or soon will file applications seeking to increase their utility holdings in Arkansas, Missouri, Texas, and Tennessee, and have acquisition applications pending in North Carolina and Mississippi that, if granted, would expand the group’s footprint into those states.

CSWR's business plan is to purchase and recapitalize failing water and wastewater systems and to operate those systems as investor-owned regulated utilities. Most systems CSWR acquires are not providing safe and reliable service that complies with all applicable laws and regulations. Many of the systems CSWR pursues are out of compliance with state utility commission rules and with federal and state environmental or public health laws. Many of those systems also do not have federal or state permits required to lawfully operate. And many have not increased rates for a decade or more and therefore lack financial resources necessary to build, maintain, and make replacements to the systems.

CSWR’s operating affiliates have been able to acquire distressed systems, invest capital necessary to construct or repair physical facilities, and provide the managerial experience and expertise required to operate those systems in a way that satisfies customers, regulators, and investors alike. If given the opportunity, CSWR and its affiliates can bring those same financial resources and the same managerial and operational expertise to the systems we propose to acquire in Florida.

If the pending application is approved, CSWR-Florida would hire one or more non-affiliated third-party operations and maintenance firms (preferably local) that have knowledgeable and experienced personnel and carry all Florida licenses necessary to manage daily operations of the water and wastewater systems at issue in this application. CSWR-Florida also would utilize a non-affiliated outside billing and customer service firm – the same

firm currently used by its affiliates operating outside Florida – to send out bills and handle service-related billing questions.

CSWR also has developed a centralized computerized maintenance management system that monitors the performance of our water and wastewater systems and allows personnel to track ongoing maintenance and testing activities of all third-party contractors. In addition, CSWR uses GIS survey information to accurately map all infrastructure assets, which enables anticipatory and targeted infrastructure re-investment in affiliated systems. CSWR's outside firms are required to provide 24-hour emergency service phone numbers to report service issues, provide on-call emergency service personnel who must respond within prescribed time limits, utilize a computerized maintenance management system for wastewater and drinking water utility assets, provide on-line bill-pay options, and utilize up-to-date website bulletins about current servicestatus.

While day-to-day operational, billing, and customer service functions would be provided by non-employee contractors, all management, financial reporting, underground utility safety and location services, Commission regulatory reporting, environmental regulatory reporting and management, operations oversight, utility asset planning, engineering planning, ongoing utility maintenance, utility record keeping, and final customer dispute management would be performed by personnel at CSWR's corporate office. CSWR personnel also would monitor the activities of non- employee contractors to make sure our systems are being operated and maintained properly and customers' needs are being met.

Brief biographies of CSWR's key executive and operational leaders are provided below, and additional information regarding CSWR and its affiliated operating companies, including case studies showing the significant improvements made in some of the systems the companies own and operate, can be found on CSWR's website: <https://www.centralstateswaterresources.com>.

Josiah Cox – President

Mr. Cox is President of CSWR-Florida Utility Operating Company, LLC, and also of CSWR, LLC, ("CSWR"). Both companies are part of an affiliated group that provide water or wastewater utility services to more than 40,000 customers in six states.

Mr. Cox received a Bachelor of Science with a major in Environmental Science from the University of Kansas. Professionally he has worked at the Kansas state biological survey, where he performed a wildlife habitat study. He then worked at a civil engineering firm where he was involved in various facets of the land development process including permitting, entitlement, civil design, project management, and construction management. He focused mainly on the water and wastewater side of the civil engineering business and participated in every part of that business from waste-load allocation studies (now known as the anti-degradation processes), design, permitting, project management, and construction management. He also ran the firm's environmental consulting division and was the second private consultant to submit a water quality impact study in the state of Missouri in 2003. He joined the engineering firm's executive leadership team and helped run all the firm's operations.

Beginning in 2005, he formed a full-service civil engineering, environmental consulting, general contracting, and construction management firm. He obtained extensive experience with rural communities in every facet of the water and wastewater compliance process, including environmental assessment, permitting, design, construction, operation and community administration of the actual water and wastewater (sewerage) systems. The firm performed stream sampling and built waste-load allocation models to determine receiving water-body protective permit-able effluent pollutant loads. They did full engineering design of multiple whole community wastewater and water infrastructure systems including wells, water distribution, water treatment, water storage, wastewater conveyance, and wastewater treatment plants and taken these designs through federal and state administered permitting processes in Missouri. The engineering firm also administered the construction of these water and wastewater systems from green field site selection all the way through system startup and final engineering sign-off. During this time, he also began the Master of Business Administration (MBA) program at Washington University in St. Louis, from which he graduated in 2007.

In addition, starting in 2008, he took over the operations of an existing rural sewer district, and he still operates a system managing the functioning, testing, and maintenance of the system. He also acts as the administrator for this municipal system performing all the billing, emergency response, accounts payable/accounts receivable, collections, budgeting, customer service, and public town meetings required to service the community.

In late 2010, after working on several small, failing water and wastewater systems, Mr. Cox created a business plan to acquire and recapitalize failing systems as investor-owned regulated water and wastewater utility companies. In early 2011, he went to the capital markets to raise money to implement my plan, and over a period of approximately three years met with over fifty- two infrastructure investment groups trying to raise necessary financing. In February 2014, he was able to raise sufficient debt and equity capital to start CSWR. In 2018, he attracted an additional large institutional private equity investor, which allowed CSWR to expand the scope of its business plan. Since its formation, CSWR has acquired, and currently is operating more than 257 water and/or wastewater systems in Missouri, Kentucky, Louisiana, Texas, Tennessee, and Arkansas.

Marty Moore – Chief Financial Officer

Marty Moore is the Chief Financial Officer of CSWR, LLC, and has held this position since April 2020. As CFO, Mr. Moore provides leadership, direction, and management to the finance and accounting teams, manages the process for financial forecasting, budgeting, and reporting and oversees the human resources and risk management functions.

After receiving a Bachelor of Business Administration in Accounting from Abilene Christian University, he gained a wide range of experience. Moore's extensive senior-level finance and operational experience includes serving as CFO of international automation equipment manufacturer Baldwin Technology Co., a company he helped Barry-Wehmiller/Forsyth Capital take private in 2012. Prior to that, Mr. Moore held senior leadership positions with Summit Marketing, Consolidated Terminals, Barnhill's Buffet Inc., and Global Materials Services. He began his career at Arthur Andersen. Moore most recently

led finance and corporate services as CFO of Gardner Capital, a national affordable housing and renewable energy developer, investor, and tax credit syndicator. He has an extensive background in mergers and acquisitions and will work alongside Mr. Cox in accelerating the company's already rapid growth trajectory.

Todd Thomas – Vice President

Todd Thomas holds the office of Senior Vice President of CSWR, LLC. Mr. Thomas received his Bachelor of Science in Civil Engineering from The Missouri University of Science and Technology, and a Master of Business Administration from Washington University in St. Louis.

Before joining CSWR, Mr. Thomas was President of Brotcke Well and Pump, Vice President of Operations and Business Development of the Midwest for American Water Contract Operations, and General Manager of Midwest Operations for Environmental Management Corporation. Mr. Thomas currently serves on the Technical Advisory Team for the Public Water Supply District 2 of St. Charles County, MO.

Mr. Thomas's previous employment provided him extensive experienced in water and sewer utilities. He has extensive firsthand experience with how much damage can be done by lack of maintenance on a well system and how much money and effort is required to restore a well system after neglect.

In his position as Senior Vice President at CSWR, Mr. Thomas's main responsibilities include utility operations along with the acquisition, development, and rate stabilization of CSWR- affiliated utilities. Those duties include operations, maintenance, capital planning, and regulatory compliance for all affiliate-owned facilities. He is responsible for the management of all operations and maintenance service providers, customer service and billing service providers, and engineering firms.

Mike Duncan –Vice President

Mike Duncan is the Vice President of CSWR, LLC, and was promoted to that position in October 2020. As Vice President, he has played an integral role in preparing, filing, and processing acquisition applications in Missouri, Kentucky, Tennessee, Louisiana, Texas, North Carolina, and Mississippi. He also has taken a leading role in preparing and filing rate cases in Missouri, Kentucky, and Louisiana.

After receiving a Bachelor of Arts degree from Washington University in St. Louis, the first eleven years of his career were spent as an administrator and later director at a non-profit organization in St. Louis Missouri. As Director he oversaw accounting, finance, human resources, IT, and communications for the organization. During his employment he received a master's in business administration from Olin School of Business at Washington University. Prior to his employment with CSWR, he spent two years as Director of Operation with Auto Tire & Parts Napa, a partner-owned chain of auto parts stores, overseeing projects related to distribution, logistics, IT, and general management.

Stacy Culleton – Director of Customer Experience

Stacy Culleton is the Director of Customer Experience of CSWR, LLC. She has held this position since March 2020, and previously held the position of Project Manager. As Director of Customer Experience, Stacy leads the development, implementation and evaluation of strategic, tactical, and operational customer engagement plans, programs, and initiatives. She also advises the executive team regarding customer satisfaction measures, customer experience strategies, and drives the ongoing development of a customer service culture.

After receiving her Bachelor of Business Administration degree in Management from Lindenwood University, Stacy held positions as Director of Client Services at Unit 4 Education Solutions, Senior Business System Analyst and Sales Planning and Reporting Manager at Allianz Global Corporate and Specialty, Senior Product Manager at Unit 4, and Senior Consultant at Daugherty Business Solutions. Her experience and extensive background in managing teams helps ensure an exceptional customer experience and provides the technical and managerial expertise needed to run this critical customer service function.

Jake Freeman – Director of Engineering

Jake Freeman is the Director of Engineering of CSWR, LLC, and has held this position since January 2019. As Director of Engineering, he oversees all engineering, surveying, and facility construction upgrades for all newly acquired CSWR water and sewer utilities including those in Missouri, Arkansas, Kentucky, Louisiana, Texas, Mississippi, Tennessee, and North Carolina. He also oversees ongoing capital upgrade projects on all CSWR affiliated and operated facilities.

After receiving a Bachelor of Science degree in Mechanical Engineering from the University of Missouri – Columbia, he spent the first two years of his career working for Corrigan Mechanical, a design-build mechanical contractor in St. Louis designing, estimating, and managing plumbing, HVAC and process piping construction projects in Missouri and southern Illinois. He then spent eleven years performing similar tasks for Brotcke Well & Pump, a well and pump service contractor servicing water wells and water treatment equipment throughout Missouri, Illinois, Kentucky, and Kansas. Prior to his employment with CSWR, he was serving as Vice President of Brotcke Well & Pump and Principal for their engineering services and managing their newly opened office in Kansas City.

Jami Favor - Environmental, Health and Safety Director

Jami Favor holds the office of Environmental, Health and Safety Director of CSWR, LLC. Mr. Favor holds several top water and wastewater certifications throughout the country. Mr. Favor also has received his Associate of Science in Ecological Controls and Associate of Applied Arts.

Before joining CSWR, Mr. Favor worked for Woodard and Curran's as an Area Manager of Contract Operations and Maintenance for Public Water Supply District 2 of St. Charles County, Missouri, and General Manager of a similar system in Quincy, Washington.

Mr. Favor's responsibilities included budget and financial accountability, creating, and implementing capital improvement plans, daily operations of wastewater and water treatment facilities, including both industrial wastewater and reuse facilities that provided highly efficient softening and reverse osmosis treatment to industrial customers, implementation and oversight of Industrial Pretreatment Programs, collection, and water distribution maintenance.

Mr. Favor's previous employment provided him extensive experience in water and sewer utilities. He has extensive firsthand experience in managing water and wastewater treatment facilities safely and in a financially and operationally sound manner.

In his position as Environmental, Health and Safety Director at CSWR, Mr. Favor's main responsibilities include budgeting/financial accountability of operations, identifying capital improvements projects, overseeing regulatory compliance, implementing Computer Maintenance Management System and Regulatory Data bases for all CSWR-affiliated facilities, development of safety programs, and overseeing third party Operations and Maintenance contractors of CSWR facilities.

Exhibit D

Exhibit D

CSWR-Florida UOC plans to use one or more appropriately qualified and licensed contract operators to handle day-to-day inspections, checks, sampling, reporting, and meter reading. The contract operator also would be responsible for necessary system repairs (as well as extraordinary issues that arise from time to time) to ensure proper facility operations. All contractor activities would be tracked inside the utility's computerized maintenance system. In addition, a computerized plant monitoring system would integrate repair and system operations data onto a single water information management platform that includes all systems operated by CSWR-Florida's affiliates.

The company also will use a contractor for billing and to provide emergency answering services for customer calls. The contractor would be responsible for computing, printing, and sending monthly bills to customers and for collecting payments. The billing contractor's staff also would field and process customer bill inquiries, make bill adjustments, deal with customer requests for payment plans, and interact with Florida Commission Staff regarding billing issues. Billing contractor employees also would be trained to route customer service complaints and inquiries to the service contractor.

All contractors used for the functions described above would be non-affiliated third parties. Contractors providing day-to-day operations and maintenance services would be selected through a competitive bidding process. The contractor providing billing and related services already provides those services for CSWR affiliates in Missouri, Arkansas, Kentucky, Texas, Louisiana, and Tennessee, and by using this contractor CSWR-Florida would have access to proprietary systems developed to meet the needs of the affiliated group and its customers. CSWR-Florida also would benefit from economies of scale available from a system-wide customer service vendor.

In addition, CSWR-Florida would implement operational changes to improve and enhance customer service. Customers would have access to a 24-hour phone line to report any utility service issues. Those calls would then be transferred into the computerized maintenance management system and converted into work orders, which creates a historical record of all reported service issues. The work order also would ensure contracted customer service personnel can commence work required to address customer service issues quickly and efficiently. The company would ensure customers served by the system have access to customer service representatives during normal business hours to talk about any customer concerns. Additionally, CSWR-Florida would establish a utility-specific webpage and dedicated email address to keep customers informed about their utility service. Mirroring the relevant utility homepage information, The Company will also implement a dedicated social media page to offer another avenue of communication with customers about utility matters. The social media account will be manned by customer service representatives who can quickly answer customer questions. Finally, the company would offer online bill paying options to customers including e-checks, debit card, and creditcards.

Exhibit E

ATTACHMENT A

North peninsula Utilities Corporation

Service Territory Description

Township 13 South, Range 32 East, Volusia County, Florida

Section 16

From a concrete monument at the Northwest corner of Section 16, Township 13 South, Range 32 East; thence South 1 degree 45 minutes 30 seconds East along the West line of said Section 16, 654.16 feet to a point on the Southerly line of Ormond Beach Plaza subdivision, as recorded in Map Book 25, page 16 of the Public Records of Volusia County, Florida; thence North 88 degrees 28 minutes 45 seconds East along said Southerly line of Ormond Beach Plaza subdivision, 109.63 feet to a point on the East line of John Anderson Highway, a 50-foot wide county road, said point being the POINT OF BEGINNING of this description; thence South 18 degrees 56 minutes 55 seconds East along said East line of John Anderson Highway 446.79 feet; thence continuing along said East line of John Anderson Highway South 22 degrees 51 minutes 34 seconds East, 1126.48 feet to the intersection with the North line of the Southerly 525.00 feet (as measured along the West line of A-1-A, an 80-foot wide state road) of the aforementioned U.S. Lot 2; thence North 88 degrees 01 minutes 15 seconds East along said North line of the Southerly 525.00 feet of U.S. Lot 2, 1510.14 feet to a point on the aforesaid West line of A-1-A; thence North 22 degrees 06 minutes 31 seconds West along said West line of A-1-A, 1563.30 feet to a point on the Southerly line of the aforementioned Ormond Beach Plaza subdivision; thence South 88 degrees 28 minutes 45 seconds West along said Southerly line of Ormond Beach Plaza subdivision, 1504.09 feet to the POINT OF BEGINNING of this description.

Township 13 South, Range 32 East

Section 16

PARCEL 1:

The Southerly 500 feet of the Northerly 750 feet of Government Lot 4 in said Section 16, subject to the rights-of-way of Ocean Shore Boulevard and John Anderson Drive.

PARCEL 2:

The Southerly 250 feet of the Northerly 1000 feet of Government Lot 4 in said Section 16, subject to the rights-of-way of Ocean Shore Boulevard and John Anderson Drive.

PARCEL 3:

The Southerly 320 feet lying east of John Anderson Drive of Government Lot 4 in said Section 16, subject to the right-of-way of Ocean Shore Boulevard.

PARCEL 4:

The Southerly 525 feet, as measured along the West right-of-way line of State Road A-1-A, of Government Lot 2, in said Section 16, being more particularly described as follows:

From a concrete monument at the Northwest corner of Section 16, Township 13 South, Range 32 East; thence South 01 degrees 45 minutes 30 seconds East along the West line of said Section 16, a distance of 654 feet to a point on the North line of the South one-half of Government Lot 1 of said Section 16, thence North 88 degrees 28 minutes 45 seconds East along said North line, a distance of 109.63 feet; thence South 18 degrees 56 minutes 55 seconds East, a distance of 446.79 feet; thence South 22 degrees 51 minutes 34 seconds East a distance of 1126.48 feet to the interesection with the North line of the Southerly 525 feet (as measured along the West line of A-1-A, an 80 foot wide State Road) of the aforementioned Government Lot 2, said intersection being on the East line of John Anderson Highway (a 50 foot wide County Road) and the POINT OF BEGINNING of this description; thence North 88 degrees 01

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minutes 15 seconds East along said North line a distance of 1510.14 feet to the West line of said State Road A-1-A; thence continuing North 88 degrees 01 minutes 15 seconds East to the shore of the Atlantic Ocean; thence Southerly along the shore of the Atlantic Ocean to the intersection with the South line of the aforesaid Government Lot 2; thence South 88 degrees 01 minutes 15 seconds West along said South line to the West line of State Road A-1-A; thence continuing South 88 degrees 01 minutes 15 seconds West a distance of 1562.86 feet to a point on the East line of the aforesaid John Anderson Highway; thence continuing South 88 degrees 01 minutes 15 seconds West to the East bank of the Halifax River; thence Northerly along said East bank to the intersection with the aforesaid North line of the Southerly 525 feet of Government Lot 2; thence North 88 degrees 01 minutes 15 seconds East to the East line of John Anderson Highway, and the POINT OF BEGINNING of this description, subject to the rights-of-way of State Road A-1-A (Ocean Shore Boulevard), John Anderson Highway, and the Intracoastal Waterway.

Exhibit F

EXHIBIT F

Approving the proposed transfer of water and wastewater assets currently owned by North Peninsula Utilities Corporation, would be in the public interest. The affiliated group to which CSWR-Florida UOC belongs has demonstrated it has the managerial and operational expertise and experience necessary to own and operate the subject systems. It also has access to capital necessary to repair and upgrade those systems to ensure they comply with all health and environmental regulations and provide safe and reliable service to customers.

CSWR, LLC, and its affiliated utility operating companies have a proven track record of acquiring small, oftentimes distressed, water and wastewater systems, making the repairs and upgrades those systems require, and operating them in a way that pleases utility and environmental regulators alike. As evidence of their successes, utility, and environmental regulators in several states where affiliates currently operate have sought out those affiliates and asked them to become the emergency operator of systems in need of immediate aid. The Missouri Public Service Commission and the Missouri Department of Natural Resources have recognized the solid track record CSWR and its affiliates have established for acquiring, rehabilitating, maintaining, and operating troubled water and wastewater systems in that state. And in a recent order authorizing the group's Kentucky affiliate to acquire several troubled wastewater systems, the Kentucky Public Service Commission expressly found the group has the financial, technical, and managerial ability necessary to provide reasonable service to the public.

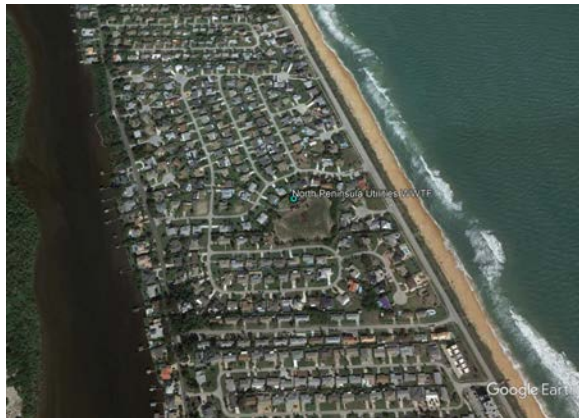
As its website expressly states, the mission of CSWR and its affiliates is to bring safe, reliable, and environmentally responsible water resources to every community in the United States. As it works to accomplish that objective, the group is transforming how water utilities work by using technology and innovation to quickly assess and invest in reliable infrastructure that meets or exceeds stringent state and federal safety standards, ensuring all communities across the country have access to safe, clean, and reliable water resources while protecting the aquifers, lakes, rivers, and streams that are essential to our world.

Exhibit G

EXHIBIT G



North Peninsula Utilities WWTF (FLA011188)



Wastewater (FLA011188)

The North Peninsula Utilities WWTF is a wastewater treatment system serving 602 residential customers and one commercial customer in Ormond Beach, Volusia County FL. The wastewater treatment facility consists of four package extended aeration plants on one property with rapid infiltration basins for disposal. One of the plants functions only as flow equalization and sludge digestion. The plant description on the State of Florida Domestic Wastewater Facility Permit states that the plant "is an existing 0.21 MDG design capacity and 0.180 MGD annual average daily flow (AADF) permitted capacity wastewater treatment plant consisting of one 0.06 MGD steel extended aeration plant (No.1), one 0.06 MGD concrete contact stabilization plant (No.2), and one 0.09 MGD Steel extended aeration plant (No.3). Major process components include flow equalization, influent screening, aeration, secondary clarification, chlorination, and aerobic digestion of residuals. Flows to this facility are limited to 0.181



MGD AADF, the capacity of the existing reuse system, R001... Land Application R-001: An existing 0.181 MGD annual average daily flow permitted capacity rapid infiltration basin system. R-001 is a reuse system which consists of two rapid infiltration basins (RIBs) with a total wetted area of 0.9 acres..."

Description of need:

All the assets at the WWTF site are in poor condition with much of the steel equipment exhibiting severe rust deterioration. A recent facility inspection by the Volusia County Growth and Resource Management Department, Environmental Management, noted bowing in the walls on one of the digester tanks. It also noted that the operational logbook indicated that the site was not meeting the minimum staffing requirements for hours/days visited by a certified operator. The report noted severe corrosion and deterioration on the splitter box, walkways and interior dividers of the treatment plants, a leaking potable water line onsite, and significant solids and vegetation accumulation in the RIBs and around the plant in general. The facility has received complaints resulting in a warning letter as recently as April of 2021 for excessive odor beyond the boundaries of the plant. This warning letter also noted that the plant was still not meeting its staffing requirements and that the basins were still overgrown with vegetation. Additionally, in March of 2021, the utility notified the state of a dry monitoring well incident and indicated that upon checking and verifying low groundwater levels in the area, it is likely the monitoring well was impacted by seawater in the past. The notification indicated a follow up report would be filed within 10 days though no record of this report exists in the state filing system. This indicates that this well, and possibly the other monitoring wells will require repair or replacement. Further communications seem to indicate the splitter box was repaired in response to the inspection report. A review of recent DMR testing indicates the facility generally complies with permitted limits.

Proposed Improvements:

To ensure the longevity and performance of the North Peninsula Utilities WWTF, CWSR Florida Utility Operating Company, LLC plans to make improvements to the system. Due to the deteriorating condition of the steel tanks, significant structural steel repairs must be made, followed by recoating the facility to extend the useful life of the plant. Aeration equipment at the facility must also be evaluated and repairs and replacements made as needed. The RIBs must be cleaned out to remove solids and vegetation and restore proper drainage to the basins. Tertiary filtration improvements may be required to prevent the basins from clogging with solids and reduce vegetation growth moving forward. Remote monitoring equipment will be installed at the key components of the system to allow operations staff to respond instantly to abnormal operating conditions before treatment processes can be compromised, equipment damaged, or customers impacted. Proper staffing will be implemented with possible negotiation to reduce on site visiting requirements to commiserate with the installation of remote monitoring equipment.



Estimated Costs for Wastewater Improvements

Wastewater				
CONSTRUCTION ITEM	Qnt.	UNIT	UNIT PRICE	EXTENDED PRICE
Install Remote Monitoring	2	LS	\$15,000	\$30,000
RIB Maintenance	2	LS	\$100,000	\$200,000
Extended Air Renovation and Repair	3	LS	\$125,000	\$375,000
Collection System Repairs	1	LS	\$75,000	\$75,000
Add Tertiary Filtration	1	LS	\$125,000	\$125,000
			Total	\$805,000

Exhibit H

EXHIBIT H

In Section 3.01(c) of the *Purchase and Sale Agreement* (Exhibit A), North Peninsula makes the following representation:

(c) Seller has and will have at Closing good, merchantable, and insurable title, in fee simple, to the Property, free and clear of all mortgages, liens, claims, or other encumbrances (except those required by the Title Company in the Title Commitment to be fully satisfied with the Purchase Price at the Closing).

At closing, Section 4.01(b) of the *Purchase and Sale Agreement* requires North Peninsula to deliver to CSWR-Florida:

(ii) A general warranty deed in executed form, conveying good, merchantable, and insurable title in fee simple to all of the Immovable Property, free and clear of any and all mortgages, liens, encumbrances, claims, conditions, easements, assessments, and restrictions, except for the Permitted Exceptions, if any;

(iii) A duly executed bill of sale, conveying all of the Movable Property described in EXHIBIT B, free and clear of any and all mortgages, liens, claims, restrictions, and encumbrances;

(iv) A duly executed termination of lease, terminating any existing lease agreements encumbering or relating to the Property;

(v) A duly executed assignment of any interest in any other Property used and/or useful in the operation of the System that is owned by Seller;

(vi) Such other instruments and documents that are customarily executed by a seller of immovable property in the county in which the Property is located, including, but not limited to, resolutions or unanimous written consents of the Board of Directors of Seller, and if required the shareholders of Seller, to authorize the sale of the Property to Buyer pursuant to this Agreement;

Between the date of this application and closing, CSWR-Florida will conduct additional due diligence, which includes engaging a Florida title company to review relevant records related to real property assets North Peninsula proposes to transfer to confirm the rightful owner(s) and identify any title defects that will be cured prior to closing. Although documents required by Section 4.01(b) do not currently exist, they can be provided post-closing if necessary to establish CSWR-Florida's ownership or long-term use rights.

In addition, CSWR-Florida will provide a copy of the unrecorded deed as soon as it becomes available.

Exhibit I



Florida Department of Environmental Protection

Central District
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803-3767

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Noah Valenstein
Secretary

STATE OF FLORIDA DOMESTIC WASTEWATER FACILITY PERMIT

PERMITTEE:

North Peninsula Utilities Corporation

PERMIT NUMBER: FLA011188

FILE NUMBER: FLA011188-004-DW2P

EFFECTIVE DATE: September 4, 2018

EXPIRATION DATE: September 3, 2023

RESPONSIBLE OFFICIAL:

Mr. Robert Hillman
1326 John Anderson Drive
Ormond Beach, Florida 32176
(386) 677-7847

FACILITY:

North Peninsula Utilities WWTF
Seabridge Drive
Ormond Beach, FL 32175
Volusia County
Latitude: 29°22' 46.12" N Longitude: 81°4' 58.61" W

This permit is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and applicable rules of the Florida Administrative Code (F.A.C.). This permit does not constitute authorization to discharge wastewater other than as expressly stated in this permit. The above-named permittee is hereby authorized to operate the facilities in accordance with the documents attached hereto and specifically described as follows:

WASTEWATER TREATMENT:

This is an existing 0.21 MGD design capacity and 0.180 MGD annual average daily flow (AADF) permitted capacity domestic wastewater treatment plant consisting of one 0.06 MGD steel extended aeration plant (No. 1), one 0.06 MGD concrete contact stabilization plant (No.2), and one 0.09 MGD steel extended aeration plant (No. 3). Major process components include flow equalization, influent screening, aeration, secondary clarification, chlorination and aerobic digestion of residuals. **Flows to this facility are limited to 0.181 MGD AADF, the capacity of the existing reuse system, R001, described below.**

REUSE OR DISPOSAL:

Land Application R-001: An existing 0.181 MGD annual average daily flow permitted capacity rapid infiltration basin system. R-001 is a reuse system which consists of two rapid infiltration basins (RIBs) with a total wetted area of 0.9 acres located approximately at latitude 29°22' 45" N, longitude 81°4' 57" W.

IN ACCORDANCE WITH: The limitations, monitoring requirements, and other conditions set forth in this cover sheet and Part I through Part IX on pages 1 through 17 of this permit.

PERMITTEE: North Peninsula Utilities Corporation
 FACILITY: North Peninsula Utilities WWTF

PERMIT NUMBER: FLA011188
 EXPIRATION DATE: September 3, 2023

I. RECLAIMED WATER AND EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

A. Reuse and Land Application Systems

1. During the period beginning on the effective date and lasting through the expiration date of this permit, the permittee is authorized to direct reclaimed water to Reuse System R-001. Such reclaimed water shall be limited and monitored by the permittee as specified below and reported in accordance with Permit Condition I.B.7.:

Parameter	Units	Max/Min	Reclaimed Water Limitations		Monitoring Requirements			Notes
			Limit	Statistical Basis	Frequency of Monitoring	Sample Type	Monitoring Site Number	
Flow (To RIBs)	MGD	Max Max	0.181 Report	Annual Average Monthly Average	5 Days/Week	Recording Flow Meter with Totalizer	FLW-1	See I.A.3
BOD, Carbonaceous 5 day, 20C	mg/L	Max Max Max Max	20.0 30.0 45.0 60.0	Annual Average Monthly Average Weekly Average Single Sample	Bi-weekly; every 2 weeks	8-hr FPC	EFA-1	
Solids, Total Suspended	mg/L	Max Max Max Max	20.0 30.0 45.0 60.0	Annual Average Monthly Average Weekly Average Single Sample	Bi-weekly; every 2 weeks	8-hr FPC	EFA-1	
Coliform, Fecal	#/100mL	Max Max Max	200 200 800	Monthly Geometric Mean Annual Average Single Sample	Bi-weekly; every 2 weeks	Grab	EFA-1	See I.A.4
pH	s.u.	Min Max	6.0 8.5	Single Sample Single Sample	5 Days/Week	Grab	EFA-1	
Chlorine, Total Residual (For Disinfection)	mg/L	Min	0.5	Single Sample	5 Days/Week	Grab	EFA-1	See I.A.5
Nitrogen, Nitrate, Total (as N)	mg/L	Max	12.0	Single Sample	Bi-weekly; every 2 weeks	8-hr FPC	EFA-1	See I.A.6
Nitrogen, Total	mg/L	Max	Report	Single Sample	Monthly	8-hr FPC	EFA-1	See I.A.7
Phosphorus, Total (as P)	mg/L	Max	Report	Single Sample	Monthly	8-hr FPC	EFA-1	See I.A.7

PERMITTEE: North Peninsula Utilities Corporation
FACILITY: North Peninsula Utilities WWTF

PERMIT NUMBER: FLA011188
EXPIRATION DATE: September 3, 2023

2. Reclaimed water samples shall be taken at the monitoring site locations listed in Permit Condition I.A.1. and as described below:

Monitoring Site Number	Description of Monitoring Site
FLW-1	Ultrasonic flow meter at the common effluent metering vault
EFA-1	Common metering vault after chlorine contact chambers

3. A recording flow meter with totalizer shall be utilized to measure flow and calibrated at least once every 12 months. *[62-600.200(25)]*
4. The effluent limitation for the monthly geometric mean for fecal coliform is only applicable if 10 or more values are reported. If fewer than 10 values are reported, the monthly geometric mean shall be calculated and reported on the Discharge Monitoring Report to be used to calculate the annual average. *[62-600.440(5)(b)]*
5. Total residual chlorine must be maintained for a minimum contact time of 15 minutes based on peak hourly flow. *[62-610.510][62-600.440(5)(c) and (6)(b)]*
6. Nitrate nitrogen (NO₃) concentration in the water discharged to the land application system shall not exceed 12.0 mg/L or as required to comply with Rule 62-610.510, F.A.C. *[62-610.510]*
7. Monitoring for total nitrogen (TN) and total phosphorus (TP) are required as allowed by Rule 62-600.650(3), F.A.C., to evaluate impacts of reclaimed water to ground and surface waters in an impaired water basin. *[62-600.650(3)]*

PERMITTEE: North Peninsula Utilities Corporation
 FACILITY: North Peninsula Utilities WWTF

PERMIT NUMBER: FLA011188
 EXPIRATION DATE: September 3, 2023

B. Other Limitations and Monitoring and Reporting Requirements

1. During the period beginning on the effective date and lasting through the expiration date of this permit, the treatment facility shall be limited and monitored by the permittee as specified below and reported in accordance with condition I.B.7.:

Parameter	Units	Max/Min	Limitations		Monitoring Requirements			Notes
			Limit	Statistical Basis	Frequency of Analysis	Sample Type	Monitoring Site Number	
Flow (Total through plant)	MGD	Max	0.181 Report Report	Annual Average Monthly Average Quarterly Average	5 Days/Week	Recording Flow Meter with Totalizer	FLW-1	See I.B.4
Percent Capacity, (TMADF/Permitted Capacity) x 100	percent	Max	Report	Monthly Average	Monthly	Calculated	FLW-1	
BOD, Carbonaceous 5 day, 20C (Influent)	mg/L	Max	Report	Single Sample	Bi-weekly; every 2 weeks	8-hr FPC	INF-1	See I.B.3
Solids, Total Suspended (Influent)	mg/L	Max	Report	Single Sample	Bi-weekly; every 2 weeks	8-hr FPC	INF-1	See I.B.3

PERMITTEE: North Peninsula Utilities Corporation
FACILITY: North Peninsula Utilities WWTF

PERMIT NUMBER: FLA011188
EXPIRATION DATE: September 3, 2023

2. Samples shall be taken at the monitoring site locations listed in Permit Condition I.B.1. and as described below:

Monitoring Site Number	Description of Monitoring Site
FLW-1	Ultrasonic flow meter at the common effluent metering vault
INF-1	Raw influent to surge tank

3. Influent samples shall be collected so that they do not contain digester supernatant or return activated sludge, or any other plant process recycled waters. [62-600.660(4)(a)]
4. A recording flow meter with totalizer shall be utilized to measure flow and calibrated at least once every 12 months. [62-600.200(25)]
5. The sample collection, analytical test methods, and method detection limits (MDLs) applicable to this permit shall be conducted using a sufficiently sensitive method to ensure compliance with applicable water quality standards and effluent limitations and shall be in accordance with Rule 62-4.246, Chapters 62-160 and 62-600, F.A.C., and 40 CFR 136, as appropriate. The list of Department established analytical methods, and corresponding MDLs (method detection limits) and PQLs (practical quantitation limits), which is titled "F.A.C. 62-4 MDL/PQL Table (April 26, 2006)" is available at <http://www.dep.state.fl.us/labs/library/index.htm>. The MDLs and PQLs as described in this list shall constitute the minimum acceptable MDL/PQL values and the Department shall not accept results for which the laboratory's MDLs or PQLs are greater than those described above unless alternate MDLs and/or PQLs have been specifically approved by the Department for this permit. Any method included in the list may be used for reporting as long as it meets the following requirements:
- The laboratory's reported MDL and PQL values for the particular method must be equal or less than the corresponding method values specified in the Department's approved MDL and PQL list;
 - The laboratory reported MDL for the specific parameter is less than or equal to the permit limit or the applicable water quality criteria, if any, stated in Chapter 62-302, F.A.C. Parameters that are listed as "report only" in the permit shall use methods that provide an MDL, which is equal to or less than the applicable water quality criteria stated in 62-302, F.A.C.; and
 - If the MDLs for all methods available in the approved list are above the stated permit limit or applicable water quality criteria for that parameter, then the method with the lowest stated MDL shall be used.

When the analytical results are below method detection or practical quantitation limits, the permittee shall report the actual laboratory MDL and/or PQL values for the analyses that were performed following the instructions on the applicable discharge monitoring report.

Where necessary, the permittee may request approval of alternate methods or for alternative MDLs or PQLs for any approved analytical method. Approval of alternate laboratory MDLs or PQLs is not necessary if the laboratory reported MDLs and PQLs are less than or equal to the permit limit or the applicable water quality criteria, if any, stated in Chapter 62-302, F.A.C. Approval of an analytical method not included in the above-referenced list is not necessary if the analytical method is approved in accordance with 40 CFR 136 or deemed acceptable by the Department. [62-4.246, 62-160]

6. The permittee shall provide safe access points for obtaining representative samples which are required by this permit. [62-600.650(2)]
7. **Monitoring requirements under this permit are effective on November 1, 2018.** Until such time, the permittee shall continue to monitor and report in accordance with previously effective permit requirements. During the period of operation authorized by this permit, the permittee shall complete and submit to the Department Discharge Monitoring Reports (DMRs) in accordance with the frequencies specified by the REPORT type (i.e. monthly, quarterly, semiannual, annual, etc.) indicated on the DMR forms attached to this permit. Unless specified otherwise in this permit, monitoring results for each monitoring period shall be submitted in accordance with the associated DMR due dates below. DMRs shall be submitted for each required monitoring period including periods of no discharge.

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 FACILITY: North Peninsula Utilities WWTF

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 EXPIRATION DATE: September 3, 2023

REPORT Type on DMR	Monitoring Period	Submit by
Monthly	first day of month - last day of month	28 th day of following month
Quarterly	January 1 - March 31 April 1 - June 30 July 1 - September 30 October 1 - December 31	April 28 July 28 October 28 January 28
Semiannual	January 1 - June 30 July 1 - December 31	July 28 January 28
Annual	January 1 - December 31	January 28

The permittee may submit either paper or electronic DMR forms. If submitting electronic DMR forms, the permittee shall use the electronic DMR system approved by the Department (EzDMR) and shall electronically submit the completed DMR forms using the DEP Business Portal at <http://www.fldepportal.com/go/>. Reports shall be submitted to the Department by the twenty-eighth (28th) of the month following the month of operation. Data submitted in electronic format is equivalent to data submitted on signed and certified paper DMR forms.

Electronic submittal is preferred, by sending to DEP_CD@dep.state.fl.us.

If submitting paper DMR forms, the permittee shall make copies of the attached DMR forms, without altering the original format or content unless approved by the Department, and shall mail the completed DMR forms to the Department's Central District Office at the address specified in Permit Condition I.B.10. by the twenty-eighth (28th) of the month following the month of operation.

[62-620.610(18)][62-600.680(1)]

8. During the period of operation authorized by this permit, reclaimed water or effluent shall be monitored annually for the primary and secondary drinking water standards contained in Chapter 62-550, F.A.C. (except for asbestos, total coliform, color, odor, and residual disinfectants). These monitoring results shall be reported to the Department annually on the DMR. During years when a permit is not renewed, a certification stating that no new non-domestic wastewater dischargers have been added to the collection system since the last reclaimed water or effluent analysis was conducted may be submitted with the signed DMR in lieu of performing the analysis. When such a certification is submitted with the DMR, monitoring not required this period should be noted on the DMR. The annual reclaimed water or effluent analysis report, and certification if applicable, shall be completed and submitted in a timely manner so as to be received by the Department at the address identified on the DMR by January 28th of each year. Approved analytical methods identified in Rule 62-620.100(3)(j), F.A.C., shall be used for the analysis. If no method is included for a parameter, methods specified in Chapter 62-550, F.A.C., shall be used. *[62-600.660(2) and (3)(d)][62-600.680(2)][62-610.300(4)]*
9. The permittee shall submit an Annual Reuse Report using DEP Form 62-610.300(4)(a)2 on or before January 1 of each year. *[62-610.870(3)]*
10. Unless specified otherwise in this permit, all reports and other information required by this permit, including 24-hour notifications, shall be submitted to or reported to, as appropriate, the Department's Central District Office at the address specified below:

Florida Department of Environmental Protection
 Central District
 3319 Maguire Blvd.
 Suite 232
 Orlando, Florida 32803-3767

Phone Number - (407)897-4100
 FAX Number - (850)412-0467
 (All FAX copies and e-mails shall be followed by original copies.)

[62-620.305]

PERMITTEE: North Peninsula Utilities Corporation
 FACILITY: North Peninsula Utilities WWTF

PERMIT NUMBER: FLA011188
 EXPIRATION DATE: September 3, 2023

- All reports and other information shall be signed in accordance with the requirements of Rule 62-620.305, F.A.C. [62-620.305]

II. BIOSOLIDS MANAGEMENT REQUIREMENTS

A. Basic Requirements

- Biosolids generated by this facility may be transferred to American Bioclean, Inc. or disposed of in a Class I solid waste landfill. Transferring biosolids to an alternative biosolids treatment facility does not require a permit modification. However, use of an alternative biosolids treatment facility requires submittal of a copy of the agreement pursuant to Rule 62-640.880(1)(c), F.A.C., along with a written notification to the Department at least 30 days before transport of the biosolids. [62-620.320(6), 62-640.880(1)]
- The permittee shall monitor and keep records of the quantities of biosolids generated, received from source facilities, treated, distributed and marketed, land applied, used as a biofuel or for bioenergy, transferred to another facility, or landfilled. These records shall be kept for a minimum of five years. [62-640.650(4)(a)]
- Biosolids quantities shall be monitored by the permittee as specified below. Results shall be reported on the permittee's Discharge Monitoring Report for Monitoring Group RMP-Q in accordance with Condition I.B.7.

Parameter	Units	Max/Min	Biosolids Limitations		Monitoring Requirements		
			Limit	Statistical Basis	Frequency of Analysis	Sample Type	Monitoring Site Number
Biosolids Quantity (Transferred)	dry tons	Max	Report	Monthly Total	Monthly	Calculated	RMP-1
Biosolids Quantity (Landfilled)	dry tons	Max	Report	Monthly Total	Monthly	Calculated	RMP-1

[62-640.650(5)(a)1]

- Biosolids quantities shall be calculated as listed in Permit Condition II.3 and as described below:

Monitoring Site Number	Description of Monitoring Site Calculations
RMP-1	Biosolids leaving the facility

- The treatment, management, transportation, use, land application, or disposal of biosolids shall not cause a violation of the odor prohibition in subsection 62-296.320(2), F.A.C. [62-640.400(6)]
- Storage of biosolids or other solids at this facility shall be in accordance with the Facility Biosolids Storage Plan. [62-640.300(4)]
- Biosolids shall not be spilled from or tracked off the treatment facility site by the hauling vehicle. [62-640.400(9)]

B. Disposal

- Disposal of biosolids, septage, and "other solids" in a solid waste disposal facility, or disposal by placement on land for purposes other than soil conditioning or fertilization, such as at a monofill, surface impoundment, waste pile, or dedicated site, shall be in accordance with Chapter 62-701, F.A.C. [62-640.100(6)(b) & (c)]

C. Transfer

- The permittee shall not be held responsible for treatment and management violations that occur after its biosolids have been accepted by a permitted biosolids treatment facility with which the source facility has an agreement in accordance with subsection 62-640.880(1)(c), F.A.C., for further treatment, management, or disposal. [62-640.880(1)(b)]

PERMITTEE: North Peninsula Utilities Corporation
FACILITY: North Peninsula Utilities WWTF

PERMIT NUMBER: FLA011188
EXPIRATION DATE: September 3, 2023

10. The permittee shall keep hauling records to track the transport of biosolids between the facilities. The hauling records shall contain the following information:

Source Facility	Biosolids Treatment Facility or Treatment Facility
1. Date and time shipped	1. Date and time received
2. Amount of biosolids shipped	2. Amount of biosolids received
3. Degree of treatment (if applicable)	3. Name and ID number of source facility
4. Name and ID Number of treatment facility	4. Signature of hauler
5. Signature of responsible party at source facility	5. Signature of responsible party at treatment facility
6. Signature of hauler and name of hauling firm	

A copy of the source facility hauling records for each shipment shall be provided upon delivery of the biosolids to the biosolids treatment facility or treatment facility. The treatment facility permittee shall report to the Department within 24 hours of discovery any discrepancy in the quantity of biosolids leaving the source facility and arriving at the biosolids treatment facility or treatment facility.

[62-640.880(4)]

D. Receipt

11. If the permittee intends to accept biosolids from other facilities, a permit revision is required pursuant to paragraph 62-640.880(2)(d), F.A.C. *[62-640.880(2)(d)]*

III. GROUND WATER REQUIREMENTS

1. The permittee shall give at least 72-hours' notice to the Department's Central District Office, prior to the installation of any monitoring wells. *[62-520.600(6)(h)]*
2. Before construction of new ground water monitoring wells, a soil boring shall be made at each new monitoring well location to properly determine monitoring well specifications such as well depth, screen interval, screen slot, and filter pack. *[62-520.600(6)(g)]*
3. Within 30 days after installation of a monitoring well, the permittee shall submit to the Department's Central District Office well completion reports and soil boring/lithologic logs on the attached DEP Form(s) 62-520.900(3), Monitoring Well Completion Report. *[62-520.600(6)(j) and .900(3)]*
4. All piezometers and monitoring wells not part of the approved ground water monitoring plan shall be plugged and abandoned in accordance with Rule 62-532.500(5), F.A.C., unless future use is intended. *[62-532.500(5)]*
5. For the Part IV land application system(s), all ground water quality criteria specified in Chapter 62-520, F.A.C., shall be met at the edge of the zone of discharge. The zone of discharge for Land Application Site R-001 shall extend horizontally 100 feet from the application site and vertically to the base of the surficial aquifer. *[62-520.200(27)] [62-520.465]*
6. The ground water minimum criteria specified in Rule 62-520.400 F.A.C., shall be met within the zone of discharge. *[62-520.400 and 62-520.420(4)]*
7. If the concentration for any constituent listed in Permit Condition III.10. in the natural background quality of the ground water is greater than the stated maximum, or in the case of pH is also less than the minimum, the representative background quality shall be the prevailing standard. *[62-520.420(2)]*
8. During the period of operation authorized by this permit, the permittee shall continue to sample ground water at the monitoring wells identified in Permit Condition III.9., below in accordance with this permit and the approved ground water monitoring plan prepared in accordance with Rule 62-520.600, F.A.C. *[62-520.600] [62-610.510]*

9. The following monitoring wells shall be sampled for Reuse System R-001 located at Land Application Site RIB-001.

Monitoring Well ID	Alternate Well Name and/or Description of Monitoring Location	Latitude	Longitude	Depth (Feet)	Aquifer Monitored	Well Type	New or Existing
MWB-1B	Background monitoring well	29°4' 46"	81°4' 59"	24	Surficial	Background	Existing
MWC-2	Compliance monitoring well	29°4' 44"	81°4' 56"	24	Surficial	Compliance	Existing
MWC-3	Compliance monitoring well	29°4' 45"	81°4' 56"	18	Surficial	Compliance	Existing
MWC-4	Compliance monitoring well	29°4' 46"	81°4' 55"	16	Surficial	Compliance	Existing

[62-520.600] [62-610.510]

10. The following parameters shall be analyzed for each monitoring well identified in Permit Condition III.9.:

Parameter	Compliance Well Limit	Units	Sample Type	Monitoring Frequency
Water Level Relative to NGVD	Report	ft	In Situ	Quarterly
Nitrogen, Nitrate, Total (as N)	10	mg/L	Grab	Quarterly
Solids, Total Dissolved (TDS)	500	mg/L	Grab	Quarterly
Chloride (as Cl)	250	mg/L	Grab	Quarterly
Coliform, Fecal	4	#/100mL	Grab	Quarterly
pH	6.5-8.5	s.u.	Grab	Quarterly
Turbidity	Report	NTU	Grab	Quarterly
Sodium, Total Recoverable	160	mg/L	Grab	Quarterly

[62-520.600(11)(b)] [62-600.670] [62-600.650(3)] [62-520.310(5)]

11. Water levels shall be recorded before evacuating each well for sample collection. Elevation references shall include the top of the well casing and land surface at each well site (NAVD allowable) at a precision of plus or minus 0.01 foot. *[62-520.600(11)(c)] [62-610.510(3)(b)]*
12. Ground water monitoring wells shall be purged prior to sampling to obtain representative samples. *[62-160.210] [62-600.670(3)]*
13. Analyses shall be conducted on unfiltered samples, unless filtered samples have been approved by the Department's Central District Office as being more representative of ground water conditions. *[62-520.310(5)]*
14. Ground water monitoring test results shall be submitted on Part D of Form 62-620.910(10) in accordance with Permit Condition I.B.7. *[62-520.600(11)(b)] [62-600.670] [62-600.680(1)] [62-620.610(18)]*
15. If any monitoring well becomes inoperable or damaged to the extent that sampling or well integrity may be affected, the permittee shall notify the Department's Central District Office within two business days from discovery, and a detailed written report shall follow within ten days after notification to the Department. The written report shall detail what problem has occurred and remedial measures that have been taken to prevent recurrence or request approval for replacement of the monitoring well. All monitoring well design and replacement shall be approved by the Department's Central District Office before installation. *[62-520.600(6)(l)]*
16. The permittee shall sample the following monitoring well(s): MWC-3 for the primary and secondary drinking water parameters included in Rules 62-550.310 and 62-550.320, F.A.C. (except for asbestos and all parameters in Table 5 of Chapter 62-550, F.A.C., other than Di(2-ethylhexyl) adipate and Di(2-ethylhexyl) phthalate). Results of this sampling shall be submitted to the Department's Central District Office with the application for permit renewal. Sampling shall occur no sooner than 180 days before submittal of the renewal application. *[62-520.600(5)(b)]*

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17. Based on the results of the Effluent Analysis Report, parameter Sodium has been added to the existing Groundwater Monitoring Plan for the period of at least 12-quarters. *[[62-520.600(11)(b)] [62-601.300(3), 62-601.700, and Figure 3 of 62-601][62-601.300(6)] [62-520.300(9)]]*

IV. ADDITIONAL REUSE AND LAND APPLICATION REQUIREMENTS

A. Part IV Rapid Infiltration Basins

1. Advisory signs shall be posted around the site boundaries to designate the nature of the project area. *[62-610.518]*
2. The maximum annual average loading rate to the two rapid infiltration basins (RIBs) shall be limited to 7.4 inches per day (as applied to the entire bottom area). *[62-610.523(3)]*
3. The RIBs normally shall be loaded for 7 days and shall be rested for 7 days. Infiltration ponds, basins, or trenches shall be allowed to dry during the resting portion of the cycle.*[62-610.523(4)]*
4. Rapid infiltration basins shall be routinely maintained to control vegetation growth and to maintain percolation capability by scarification or removal of deposited solids. Basin bottoms shall be maintained to be level. *[62-610.523(6) and (7)]*
5. Routine aquatic weed control and regular maintenance of storage pond embankments and access areas are required. *[62-610.514 and 62-610.414]*
6. Overflows from emergency discharge facilities on storage ponds or on infiltration ponds, basins, or trenches shall be reported as abnormal events in accordance with Permit Condition IX.20. *[62-610.800(9)]*

V. OPERATION AND MAINTENANCE REQUIREMENTS

A. Staffing Requirements

1. During the period of operation authorized by this permit, the wastewater facilities shall be operated under the supervision of one or more operators certified in accordance with Chapter 62-602, F.A.C. In accordance with Chapter 62-699, F.A.C., this facility is a Category II, Class C facility and, at a minimum, operators with appropriate certification must be on the site as follows:

A Class C or higher operator 3 hours/day for 5 days/week and one weekend visit. The lead/chief operator must be a Class C operator or higher.

2. An operator meeting the lead/chief operator class for the plant shall be available during all periods of plant operation. "Available" means able to be contacted as needed to initiate the appropriate action in a timely manner. *[62-699.311(1)]*

B. Capacity Analysis Report and Operation and Maintenance Performance Report Requirements

1. The application to renew this permit shall include an updated capacity analysis report prepared in accordance with Rule 62-600.405, F.A.C. *[62-600.405(5)]*
2. The application to renew this permit shall include a detailed operation and maintenance performance report prepared in accordance with Rule 62-600.735, F.A.C. *[62-600.735(1)]*

C. Recordkeeping Requirements

1. The permittee shall maintain the following records and make them available for inspection on the site of the permitted facility.

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- a. Records of all compliance monitoring information, including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, including, if applicable, a copy of the laboratory certification showing the certification number of the laboratory, for at least three years from the date the sample or measurement was taken;
- b. Copies of all reports required by the permit for at least three years from the date the report was prepared;
- c. Records of all data, including reports and documents, used to complete the application for the permit for at least three years from the date the application was filed;
- d. Monitoring information, including a copy of the laboratory certification showing the laboratory certification number, related to the residuals use and disposal activities for the time period set forth in Chapter 62-640, F.A.C., for at least three years from the date of sampling or measurement;
- e. A copy of the current permit;
- f. A copy of the current operation and maintenance manual as required by Chapter 62-600, F.A.C.;
- g. A copy of any required record drawings;
- h. Copies of the licenses of the current certified operators;
- i. Copies of the logs and schedules showing plant operations and equipment maintenance for three years from the date of the logs or schedules. The logs shall, at a minimum, include identification of the plant; the signature and license number of the operator(s) and the signature of the person(s) making any entries; date and time in and out; specific operation and maintenance activities, including any preventive maintenance or repairs made or requested; results of tests performed and samples taken, unless documented on a laboratory sheet; and notation of any notification or reporting completed in accordance with Rule 62-602.650(3), F.A.C. The logs shall be maintained on-site in a location accessible to 24-hour inspection, protected from weather damage, and current to the last operation and maintenance performed; and
- j. Records of biosolids quantities, treatment, monitoring, and hauling for at least five years.

[62-620.350, 62-602.650, 62-640.650(4)]

VI. SCHEDULES

1. The following improvement actions shall be completed according to the following schedule:

Improvement Action	Completion Date
1. Review and as needed add concrete pads around monitoring wells, repair or replace risers, remove vegetation in the well area, provide locked well caps and label the wells.	12/31/2018

[62-620.320(6)]

2. The permittee is not authorized to discharge to waters of the state after the expiration date of this permit, unless:
- a. The permittee has applied for renewal of this permit at least 180 days before the expiration date of this permit using the appropriate forms listed in Rule 62-620.910, F.A.C., and in the manner established in the Department of Environmental Protection Guide to Permitting Wastewater Facilities or Activities Under Chapter 62-620, F.A.C., including submittal of the appropriate processing fee set forth in Rule 62-4.050, F.A.C.; or
 - b. The permittee has made complete the application for renewal of this permit before the permit expiration date.

[62-620.335(1) - (4)]

VII. INDUSTRIAL PRETREATMENT PROGRAM REQUIREMENTS

1. This facility is not required to have a pretreatment program at this time. *[62-625.500]*

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VIII. OTHER SPECIFIC CONDITIONS

1. The permittee shall comply with all conditions and requirements for reuse contained in their consumptive use permit issued by the Water Management District, if such requirements are consistent with Department rules. *[62-610.800(10)]*
2. In the event that the treatment facilities or equipment no longer function as intended, are no longer safe in terms of public health and safety, or odor, noise, aerosol drift, or lighting adversely affects neighboring developed areas at the levels prohibited by Rule 62-600.400(2)(a), F.A.C., corrective action (which may include additional maintenance or modifications of the permitted facilities) shall be taken by the permittee. Other corrective action may be required to ensure compliance with rules of the Department. Additionally, the treatment, management, use or land application of residuals shall not cause a violation of the odor prohibition in Rule 62-296.320(2), F.A.C. *[62-600.410(5) and 62-640.400(6)]*
3. The deliberate introduction of stormwater in any amount into collection/transmission systems designed solely for the introduction (and conveyance) of domestic/industrial wastewater; or the deliberate introduction of stormwater into collection/transmission systems designed for the introduction or conveyance of combinations of storm and domestic/industrial wastewater in amounts which may reduce the efficiency of pollutant removal by the treatment plant is prohibited, except as provided by Rule 62-610.472, F.A.C. *[62-604.130(3)]*
4. Collection/transmission system overflows shall be reported to the Department in accordance with Permit Condition IX. 20. *[62-604.550] [62-620.610(20)]*
5. The operating authority of a collection/transmission system and the permittee of a treatment plant are prohibited from accepting connections of wastewater discharges which have not received necessary pretreatment or which contain materials or pollutants (other than normal domestic wastewater constituents):
 - a. Which may cause fire or explosion hazards; or
 - b. Which may cause excessive corrosion or other deterioration of wastewater facilities due to chemical action or pH levels; or
 - c. Which are solid or viscous and obstruct flow or otherwise interfere with wastewater facility operations or treatment; or
 - d. Which result in the wastewater temperature at the introduction of the treatment plant exceeding 40°C or otherwise inhibiting treatment; or
 - e. Which result in the presence of toxic gases, vapors, or fumes that may cause worker health and safety problems.*[62-604.130(5)]*
6. The treatment facility, storage ponds for Part II systems, rapid infiltration basins, and/or infiltration trenches shall be enclosed with a fence or otherwise provided with features to discourage the entry of animals and unauthorized persons. *[62-610.518(1) and 62-600.400(2)(b)]*
7. Screenings and grit removed from the wastewater facilities shall be collected in suitable containers and hauled to a Department approved Class I landfill or to a landfill approved by the Department for receipt/disposal of screenings and grit. *[62-701.300(1)(a)]*
8. Where required by Chapter 471 or Chapter 492, F.S., applicable portions of reports that must be submitted under this permit shall be signed and sealed by a professional engineer or a professional geologist, as appropriate. *[62-620.310(4)]*
9. The permittee shall provide verbal notice to the Department's Central District Office as soon as practical after discovery of a sinkhole or other karst feature within an area for the management or application of wastewater, wastewater residuals (sludges), or reclaimed water. The permittee shall immediately implement measures appropriate to control the entry of contaminants, and shall detail these measures to the Department's Central District Office in a written report within 7 days of the sinkhole discovery. *[62-620.320(6)]*

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10. The permittee shall provide notice to the Department of the following:

- a. Any new introduction of pollutants into the facility from an industrial discharger which would be subject to Chapter 403, F.S., and the requirements of Chapter 62-620, F.A.C., if it were directly discharging those pollutants; and
- b. Any substantial change in the volume or character of pollutants being introduced into that facility by a source which was identified in the permit application and known to be discharging at the time the permit was issued.

Notice shall include information on the quality and quantity of effluent introduced into the facility and any anticipated impact of the change on the quantity or quality of effluent or reclaimed water to be discharged from the facility.

[62-620.625(2)]

IX. GENERAL CONDITIONS

1. The terms, conditions, requirements, limitations, and restrictions set forth in this permit are binding and enforceable pursuant to Chapter 403, Florida Statutes. Any permit noncompliance constitutes a violation of Chapter 403, Florida Statutes, and is grounds for enforcement action, permit termination, permit revocation and reissuance, or permit revision. *[62-620.610(1)]*
2. This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviations from the approved drawings, exhibits, specifications, or conditions of this permit constitutes grounds for revocation and enforcement action by the Department. *[62-620.610(2)]*
3. As provided in subsection 403.087(7), F.S., the issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor authorize any infringement of federal, state, or local laws or regulations. This permit is not a waiver of or approval of any other Department permit or authorization that may be required for other aspects of the total project which are not addressed in this permit. *[62-620.610(3)]*
4. This permit conveys no title to land or water, does not constitute state recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title. *[62-620.610(4)]*
5. This permit does not relieve the permittee from liability and penalties for harm or injury to human health or welfare, animal or plant life, or property caused by the construction or operation of this permitted source; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department. The permittee shall take all reasonable steps to minimize or prevent any discharge, reuse of reclaimed water, or residuals use or disposal in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. *[62-620.610(5)]*
6. If the permittee wishes to continue an activity regulated by this permit after its expiration date, the permittee shall apply for and obtain a new permit. *[62-620.610(6)]*
7. The permittee shall at all times properly operate and maintain the facility and systems of treatment and control, and related appurtenances, that are installed and used by the permittee to achieve compliance with the conditions of this permit. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to maintain or achieve compliance with the conditions of the permit. *[62-620.610(7)]*
8. This permit may be modified, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit revision, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance does not stay any permit condition. *[62-620.610(8)]*

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9. The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, including an authorized representative of the Department and authorized EPA personnel, when applicable, upon presentation of credentials or other documents as may be required by law, and at reasonable times, depending upon the nature of the concern being investigated, to:
 - a. Enter upon the permittee's premises where a regulated facility, system, or activity is located or conducted, or where records shall be kept under the conditions of this permit;
 - b. Have access to and copy any records that shall be kept under the conditions of this permit;
 - c. Inspect the facilities, equipment, practices, or operations regulated or required under this permit; and
 - d. Sample or monitor any substances or parameters at any location necessary to assure compliance with this permit or Department rules. *[62-620.610(9)]*
10. In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data, and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except as such use is proscribed by Section 403.111, F.S., or Rule 62-620.302, F.A.C. Such evidence shall only be used to the extent that it is consistent with the Florida Rules of Civil Procedure and applicable evidentiary rules. *[62-620.610(10)]*
11. When requested by the Department, the permittee shall within a reasonable time provide any information required by law which is needed to determine whether there is cause for revising, revoking and reissuing, or terminating this permit, or to determine compliance with the permit. The permittee shall also provide to the Department upon request copies of records required by this permit to be kept. If the permittee becomes aware of relevant facts that were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be promptly submitted or corrections promptly reported to the Department. *[62-620.610(11)]*
12. Unless specifically stated otherwise in Department rules, the permittee, in accepting this permit, agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance; provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules. A reasonable time for compliance with a new or amended surface water quality standard, other than those standards addressed in Rule 62-302.500, F.A.C., shall include a reasonable time to obtain or be denied a mixing zone for the new or amended standard. *[62-620.610(12)]*
13. The permittee, in accepting this permit, agrees to pay the applicable regulatory program and surveillance fee in accordance with Rule 62-4.052, F.A.C. *[62-620.610(13)]*
14. This permit is transferable only upon Department approval in accordance with Rule 62-620.340, F.A.C. The permittee shall be liable for any noncompliance of the permitted activity until the transfer is approved by the Department. *[62-620.610(14)]*
15. The permittee shall give the Department written notice at least 60 days before inactivation or abandonment of a wastewater facility or activity and shall specify what steps will be taken to safeguard public health and safety during and following inactivation or abandonment. *[62-620.610(15)]*
16. The permittee shall apply for a revision to the Department permit in accordance with Rules 62-620.300, F.A.C., and the Department of Environmental Protection Guide to Permitting Wastewater Facilities or Activities Under Chapter 62-620, F.A.C., at least 90 days before construction of any planned substantial modifications to the permitted facility is to commence or with Rule 62-620.325(2), F.A.C., for minor modifications to the permitted facility. A revised permit shall be obtained before construction begins except as provided in Rule 62-620.300, F.A.C. *[62-620.610(16)]*
17. The permittee shall give advance notice to the Department of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements. The permittee shall be responsible for any and all damages which may result from the changes and may be subject to enforcement action by the Department for penalties or revocation of this permit. The notice shall include the following information:
 - a. A description of the anticipated noncompliance;
 - b. The period of the anticipated noncompliance, including dates and times; and
 - c. Steps being taken to prevent future occurrence of the noncompliance.*[62-620.610(17)]*

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18. Sampling and monitoring data shall be collected and analyzed in accordance with Rule 62-4.246 and Chapters 62-160, 62-600, and 62-610, F.A.C., and 40 CFR 136, as appropriate.
- a. Monitoring results shall be reported at the intervals specified elsewhere in this permit and shall be reported on a Discharge Monitoring Report (DMR), DEP Form 62-620.910(10), or as specified elsewhere in the permit.
 - b. If the permittee monitors any contaminant more frequently than required by the permit, using Department approved test procedures, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the DMR.
 - c. Calculations for all limitations which require averaging of measurements shall use an arithmetic mean unless otherwise specified in this permit.
 - d. Except as specifically provided in Rule 62-160.300, F.A.C., any laboratory test required by this permit shall be performed by a laboratory that has been certified by the Department of Health Environmental Laboratory Certification Program (DOH ELCP). Such certification shall be for the matrix, test method and analyte(s) being measured to comply with this permit. For domestic wastewater facilities, testing for parameters listed in Rule 62-160.300(4), F.A.C., shall be conducted under the direction of a certified operator.
 - e. Field activities including on-site tests and sample collection shall follow the applicable standard operating procedures described in DEP-SOP-001/01 adopted by reference in Chapter 62-160, F.A.C.
 - f. Alternate field procedures and laboratory methods may be used where they have been approved in accordance with Rules 62-160.220, and 62-160.330, F.A.C.

[62-620.610(18)]

19. Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule detailed elsewhere in this permit shall be submitted no later than 14 days following each schedule date. *[62-620.610(19)]*
20. The permittee shall report to the Department's Central District Office any noncompliance which may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the permittee becomes aware of the circumstances. A written submission shall also be provided within five days of the time the permittee becomes aware of the circumstances. The written submission shall contain: a description of the noncompliance and its cause; the period of noncompliance including exact dates and time, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.
- a. The following shall be included as information which must be reported within 24 hours under this condition:
 - (1) Any unanticipated bypass which causes any reclaimed water or effluent to exceed any permit limitation or results in an unpermitted discharge,
 - (2) Any upset which causes any reclaimed water or the effluent to exceed any limitation in the permit,
 - (3) Violation of a maximum daily discharge limitation for any of the pollutants specifically listed in the permit for such notice, and
 - (4) Any unauthorized discharge to surface or ground waters.
 - b. Oral reports as required by this subsection shall be provided as follows:
 - (1) For unauthorized releases or spills of treated or untreated wastewater reported pursuant to subparagraph (a)4. that are in excess of 1,000 gallons per incident, or where information indicates that public health or the environment will be endangered, oral reports shall be provided to the STATE WATCH OFFICE TOLL FREE NUMBER (800) 320-0519, as soon as practical, but no later than 24 hours from the time the permittee becomes aware of the discharge. The permittee, to the extent known, shall provide the following information to the State Watch Office:
 - (a) Name, address, and telephone number of person reporting;
 - (b) Name, address, and telephone number of permittee or responsible person for the discharge;
 - (c) Date and time of the discharge and status of discharge (ongoing or ceased);

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- (d) Characteristics of the wastewater spilled or released (untreated or treated, industrial or domestic wastewater);
 - (e) Estimated amount of the discharge;
 - (f) Location or address of the discharge;
 - (g) Source and cause of the discharge;
 - (h) Whether the discharge was contained on-site, and cleanup actions taken to date;
 - (i) Description of area affected by the discharge, including name of water body affected, if any; and
 - (j) Other persons or agencies contacted.
- (2) Oral reports, not otherwise required to be provided pursuant to subparagraph b.1 above, shall be provided to the Department's Central District Office within 24 hours from the time the permittee becomes aware of the circumstances.
- c. If the oral report has been received within 24 hours, the noncompliance has been corrected, and the noncompliance did not endanger health or the environment, the Department's Central District Office shall waive the written report.

[62-620.610(20)]

21. The permittee shall report all instances of noncompliance not reported under Permit Conditions IX.17., IX.18., or IX.19. of this permit at the time monitoring reports are submitted. This report shall contain the same information required by Permit Condition IX.20. of this permit. *[62-620.610(21)]*

22. Bypass Provisions.

- a. "Bypass" means the intentional diversion of waste streams from any portion of a treatment works.
- b. Bypass is prohibited, and the Department may take enforcement action against a permittee for bypass, unless the permittee affirmatively demonstrates that:
 - (1) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage; and
 - (2) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and
 - (3) The permittee submitted notices as required under Permit Condition IX.22.c. of this permit.
- c. If the permittee knows in advance of the need for a bypass, it shall submit prior notice to the Department, if possible at least 10 days before the date of the bypass. The permittee shall submit notice of an unanticipated bypass within 24 hours of learning about the bypass as required in Permit Condition IX.20. of this permit. A notice shall include a description of the bypass and its cause; the period of the bypass, including exact dates and times; if the bypass has not been corrected, the anticipated time it is expected to continue; and the steps taken or planned to reduce, eliminate, and prevent recurrence of the bypass.
- d. The Department shall approve an anticipated bypass, after considering its adverse effect, if the permittee demonstrates that it will meet the three conditions listed in Permit Condition IX.22.b.(1) through (3) of this permit.
- e. A permittee may allow any bypass to occur which does not cause reclaimed water or effluent limitations to be exceeded if it is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of Permit Condition IX.22.b. through d. of this permit.

[62-620.610(22)]

23. Upset Provisions.

- a. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based effluent limitations because of factors beyond the reasonable control of the permittee.
 - (1) An upset does not include noncompliance caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, careless or improper operation.

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- (2) An upset constitutes an affirmative defense to an action brought for noncompliance with technology based permit effluent limitations if the requirements of upset provisions of Rule 62-620.610, F.A.C., are met.
- b. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed contemporaneous operating logs, or other relevant evidence that:
 - (1) An upset occurred and that the permittee can identify the cause(s) of the upset;
 - (2) The permitted facility was at the time being properly operated;
 - (3) The permittee submitted notice of the upset as required in Permit Condition IX.20. of this permit; and
 - (4) The permittee complied with any remedial measures required under Permit Condition IX.5. of this permit.
- c. In any enforcement proceeding, the burden of proof for establishing the occurrence of an upset rests with the permittee.
- d. Before an enforcement proceeding is instituted, no representation made during the Department review of a claim that noncompliance was caused by an upset is final agency action subject to judicial review.

[62-620.610(23)]

Executed in Orlando, Florida.

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION



Nathan Hess, Program Administrator
Permitting and Waste Cleanup Program

PERMIT ISSUANCE DATE: September 4, 2018

Attachment(s):
Discharge Monitoring Report
Monitor Well Completion Report

Exhibit J

EXHIBIT J

North Peninsula Utilities Corporation does not have any DEP and/or county health department sanitary survey, compliance inspection report, or secondary water quality standards report, as it is a wastewater only facility.

Exhibit K

EXHIBIT K

Correspondence with the DEP can be found in the links below. There is no correspondence between the county health department, and water management district to provide.

<https://prodenv.dep.state.fl.us/DepNexus/public/electronic-documents/FLA011188/facility!search>

Exhibit L

From: gertenbach@aol.com
To: Farrell, Jenny E.
Subject: Fwd: North Peninsula Utilities Wastewater Treatment Facility - Permit #FLA011188 Information
Date: Monday, April 12, 2021 9:51:42 AM
Attachments: [image001.jpg](#)

Hi Jenny, just to let you know that Bob from NPU just called me back. He is sending crew to the plant today to see what's going on. He indicated no other complaints had come to him lately.

He's going to call me back after they check it out.

thanks
george

-----Original Message-----

From: gertenbach@aol.com
To: Jenny.E.Farrell@dep.state.fl.us <Jenny.E.Farrell@dep.state.fl.us>
Sent: Mon, Apr 12, 2021 10:11 am
Subject: Re: North Peninsula Utilities Wastewater Treatment Facility - Permit #FLA011188 Information

Hi Jenny, George Gertenbach here. 53 Sea Harbor Dr E. 305-607-0399 gertenbach@aol.com

I attended the the meeting you had last June regarding the odor's from the N. Peninsula Utilities WW plant in the Seabridge Subdivision in Ormond By the Sea.

The odor was reduced for some time but over the past several weeks it has returned at various days and times. Yesterday 4/11/2020 late afternoon it was extremely strong.

I left a voice mail at North Peninsula Utilities this morning registering a complaint about the odors.

Wanted to let you know that its occurring again.

thanks
George

-----Original Message-----

From: Farrell, Jenny E. <Jenny.E.Farrell@dep.state.fl.us>
To: 38 Sea Harbor Drive W <kvoskion@gmail.com>; Beth Anne Payne <bethannepayne@me.com>; Bill & Peggy Nero <peggy.nero@yahoo.com>; Christine & Daniel Broussard <danielpbroussard@gmail.com>; Daun Sautter <dawnsautter@cfl.rr.com>; Derek Pennington <ddderek66@yahoo.com>; George & Patty Gertenbach <gertenbach@aol.com>; John Youngblood <jmy604@gmail.com>; Joseph & Debbie Vessa <mashrn1935@aol.com>; Kathy Benzing <kbenzing56@gmail.com>; Kirk & Teresa Brandenburg <kt110obts@gmail.com>; Lora Syryla <ormondsb@gmail.com>; Mark Leighton <leighton0401@yahoo.com>; Nadja Decker <promediaassist@aol.com>; Richard & Sandra Gosch <rgosch@cfl.rr.com>; Robert MacDonald <rmacon327@aol.com>; Rose Marie Archibald-Atohi <archibaldrm@yahoo.com>; Thomas Debonis <nyfury@yahoo.com>; Tom Rominger <thomas.rominger@hotmail.com>
Cc: Smicherko, David <David.Smicherko@FloridaDEP.gov>
Sent: Mon, Jun 15, 2020 10:03 am
Subject: North Peninsula Utilities Wastewater Treatment Facility - Permit #FLA011188 Information

Good Morning,

Thank you all for providing information to the Department regarding odor and noise issues that you have noted in your community. I have attached a copy of the current permit for your review and a link to the Departments public database called OCULUS. This database has records regarding previous inspection history, responses received, monitoring records, and permitting documents related to this wastewater treatment facility.

OCULUS Login:

<https://depdms.dep.state.fl.us/Oculus/servlet/login?loginState=loginInvalidPassword>

Note: Click on the “**Public OCULUS Login**” button to log directly into OCULUS. Select Wastewater under Catalog, pick a profile category to search, and search using the permit number FLA011188 for Facility-site ID.

If you have any questions regarding this information my contact information is listed below.

Thank you,



Jenny E. Farrell
Environmental Consultant
Compliance Assurance Program
Central District
Jenny.E.Farrell@dep.state.fl.us
Office: 407.897.4173



From: [dawnsautter](#)
To: [Farrell, Jenny E.](#)
Subject: RE: FW: North Peninsula Utility Corp
Date: Thursday, May 21, 2020 4:16:48 PM

Dear Ms. Farrell,

Thank you for your reply.

I heard the lift on John Anderson about a month ago. That is why I remembered to ask Dr. Kane about the report stating North Peninsula has complied. That was very early in the morning 4 to 6 a.m.

The Seabridge one i notice when i am walking in mid to late afternoon 2 to 5 p.m. I don't walk there everyday. But it was very noticeable a couple of weeks ago frequently, if not daily. It permeates that whole area not just the houses on either side.

The County has many lift pumps in the area and I have not heard of anyone with the County with these issues. Mr Hillman has been negligent for years. Even though many residents informed the State of these problems, the State approved an increase in our rates. Therefore I believe Mr. Hillman and the State have the responsibility to provide this service with the assurance that it will be odorless and private property will not have to tolerate raw sewage in their front yard or on the public road.

Thank you again for your thorough report. I appreciate your assistance.

Sincerely,

Dawn Sautter

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: "Farrell, Jenny E." <Jenny.E.Farrell@dep.state.fl.us>
Date: 5/21/20 3:49 PM (GMT-05:00)
To: dawnsautter@cfl.rr.com
Cc: "Smicherko, David" <David.Smicherko@FloridaDEP.gov>
Subject: FW: North Peninsula Utility Corp

Good Afternoon,

I conducted a site visit this week at the North Peninsula Utility Wastewater Treatment Plant, as part of this visit I looked into the items of concern you had listed below. The Department is continuing to work with this facility to address any non-compliance items identified. At the

time of inspection the lift station located on Seabridge is on the same grounds as the wastewater facility. At the time of inspection no objectionable odors were noted on approach to this location, this was around 11 AM on Tuesday, May 19, 2020. What time of day have the odors been objectionable? Do you smell them all day long? I also visited the lift station on John Anderson and had operations personnel turn the pumps on (there are two pumps). They appeared to be working properly and no excessive noise was noted with either pump. At this time I am not aware of any other recent complaints.

The Department has a public database called "OCULUS" that displays all inspection reports, monitoring reports, and correspondence for permitted facilities. I have included the link below so you can access. This facilities permit number is FLA011188 which will assist you in searching for records. Let me know if you have any additional questions.

<https://depedms.dep.state.fl.us/Oculus/servlet/login>

Thank you,



Jenny E. Farrell

Environmental Consultant
Compliance Assurance Program
Central District

Jenny.E.Farrell@dep.state.fl.us

Office: 407.897.4173

From: Dawn Sautter <dawnsautter@cfl.rr.com>
Sent: Saturday, May 16, 2020 8:11 AM
To: Kane, Phil <Phil.Kane@FloridaDEP.gov>
Subject: North Peninsula Utility Corp

Dear Dr. Kane,

I hope most is well in your Department.

When I last discussed North Peninsula Utility Corp. with you, I was informed that Mr. Hillman had made some corrections of deficiencies that the EPA had identified but still had to complete the order from the EPA. Has he completed the corrections? If so, I would like the written statement from your Department that he has repaired the sewage equipment so the overflow of raw sewage onto public and private property is no longer a problem. I need the documentation from the EPA so I can assure future owners of the property that the action was completed.

Additional comments you may want to follow up on regarding Mr. Hillman's maintenance program for North Peninsula Utility Corp are:

1. The pump on Seabridge has a horrendous odor for at least the last month. If you haven't already had complaints filed, I am surprised.
2. The pump on John Anderson has started (if it ever stopped) to make a lot of noise when it is running. Again if you haven't had complaints from the residents near it, I am surprised. It has been very loud between 4 to 5 a.m. when I am walking by.

Thank you for any assistance you can give me on the above requests and comments.

Sincerely,

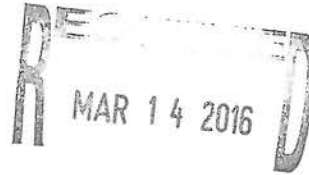
Dawn Sautter

386-451-4157



North Peninsula Utilities Corp.

P.O. Box 2803
Ormond Beach, FL 32175
386-677-7847 phone
386-677-8146 fax
developershw@gmail.com



March 10, 2016

Debra Knight
Department of Environmental Protection

RE: Odor and Noise Complaint

On February 24, 2016 we received a call from the resident at 22 Seabridge Drive complaining of odor and noise. Our operator, Wetherell Treatment, responded and determined that they could not smell or hear any excesses. They did mention that Weem's Septic had been onsite that day and that could have caused some odor and noise from the truck pump. We were also working on an RAS cart motor on plant 1 at the time.

Again on March 7, 2016 we got the same complain from the same address. Wetherell again responded and met with Darrell Abrahamson of Volusia County at the plant. It was determined that there was a slight odor but that the noise levels were within set limits. We've attached a copy of the report from Wetherell that shows the corrective action taken.

Please advise if any other information is needed.

Sincerely,

Robert Hillman
NPUC

CC: Darrell Abrahamson dabrahamson@co.volusia.fl.us

Wetherell Treatment Systems wtssales@aol.com

**WETHERELL TREATMENT SYSTEMS, INC.
600 HULL ROAD
ORMOND BEACH, FL 32174**

WASTEWATER MALFUNCTION REPORT

Rev-9/25/09

Notification must be made within 24 hours of any abnormal occurrences.
For FDEP Wastewater – Complete this form and Fax to: 850-412-0473 or Email to david.smicherko@dep.state.fl.us
Florida Department of Environmental Protection STATE WATCH OFFICE - 1-800-320-0519

Report Date:	03/09/2016	Report Time:	1:00 PM
Reported By:	Scott Kelley	Business Name:	Wetherell Treatment Systems
System Name:	Seabridge WWTF	Plant ID Number:	FLA011188-003
Address:	16 Seabridge Dr, Ormond Beach, FL 32176	Contact Person:	
System Phone:		Contact Email:	
County:	Volusia	Contact Fax:	
Owner:	North Peninsula Utilities Corp.	Contact Phone:	

1. Type of Malfunction (select which apply):

<input type="checkbox"/> Chlorine Residual	<input type="checkbox"/> Turbidity	<input type="checkbox"/> Sewage Main	<input type="checkbox"/> Storage Facilities
<input type="checkbox"/> Service Line	<input type="checkbox"/> Tie-In	<input type="checkbox"/> Valve Repair	<input checked="" type="checkbox"/> Plant Equipment Failure
<input type="checkbox"/> Treatment Facilities	<input type="checkbox"/> Pumping Facilities	<input type="checkbox"/> Power Outage	<input type="checkbox"/> Chemical Feed Equipment
<input type="checkbox"/> Routine Maintenance	<input type="checkbox"/> Pump Replacement	<input type="checkbox"/> Sewage Overflow > 1,000 gals	<input type="checkbox"/> Sewage Overflow < 1,000 gals
<input type="checkbox"/> Security Breach	<input checked="" type="checkbox"/> Other Wash-out	<input type="checkbox"/> Analytical Exceed	
Describe Malfunction:	Problem with regards to the collection system at which time a large flow of wastewater caused a wash-out. In addition, the RAS cart motor #1 failed. To resolve these issues Plant #1 RAS cart electronics and motor has been replaced. Also, the biosolids hauler will be on site Friday, March 11, 2016 to remove 8,000 gallons of biosolids.		

2. Sewage Spill:

Estimated amount of spill:	Location of spill:
Description of area effected, including any bodies of water:	
Date/time of spill:	Corrective action:
Steps taken to prevent recurrence:	

3. Analytical Exceedance:

Date/time of exceedance:	Type of exceedance:
Explain:	
Steps taken to prevent recurrence:	

4. Notification:

State Warning Point Notified YES <input type="checkbox"/> NO <input type="checkbox"/>	Case No:	Notification date/time:
<input type="checkbox"/> TV	<input type="checkbox"/> HOA	<input type="checkbox"/> Door Hanger
<input type="checkbox"/> Radio	<input type="checkbox"/> Posting	
<input type="checkbox"/> Other	Other explanation:	

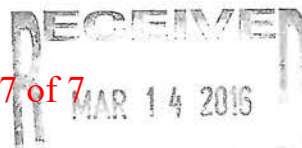


Exhibit M

NOTICE
TO THE CUSTOMERS OF NORTH PENINSULA UTILITIES CORPORATION
AND ALL OTHER INTERESTED PERSONS
DATED: DECEMBER 6, 2019

By Order No. PSC-2019-0461-PAA-SU, in Docket No. 20180138-SU, issued October 25, 2019, the Florida Public Service Commission (Commission) approved an increase in wastewater rates for North Peninsula Utilities Corporation (utility) as a result of a staff assisted rate case. However, subsequent to the approval, the utility applied and was approved for a price index adjustment effective December 14, 2019. A schedule of the approved indexed rates is set forth below.

MONTHLY WASTEWATER RATES

	RATES PRIOR TO FILING	COMMISSION APPROVED RATES	INDEXED RATES
<u>Residential Flat Rate</u>			
Single Family Residential Homes	\$33.57	\$37.47	\$38.73
<u>General Service Flat Rate</u>			
Las Olas Townhomes	\$201.42	\$224.82	\$232.40
Ocean Air	\$570.69	\$636.99	\$658.46
Seabridge North	\$2,182.05	\$2,435.55	\$2,517.63
Seabridge South	\$2,349.90	\$2,622.90	\$2,711.29
Restaurant	\$469.98	\$524.58	\$542.26

AS OF 11/20
 \$ 39.20

The rates shall be effective for service rendered as of the Commission's stamped approval date on the tariff sheets provided the customers have received notice. As the effective date of the new rates falls within a regular billing cycle, the initial bills at the new rate will be prorated for the month of December. The old charges shall be prorated based on the number of days in the billing cycle before the effective date of the new rates. The new rates shall be prorated based on the number of days in the billing cycle on or after the effective date of the new rates. This results in the following prorated charges billed for service for December 2019:

- Single Family Residential Homes \$36.57
- Las Olas Townhomes \$219.41
- Ocean Air \$621.65
- Seabridge North \$2,376.90
- Seabridge South \$2,559.74
- Restaurant \$511.95

Bills for January 2020 will be at the indexed rates shown in the table above. If you have any questions about your bill, please call North Peninsula Utilities Corporation at 386-677-7847. Please be sure to have your account number handy for quick reference.

North Peninsula Utilities Corporation

Exhibit N

EXHIBIT N

The best information currently available regarding the Net Book Value (“NBV”) of the assets that CSWR-Florida UOC proposes to acquire is North Peninsula’s 2020 Annual Report. As shown on pages F-1(a) and F-2(b) of that document (copies attached), as of December 31, 2020, the NBV of North Peninsula’s wastewater system was \$277,484 (Total Net Utility Plant less Total Net C.I.A.C.). However, based on the experience of CSWR operating affiliates outside Florida, annual reports and the books and records of selling utilities may not capture all investment that can be categorized as utility plant under the Uniform System of Accounts. Therefore, CSWR-Florida UOC will not be able to definitively determine NBV until a thorough post-closing review of relevant plant and accounting records is completed.

The agreed purchase price for North Peninsula’s assets, \$1,400,000, was reached through arms-length negotiations. CSWR-Florida UOC seeks recognition of the full purchase price in its rate base for future ratemaking purposes. Accordingly, CSWR-Florida UOC requests a positive acquisition adjustment for the difference between the purchase price and the NBV, based on extraordinary circumstances as provided in rule 25-30.0371, F.A.C. The financial strength and managerial and operational experience of CSWR will provide benefits to the customers of North Peninsula in terms of cost-efficiencies, quality of service improvements, improvements in regulatory compliance and rate stability over the long-term. CSWR has a proven track record in delivering on promises to improve utility service and customer satisfaction. The rule factors supporting the requested positive acquisition adjustment are discussed in more detail below.

COST EFFICIENCIES

CSWR’s size and its consolidation of many small systems under one financing and managerial entity will result in cost efficiencies in the operation of North Peninsula’s wastewater system, particularly in the areas of:

PSC and environmental regulatory reporting

Managerial and operational oversight

Utility asset planning

Engineering planning

Ongoing utility maintenance

Utility record keeping

Customer service responsiveness

Improved access to capital necessary to repair and upgrade North Peninsula to ensure compliance with all health and environmental requirements and ensure service to customers remains safe and reliable.

IMPROVEMENTS IN QUALITY OF SERVICE

Provision of 24-hour emergency service phone numbers to report service issues

On call emergency service personnel who are required to respond to emergency service calls within prescribed time limits

Utilization of a computerized maintenance management system that converts information into work orders creating a historical record of service issues to ensure that customer service personnel can quickly address service issues

Access to managerial and operational resources not generally available to a system the size of North Peninsula and the ability to supplement North Peninsula's local personnel with the resources of CSWR and other CSWR-owned systems

Online bill payment options

An updated website which provides another avenue for customer communication, bulletins on current service status, procedures for service initiation and discontinuation, and educational information relevant to utility service

ANTICIPATED IMPROVEMENTS IN COMPLIANCE WITH REGULATORY MANDATES

Necessary upgrades to the wastewater tanks, aeration system and clarifier and filtration system to comply with the operating permit.

Assessment of the compliance history of the wastewater system to identify improvements to achieve regulatory compliance and bring the system to a maintainable condition

Use of technology and innovation to quickly assess and invest in needed infrastructure to ensure regulatory and environmental standards are met and water resources are protected

RATE STABILITY OVER THE LONG TERM

Consolidation of the management and operation of various small water and wastewater systems into one entity allows each system to benefit from economies of scale that would otherwise not be available. Economies of scale will reduce ongoing costs and moderate the need for rate increases thus contributing to rate stability. Additionally, at the appropriate

time, CSWR anticipates proposing the use of consolidated or uniform rates for the Florida systems it operates. Use of uniform rates will also contribute to rate stabilization by reducing the number and frequency of rate cases and mitigation of rate shock that might result from capital investments necessary to meet environmental, health and regulatory standards. Uniform rates can also result in cost of capital savings by providing revenue stability that will reduce financial risk and in savings associated with rate collection.

Finally, the purchase price for the North Peninsula system includes funds to pay off long-term debt obligations of approximately \$1.082 million, which the seller accrued while owning and operating the wastewater system at issue in this application. The seller must retire that long-term debt at closing. Ensuring sale proceeds sufficient to achieve that objective was a major factor in the negotiation of an appropriate sale price.

UTILITY NAME: North Peninsula Utilities Corporation

YEAR OF REPORT December 31, 2020
--

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 942,885	\$ 976,952
108-110	Less: Accumulated Depreciation and Amortization	F-8	744,555	699,468
Net Plant			\$ 198,330	\$ 277,484
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 198,330	\$ 277,484
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ 0	\$ 0
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$ 0	\$ 0
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$ 0	\$ 0
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 5,056	\$ 8,060
132	Special Deposits	F-9	85	
133	Other Special Deposits	F-9	0	0
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	27,906	28,205
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Miscellaneous Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 33,047	\$ 36,265

* Not Applicable for Class B Utilities

UTILITY NAME: North Peninsula Utilities Corporation

YEAR OF REPORT December 31, 2020
--

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$ _____	\$ _____
182	Extraordinary Property Losses	F-13	_____	_____
183	Preliminary Survey & Investigation Charges		_____	_____
184	Clearing Accounts		_____	_____
185 *	Temporary Facilities		_____	_____
186	Miscellaneous Deferred Debits	F-14	92,666	61,777
187 *	Research & Development Expenditures		_____	_____
190	Accumulated Deferred Income Taxes		_____	_____
Total Deferred Debits			\$ 92,666	\$ 61,777
TOTAL ASSETS AND OTHER DEBITS			\$ 324,043	\$ 375,526

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet

UTILITY NAME: North Peninsula Utilities Corporation

YEAR OF REPORT December 31, 2020
--

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 100	\$ 100
204	Preferred Stock Issued	F-15	0	
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		400	400
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(951,926)	(992,455)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ (951,426)	\$ (991,955)
LONG TERM DEBT				
221	Bonds	F-15		0
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		0
224	Other Long Term Debt	F-17	1,001,825	1,082,504
Total Long Term Debt			\$ 1,001,825	\$ 1,082,504
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		39,949	36,560
232	Notes Payable	F-18	28,000	28,000
233	Accounts Payable to Associated Companies	F-18	194,487	208,584
234	Notes Payable to Associated Companies	F-18	0	0
235	Customer Deposits			
236	Accrued Taxes	W/S-3	10,492	11,138
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	0	
Total Current & Accrued Liabilities			\$ 272,928	\$ 284,282

* Not Applicable for Class B Utilities

UTILITY NAME: North Peninsula Utilities Corporation

YEAR OF REPORT December 31, 2020
--

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	_____	_____
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			\$ <u>0</u>	\$ <u>0</u>
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ <u>0</u>	\$ <u>0</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 641,756	\$ 641,756
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(641,040)	(641,061)
Total Net CIAC			\$ <u>716</u>	\$ <u>695</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		_____	_____
Total Accumulated Deferred Income Tax			\$ <u>0</u>	\$ <u>0</u>
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u>324,043</u>	\$ <u>375,526</u>

Exhibit O

EXHIBIT O

There are no outstanding regulatory assessment fees, fines, or refunds owed by the seller. Any such obligations that arise in the future must be fully satisfied prior to closing. CSWR-Florida UOC will become responsible for paying regulatory assessment fees and filing the annual report upon closing.

Exhibit P

EXHIBIT P

Although applicant does not own or operate other regulated utilities in Florida, customers currently served by North Peninsula would benefit from economies of scale and other advantages available from CSWR and affiliated utilities operating outside Florida.

Technical resources and operational expertise that would be available to CSWR-Florida already have greatly improved the quality of utility service provided to customers of affiliates in Missouri, Arkansas, Louisiana, and Kentucky. CSWR has on staff engineers and other trained and qualified personnel with experience in the design and operation of water and wastewater systems, and CSWR supplements those resources with qualified and licensed local contract operators who are responsible for day-to-day plant operations. Access to these and other resources available through its affiliation with CSWR would allow CSWR-Florida to achieve economies not generally available to similarly sized water and wastewater utilities. The affiliated group's business model makes this expertise and experience available to affiliates and does so through economies of scale that can be achieved because of CSWR's centralized management structure.

CSWR also has developed and implemented operating processes and technologies that improve service to customers. If authorized to make the acquisition proposed in this application, CSWR-Florida plans to implement operational changes specifically designed to improve and enhance customer service. Customers would have access to a 24-hour phone line to report any utility service issues. Information received from those calls would then be transferred into CSWR's computerized maintenance management system and converted into work orders, which creates a historical record of all reported service issues. The work order also ensures contracted customer service personnel can quickly commence work required to deal with issues affecting service efficiently and expeditiously.

CSWR-Florida also would ensure customers have access to customer service representatives during normal business hours to discuss customer concerns. Additionally, CSWR-Florida will establish a utility-specific webpage and dedicated email address to keep customers informed about their utility service. Information available on the website would include state mandated drinking water testing information, up-to-date website bulletins about current service status, and service initiation or discontinuance procedures. CSWR-Florida also will also implement a dedicated social media page to offer another avenue of communication with customers. CSWR-Florida also will offer online bill paying options to customers including e-checks, debit card, and credit cards.

Exhibit Q

EXHIBIT Q

NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER WASTEWATER CERTIFICATES OF AUTHORIZATION TO ANOTHER REGULATED UTILITY

DOCKET NO. 2021 _____

APPLICATION FOR TRANSFER OF WASTEWATER FACILITIES OF NORTH PENINSULA UTILITIES CORPORATION AND WASTEWATER CERTIFICATE 249-S TO CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC, IN VOLUSIA COUNTY

DATE OF CUSTOMER NOTICE — ___ / ___ / ___

Notice is hereby given that CSWR-Florida Utility Operating Company, LLC (“Central States Water Resources”), has filed an Application for Approval of Transfer of the Wastewater System of North Peninsula Utilities Corporation, in Volusia County, Florida, pursuant to Section 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code.

Central States Water Resources is not requesting a change to rates, classifications, charges, or rules and regulations; therefore, your current rates will not be affected by this transfer. The North Peninsula Utilities Corporation wastewater system provides service to Las Olas Townhomes, Ocean Air, Seabridge North, Seabridge South, and the surrounding community in the following described service territory in Volusia County, Florida:

The following are simplified legal descriptions of the Utility’s service territory. For the full legal descriptions, please contact Central States Water Resources at the contact information below.

LEGAL DESCRIPTION

Section 21, Township 13 South, Range 32 East, Volusia County, Florida.

Common Street Names Affected by Transfer: Kingston Shores, Coquina Key, John Anderson, Ormond Beach Plaza, Pelican Dunes, Peninsula Winds, Ocean Aire Terrace, Fairwinds Estate, Capistrano by the Sea, Avalon by the Sea, Atlantic Shores, Sandpiper Forest, Windswept Estates, and Beau Rivage Shores

For more information concerning this notice, please contact the Utility at the address below:

Central States Water Resources
1650 Des Peres Rd., Suite 303
St. Louis, MO 63131
Office: (314) 736-4672
Fax: (314) 736-4743
Email address: regulatory@cswrgroup.com

Any objection to the application must be made in writing and filed with the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, no later than thirty (30) days after the last date that the notice was mailed or published, whichever is later.

Exhibit R



[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Search by Entity Name](#) /

Detail by Entity Name

Florida Limited Liability Company
 CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC

Filing Information

Document Number	L21000150005
FEI/EIN Number	NONE
Date Filed	03/31/2021
Effective Date	03/31/2021
State	FL
Status	ACTIVE

Principal Address

1650 DES PERES RD.
 SUITE 303
 ST. LOUIS, MO 63131

Mailing Address

1650 DES PERES RD.
 SUITE 303
 ST. LOUIS, MO 63131

Registered Agent Name & Address

C T CORPORATION SYSTEMS
 1200 S PINE ISLAND ROAD
 PLANTATION, FL 33324

Authorized Person(s) Detail

Name & Address

Title MGR

CSWR-FLORIDA UTILITY HOLDING COMPANY, LLC
 1650 DES PERES RD., SUITE 303
 ST. LOUIS, MO 63131

Annual Reports

No Annual Reports Filed

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**Electronic Articles of Organization
For
Florida Limited Liability Company**

L21000150005
FILED 8:00 AM
March 31, 2021
Sec. Of State
jsdennis

Article I

The name of the Limited Liability Company is:

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC

Article II

The street address of the principal office of the Limited Liability Company is:

1650 DES PERES RD.
SUITE 303
ST. LOUIS, MO. US 63131

The mailing address of the Limited Liability Company is:

1650 DES PERES RD.
SUITE 303
ST. LOUIS, MO. US 63131

Article III

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

C T CORPORATION SYSTEMS
1200 S PINE ISLAND ROAD
PLANTATION, FL. 33324

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: ROSE SONG

Article IV

The name and address of person(s) authorized to manage LLC:

Title: MGR
CSWR-FLORIDA UTILITY HOLDING COMPANY, LLC
1650 DES PERES RD., SUITE 303
ST. LOUIS, MO. 63131 US

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Article V

The effective date for this Limited Liability Company shall be:

03/31/2021

Signature of member or an authorized representative

Electronic Signature: MADISON A WELDE

I am the member or authorized representative submitting these Articles of Organization 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 the LLC and every year thereafter to maintain "active" status.